



## AU SUMMIT ON INDUSTRIALIZATION AND ECONOMIC DIVERSIFICATION

Niamey, Niger, November 20<sup>th</sup> to 25<sup>th</sup>, 2022

### CONCEPT NOTE

#### UNIDO Virtual side event – Panel Discussion

#### ***South-South and triangular cooperation for harnessing opportunities of the African Continental Free Trade Area (AfCFTA)***

23 November 2022 14:00 – 15:30 CEST

### Background

The African Union Summit on Industrialization and Economic Diversification will be held from 20th to 25th November 2022 in Niamey, Niger (the “Summit”). The Summit will be convened under the theme: ***“Industrializing Africa: Renewed commitment towards an Inclusive and Sustainable Industrialization and Economic Diversification.”*** The Summit will take place as part of the Africa Industrialization Week’s annual activities. The Africa Industrialization Week provides an opportunity to key stakeholders to reflect on Africa’s industrialization by looking at how the continent can change its current status quo and bring together high-level representatives from African governments, the public and private sectors, civil society, and international organizations to discuss how to accelerate Africa’s industrialization and economic diversification.

Since 2018, the Africa Industrialization Week has been commemorated with weeklong events, marking a departure from the one-day tradition, and which affords more time to reflect and accelerate actions towards Africa’s structural transformation, as an enabler to meet the objectives of Agenda 2063, and SDGs, 2030.

One of the sub-themes of this year’s event is the African Continental Free Trade Area (AfCFTA) Agreement, which was launched on 1 January 2021. Once fully implemented, the AfCFTA will create a single African market for goods and services, covering an estimated 1.2 billion people with a combined GDP of over USD2.5 trillion across 55 member states.

The establishment of the AfCFTA follows a general tendency in global development of countries situated in the Global South<sup>1</sup> to contribute to economic growth and innovation by working together. The countries of the Global South have contributed to more than half of the world’s growth in recent years. Intra-South trade is higher than ever, accounting for more than a quarter of all world trade and the outflows of foreign direct investment from the Global South represent a third of the global flows.

The AfCFTA will contribute to this growth by establishing the world’s largest free trade area bringing together the 55 countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs) as one of the flagship projects of Agenda 2063: The Africa We Want, the African Union’s long-term development strategy for transforming the continent.

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<sup>1</sup> The Global South is a term often used to identify regions within Latin America, Asia, Africa, and Oceania.



Together with political dialogue and financial cooperation, South-South cooperation has enabled a large number of knowledge and expertise exchanges, as well as technology transfers and capacity building initiatives through programs and projects that have helped solving specific problems in the countries of the Global South.

To achieve the aspirations of the AfCFTA, Africa's industrialization and transformation agenda needs to be supported at the highest national, regional, continental, and global levels. Such a focus will be key to accelerate efforts in a selected number of key policy areas – such as energy and transport infrastructure, trade facilitation, financial sector development, education development, agro-industrial transformation, economic complexity, green industrialization and technological innovation and transformation. This will require the preparation of robust and rigorous bankability and feasibility studies that will de-risk markets and sectors culminating in the creation of a pipeline of well-structured projects to encourage private investors to enter markets where they are needed the most.

One of the tools to achieve the sustainable economic integration of the AfCFTA's signatory states could be employing the modality of South-South and triangular cooperation. SSTC as a modality for industrial development has the potential to provide complementary support to the implementation of the AfCFTA by bringing knowledge, capacity, finance, and technology together to assist African countries to build resilience, expand market access, facilitate access to essential goods and services and raise economic growth and productivity.

Financial institutions, such as the Afreximbank, have also an important role to play in this process and have been at the forefront in championing the operationalization of the AfCFTA through the rollout of various products and services that drive trade and industrial development across the continent.

In order to explore the potential of SSTC and project preparation as modalities to support the successful implementation of the AfCFTA, UNIDO is hosting a virtual side-event under the theme: *"Africa's Industrialization and Economic Diversification through South-South and Triangular Industrial Cooperation (SSTIC): Harnessing opportunities provided by AfCFTA"*.

The event will bring together SSTC, industrial development and project preparation experts to discuss how to effectively utilize the South-South modality to support the practical implementation of the AfCFTA as well as economic diversification and sustainable industrial development in Africa. The event will also focus on the importance of capacity building and technology transfer in the African continent and will discuss some key challenges and lessons learned from previous efforts in this area.

### **Main Organizer**

- ***United Nations Industrial Development Organization (UNIDO)***

The United Nations Industrial Development Organization (UNIDO) is the specialized agency of the United Nations with a unique mandate to promote and accelerate sustainable industrial and economic development. UNIDO supports countries to industrialize in ways that foster digital and green transitions and accelerate progress with the Sustainable Development Goals. UNIDO is offering SSTIC as a key complementary modality to traditional development assistance that can facilitate the transfer of industrial technologies and capacity building services based on the lessons learned by developing countries in their specific country context. This side event follows the establishment of the UNIDO Office of South-South and Triangular Cooperation (ODG/OSC) in February 2022, which placed a



renewed emphasis on promoting and supporting South-South and triangular cooperation for industrial development.

### Co-Organizing Institutions

- ***African Export-Import Bank (Afreximbank)***

African Export-Import Bank (Afreximbank) is a Pan-African multilateral financial institution mandated to finance and promote intra-and extra-African trade. Afreximbank deploys innovative structures to deliver financing solutions that support the transformation of the structure of Africa's trade, accelerating industrialization and intra-regional trade, thereby boosting economic expansion in Africa. A stalwart supporter of the African Continental Free Trade Agreement (AfCFTA), Afreximbank has launched a Pan-African Payment and Settlement System (PAPSS) that was adopted by the African Union (AU) as the payment and settlement platform to underpin the implementation of the AfCFTA. Afreximbank is working with the AU and the AfCFTA Secretariat to develop an Adjustment Facility to support countries in effectively participating in the AfCFTA. At the end of 2021, the Bank's total assets and guarantees stood at about US\$25 billion, and its shareholder funds amounted to US\$4 billion. Afreximbank disbursed more than US\$51 billion between 2016 and 2021. The Bank has ratings assigned by GCR (international scale) (A), Moody's (Baa1), Japan Credit Rating Agency (JCR) (A-) and Fitch (BBB). The Bank is headquartered in Cairo, Egypt.

- ***United Nations Office for South-South Cooperation (UNOSSC)***

The United Nations Office for South-South Cooperation (UNOSSC) was established to promote, coordinate and support South-South and triangular cooperation globally and within the United Nations system. UNOSSC, hosted by UNDP since 1974, was established by the UN General Assembly with a mandate to advocate for and coordinate South-South and triangular cooperation on a global and UN system-wide basis. UNOSSC receives policy directives and guidance from the General Assembly and through its subsidiary body, the High-level Committee on South-South Cooperation. The UNOSSC Strategic Framework is presented every four years to the Executive Board of UNDP, UNFPA, and UNOPS. The Director reports to the UNDP Administrator and has also been appointed Envoy of the Secretary-General on South-South Cooperation.

- ***Organisation of African, Caribbean and Pacific States (OACPS)***

The Organisation of African, Caribbean and Pacific States (OACPS), formerly known as the African, Caribbean and Pacific (ACP) Group of States, is an organisation created by the Georgetown Agreement in 1975. It is composed of 79 African, Caribbean and Pacific states, with all of them, save Cuba, signatories to the Cotonou Agreement, also known as the "ACP-EC Partnership Agreement" which binds them to the European Union. There are 48 countries from Sub-Saharan Africa, 16 from the Caribbean and 15 from the Pacific. The African, Caribbean and Pacific Information Centre for South-South and Triangular Cooperation was inaugurated on 5 October 2018 in Malabo, Equatorial Guinea. The Centre in Malabo is important for the ACP Group both for its uniqueness in being the first ever representation of the ACP Group in a Member State as well as for being a milestone in the promotion and implementation of South-South and Triangular Cooperation.

## An opportune time for South-South and Triangular Industrial Cooperation (SSTIC)

While South-South and triangular cooperation has a longstanding history there are several factors which make the hosting of this side event timely:

- Regarding intra-African cooperation, the AU has already made substantial headway with the signing of the African Continental Free Trade Agreement (AfCFTA) which was signed by 43 African states as of July 2022 to enhance intra-African cooperation in the areas of trade and investment. SSTIC could be an additional supporting modality to complement these efforts.
- On the international level, SSTIC was also given new impetus by the Buenos Aires outcome<sup>i</sup> document of the second High-level United Nations Conference on South-South Cooperation. The representatives of 160 countries endorsed the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA +40) outcome document on 15<sup>th</sup> April 2019 in the General Assembly. Considering resource shortages and a shifting geopolitical environment, this result document urges for more cooperation to advance the role of South-South and triangular cooperation in the implementation of Agenda 2030 as well as Agenda 2063.
- SSTICSSTIC and project preparation facilities can also play an essential role as part of African countries' overall strategy for their economic recovery efforts following the COVID-19 pandemic. For countries of the Global South, this crisis could be an opportunity to leverage the potential of regional trade, investment and economic integration among Southern partners to support local SMEs and strengthen regional supply chains.
- UNIDO currently manages a portfolio of about 30 Technical Cooperation projects that contain SSTIC elements in Africa. Building on these projects, SSTIC could contribute to achieving Agenda 2063 by sharing knowledge and resources, as well as to industrial development solutions that are adaptable to various country contexts.
- Afreximbank launched its project preparation facility in 2018 and, over the last four years, has been entering into Joint Project Preparation Facility partnerships with several financial institutions to crowding in like-minded partners into the project preparation space across the continent. This event presents an opportunity for Afreximbank to raise awareness of this intervention and the catalytical role it can play in boosting industrialization.

### Objectives of the side event

- Awareness raising on the potential of SSTIC in Africa for industrialization and economic diversification
- Promote SSTIC as complementary development modality to traditional development assistance
- Explore and discuss ways to enhance SSTIC's challenges and opportunities in the context of AfCFTA
- Showcase evidence based on best practices and relevant industrial development solutions developed through UNIDO projects among African countries
  - Case study – Sustainable Textile Investment and Operations in Ethiopia
  - Case study - Global Network of Regional Sustainable Energy Centres
- Support African governments in their commitment to promoting and implementing SSTIC projects in Africa
- Highlight the role that multilateral organizations such as UNIDO, UNOSSC and OACPS can play in facilitating South-South cooperation.

- Promote awareness of the Afreximbank's project preparation intervention and role in driving industrial development and export diversification

### Guiding Questions

- Technology transfer, capacity building and knowledge exchange are the key elements in every SSTIC initiative. How can they be effectively utilized to overcome sector specific challenges in the implementation of the AfCFTA?
- What are the concrete needs of African stakeholders that can be addressed through the SSTIC modality for an effective implementation of the AfCFTA?
- What are the main challenges and lessons learned through previous SSTIC interventions, especially in the African continent?
- What role can Development Finance Institutions (DFIs) and other financial institutions play in facilitating intra-African exchange of knowledge, technology and capacities?
- What are the main expectations of stakeholders from multilateral organizations such as UNIDO in the area of SSTIC?
- How can multilateral organizations and financial institutions collaborate to spur industrialization on the continent?

### Expected Outcomes

- *Identify concrete actions and opportunities for SSTIC to support the implementation of the AfCFTA*
- *Raised awareness of African stakeholders for the potential of SSTIC in industrial development*
- *Renewed commitment of stakeholders in the Global South to support the implementation of Agenda 2063*
- *Gathering concrete recommendations to inform the formulation of SSTIC strategies*
- *Increased awareness of the multifaceted role of financial institutions and multilateral organizations in spurring industrialization and export diversification activities*

## Agenda

<b>South-South and Triangular Cooperation for harnessing opportunities of the African Continental Free Trade Area (AfCFTA)</b> <b>23 November 2022 14:00 – 15:30 CEST</b>	
14:00	<b>Opening Remarks</b> <ul style="list-style-type: none"> <li>▪ <i>Ms. Fatou Haidara, Managing Director, Global Partnerships and External Relations, UNIDO (Pre-recorded video message)</i></li> <li>▪ <i>Mrs. Oluranti Doherty, Director Export Development, AFREXIMBANK</i></li> </ul>
14:10	<b>Scene setting</b>
14:15	<b>Discussion</b> <ul style="list-style-type: none"> <li> <b><u>Panelists</u></b> <ul style="list-style-type: none"> <li>▪ Mr. Shenhong Yao – Director, Office of South-South and Triangular Cooperation, UNIDO</li> <li>▪ Mr. Denis Nkala – Chief, Intergovernmental and UN System Affairs, UNOSSC</li> <li>▪ Mr. Patrice Niyongabo – Head, Centre for South-South and Triangular Cooperation, OACPS</li> <li>▪ Ms. Karin Costa Vazquez – International Expert in SSTIC</li> <li>▪ Mr. Zitto Alfayo – Head of Project Preparation, Afreximbank</li> <li>▪ Mr. Sileshi Lemma – Deputy Director General, Manufacturing Industry Development Institute, Ethiopia</li> </ul> </li> <li> <b><u>Presentation of Good Practices</u></b> <ul style="list-style-type: none"> <li>▪ Mr. Jinjiang Yang – Industrial Development Officer, UNIDO</li> <li>▪ Mr. Martin Lugmayr – Sustainable Energy Expert, UNIDO</li> </ul> </li> <li> <b><u>Moderator/Facilitator</u></b> <ul style="list-style-type: none"> <li>▪ Mr. Pradeep Paulose - Programme Officer, Office of South-South and Triangular Cooperation, UNIDO</li> </ul> </li> </ul>
15:20	<b>Q &amp; A</b>
	<b>Closing remarks</b>

## Keynote speakers

### Ms. Fatou Haidara – Managing Director, Global Partnerships and External Relations, UNIDO



Fatou Haidara, Managing Director of the Directorate of Global Partnerships and External Relations at UNIDO, has had an extensive career as a strategic partnerships and policy envoy. Prior to joining UNIDO, she served the Government of Mali for eight years in several ministerial positions, including as Minister of Employment and Vocational Training and Minister of Industry, Trade and Private Sector Development. She was the youngest Minister appointed in the history of Mali, at the age of 29. At UNIDO, Ms. Haidara led and coordinated UNIDO’s contribution in a number of multi-lateral negotiations culminating in resolutions that have set the foundation for inclusive and sustainable industrial development (ISID); notably, the Istanbul Plan of Action for LDCs and the Lima Declaration. She has promoted and contributed to UNIDO’s programmes in Africa, cooperation with Least Developed Countries, expanding South-South Cooperation as well as initiating and leading programmes for Human Security, Youth Employment and the Economic Empowerment of Women.

### Ms. Oluranti Doherty – Director, Export Development, Afreximbank



In her current role, she oversees the Bank’s products, initiatives and programmes that support the development of export related projects in light and heavy manufacturing, agro-processing, extractives, hospitality and healthcare sectors. She also oversees the Bank’s product and initiative which supports the development of Industrial Parks (“IPs”) and Special Economic Zones (“SEZs”) across Africa.

Ms. Doherty has over 19 years’ work experience that cuts across Financial and Management Advisory, Project Finance, Project Development, Credit Analysis and Structuring. She has a good knowledge of project and infrastructure financing having spent the last 10 years originating, structuring and funding transactions across African countries in collaboration with local and regional financial institutions, international banks as well as regional and international Development Finance Institutions (DFIs)/Multilateral Finance Institutions (MFIs).

Ms. Doherty holds a Master’s Degree in Finance from the University of Leicester, UK and Bachelor’s Degree in Accounting from Olabisi Onabanjo University, Ogun State, Nigeria. Oluranti is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN).

## Panelists

### Mr. Shenhong Yao – Director, Office of South-South and Triangular Cooperation, UNIDO



Director, UNIDO office of South-South and Triangular Cooperation and was the Chief of Cabinet in the office of the Director General in 2021. Prior to his joining UNIDO, he was the Minister Counsellor of the Chinese Permanent Mission to UNIDO.

Mr. Yao was the Director General of China International Center for Economic and Technical Exchanges (CICETE) under the Ministry of Commerce from 2008 to 2016. CICETE is one of the key agencies in China to cooperate with UNIDO on various technical cooperation programs.

He got his EMBA from China Europe International Business School, and Master of Economics from Nankai University. In 2015, he joined the Executive Program of Harvard Kennedy School.

### Mr. Denis Nkala – Chief, Intergovernmental and UN System Affairs, UNOSSC



Denis Nkala is the Chief for Intergovernmental and UN Systems Affairs in the UN Office for South-South Cooperation based in New York (USA). He assumed this position in August 2022. Before that he served as the Regional Coordinator (Asia-Pacific) for UNOSSC. His previous engagements include the position of Assistant Programme Director for the Electricity Network Rehabilitation Programme (ENRP) in Erbil, Northern Iraq; Programme Coordinator (Assistant Resident Representative) in the Zimbabwe UNDP Country Office; Chief Economist at the Zimbabwe Electricity Supply Authority in Zimbabwe; and Financial Manager, Mobil Oil Zimbabwe.

Mr Nkala attained a B. Sc. in Business Administration (Accounting) and Economics at the California State University in Sacramento; an M. Sc. in Applied Economics at the University of California, Santa Cruz, and a Ph. D. in Applied Management and Decision Sciences from Walden University, Minnesota. He has published several articles on South-South and triangular cooperation and overseen the compilation of numerous knowledge products on South-South Cooperation.

### Mr. Zitto Alfayo – Head of Project Preparation, Afreximbank



Zitto is a career development banker with indepth experiences across the full project finance value chain encompassing, financial advisory, corporate and project finance and structured trade finance.

In his current role as Head of Project Preparation at Afreximbank, he is leading Afreximbank's upstream interventions aimed at promoting Intra-African Trade, Industrialization and Export Development activities. Prior to his current appointment, Zitto spent 5 years as a member of Afreximbank's project and asset-based finance team. In this role, he was instrumental in motivating various landmark infrastructure related projects across the continent. Notable transactions include the Mozambique LNG project, Nouvelle Gabon Mining and ZimBorders

Prior to joining Afreximbank, he worked for 8 years at the Trade and Development Bank in the project and infrastructure department. Zitto holds an MBA from Strathmore Business School, Executive MBA from IESE Business School and a BSC Electronics Engineering from the Jomo Kenyatta University of

Agriculture and Technology. He is also Certified Public Accountant. He has attended various leadership courses from leading institutions such as Harvard Business School.

**Mr. Patrice Niyongabo – Head, Centre for South-South and Triangular Cooperation, OACPS**



Mr. Patrice NIYONGABO is currently heading the OACPS Centre for South-South and Triangular Cooperation, being the first Director of this new OACPS institution since its operationalization in September 2020.

A citizen of Burundi, Mr. Niyongabo has extensive experience and knowledge of Africa, having worked extensively within Africa and Europe. A graduate of the Economics School of Louvain, Catholic University of Louvain-La Neuve, in Belgium, Mr. Niyongabo has over 20 years working experience in corporate management, trade and regional integration; Projects & Programme development and management; strategic planning and partnership building. He has also considerable experience of working at senior managerial level in national, regional, and international organizations. Before joining the OACPS, he served as Deputy Executive Secretary of the East African Community-Lake Victoria Basin Commission where he spearheaded implementation of several transboundary Projects and Programmes, as well as serviced policy and strategic dialogues on regional integration, diplomatic matters, and strategic partnership.

Mr. Niyongabo also has a great experience in private sector where he worked at different senior positions with international consulting industry in Europe and Africa.

**Prof. Karin Costa Vazquez – International Expert in SSTIC**



Karin Costa Vazquez is Non-Resident Senior Fellow at the Center for China and Globalization, Fudan Scholar at Fudan University, and Associate Professor and Assistant Dean at O.P. Jindal Global University, where she leads the first center for African, Latin American and Caribbean Studies at an Indian private university. Prof. Vazquez has advised UN entities and development finance institutions worldwide and led high-profile initiatives, including the 2022-2025 Strategic Framework of the UN Office for South-South Cooperation and the Brazilian Development Association 2030 Sustainable Development Plan to catalyze US\$ 380 billion in investments by 32 development finance institutions to the implementation of the Sustainable Development Goals. In the government, she directed a UK fund to support Brazil's transition to a low-carbon, high-growth economy and represented the Brazilian Ministry of Foreign Affairs in multilateral negotiations.

Prof. Vazquez contributes regularly to some of the world's leading media outlets, scientific journals, and think tanks on issues like international cooperation and finance, sustainable development, and international political economy, with a focus on Brazil, China, India, and the new multilateral development banks. Her most recent publications include the articles New Asian Development Finance (IDS Bulletin), Brazil and BRICS multilateralism à la carte: from bilateralism to community interest (Global Policy), Up or out: how China's decarbonization will redefine trade, investments, and external relations (Turin University), and the book chapter Brazil-China relations: contestation, adaptation, or transformation? (Palgrave Macmillan).

**Mr. Jinjiang Yan – Industrial Development Officer, UNIDO**



Mr. YAN, Jinjiang starts his career at the private sector and is a globally experienced technology and innovation researcher with more than 20-year track record associated with textile product and process research and development. He serves as Regional Director of Advanced Textile Innovation Center of Multinational Corporation, a leading manufacturer and brand focused on the innovative technology and product. Mr. Jinjiang YAN was built upon his experience and expertise as a technology leader on product development with natural and synthetic fibers, test methodology and quality standard research, application and processing development, emerging technology trends and sustainability. He also led the application development team and was in charge of the site operation to drive a sustainable growth strategy by focusing on the innovation and ESG performance.

Mr. YAN, Jinjiang now services as Industrial Development Officer at Rural Development, Agroindustries and Industrial Parks Unit, Division of Agribusiness and Infrastructure Development, Directorate of SDG Innovation and Economic Transformation. He works in the headquarter of UNIDO in Vienna and focus on strategic technical interventions on cotton, textile and garment industries.

Mr. Jinjiang Yan holds a joint PhD degree in textile science and engineering from Donghua University in China and University of Texas at Austin in United States.

**Mr. Martin Lugmayr – Sustainable Energy Expert, UNIDO**



The UNIDO expert manages a broad range of sustainable energy projects in LDCs and SIDS and is coordinating the expansion of the Global Network of Regional Sustainable Energy Centers Programme. For several years he worked as technical UNIDO expert in Praia, Cape Verde, to assist the ECOWAS Commission in the establishment of the ECOWAS Center for Renewable Energy and Energy Efficiency (ECREEE) and its flag-ship programs.

From 2004 to 2010, the expert was in charge of the energy program at the Austrian Development Agency (ADA) and worked on international energy policy issues at the Development Cooperation Department of Austrian Ministry for Foreign Affairs. Before he was expert and lecturer on European Integration and EU-Enlargement issues and media consultant. Mr. Lugmayr holds a MSc in Renewable Energy Technologies of the Vienna University of Technology and a MA in Political Science of the University of Innsbruck.

**Mr. Sileshi Lemma – Deputy Director General, Manufacturing Industry Development Institute, Ethiopia (TBC)**

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