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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/77/150](#).



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 the implementation of the Third Industrial Development Decade for Africa (2016–2025), covering the period from July 2021 to June 2022. It gives a summary of progress achieved and showcases selected activities by implementing partners and specialized agencies to accelerate the industrialization of Africa. The report demonstrates the continued cooperation of the international community with its African counterparts to mobilize technical and financial resources for the sustainable industrial development of Africa, particularly in this challenging time of the coronavirus disease (COVID-19) pandemic, ongoing conflicts and global crises.

A. Status of industrial development in Africa

2. In 2021, Africa's economy slowly started to recover from the pandemic-induced slump seen in 2020. The lifting of COVID-19 restrictions rejuvenated global demand and improved trade flows. Rising domestic consumption and higher commodity prices also helped to boost output. According to estimates from the United Nations Industrial Development Organization (UNIDO), the continent's real gross domestic product (GDP) grew by 5.5 per cent in 2021, compared with a contraction of 1.5 per cent in 2020.

3. UNIDO statistics for Africa show a rise in manufacturing activity of 4.9 per cent in 2021, compared with a sharp decline of 6.6 per cent in 2020. In the first quarter of 2022, manufacturing increased by 4.2 per cent year-on-year. Nigeria and South Africa, two of the largest manufacturing countries on the continent, showed stable growth rates of 4.9 per cent and 0.8 per cent, respectively. Africa's share in world manufacturing value added remained stable at 1.8 per cent in the first quarter of 2022.

4. Nonetheless, Africa remains vulnerable to external shocks. Compounded by ongoing structural challenges, the impact of both political and economic volatility is expected to dampen the pace of industrialization in 2022. The emergence of new variants of COVID-19, slowing global demand, inflationary pressures and rising interest rates have already hampered the recovery. High energy and food prices and supply chain disruptions, further fuelled by the conflict in Ukraine, are putting pressure on fiscal budgets, posing greater problems for highly indebted countries. Africa's GDP growth is expected to decrease to 3.7 per cent in 2022. In addition, according to the African Development Bank (AfDB), the economic consequences of the conflict could push 1.8 million Africans into extreme poverty in 2022 and another 2.1 million in 2023 on top of the 30 million added in 2021, making the goals of the 2030 Agenda for Sustainable Development even harder to achieve.

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

1. COVID-19 pandemic and conflict in Europe

5. During the reporting period, Africa entered a fourth wave of COVID-19 infections, with a surge in reported cases in early 2022. However, relative to other regions, the health impact of the virus has been more muted than initially feared, and less severe than the socioeconomic impacts felt across the African continent. According to the Africa Centres for Disease Control and Prevention, as at 1 August 2022, Africa accounted for approximately 255,000 COVID-19-related deaths, with 19.5 per cent of the population fully vaccinated. Governments are working with international partners to advance vaccine manufacturing in Nigeria, Senegal and South Africa, which could eventually reduce the dependence on foreign supply. At present, 99 per cent of vaccines have been imported.

6. The conflict in Ukraine is accelerating pre-existing economic challenges such as supply chain disruptions and rising prices of oil and gas, as well as cereals and edible oils. As observed in the *Regional Economic Outlook for Sub-Saharan Africa* (International Monetary Fund, 2022), risks are higher for countries importing fuel, food and intermediate goods for manufacturing, compared with resource-exporting countries benefiting from rising commodity prices. According to figures released by AfDB, there is an estimated 45 per cent increase in the price of wheat since the conflict in Ukraine began in February 2022, with significant impacts in importing countries. According to AfDB, Africa now faces a shortage of at least 30 million tons of food, especially wheat, maize and soybeans. There is a shortfall of 2 million tons of fertilizer, with a 300 per cent increase in prices. Unless the fertilizer deficit is filled, food production in Africa will decline by at least 20 per cent and the continent could lose over \$11 billion in the value of food production.

2. African Continental Free Trade Area

7. The impact of COVID-19 stalled the progress of the second stage of negotiations of the African Continental Free Trade Area, comprising competition policy, investment protection and intellectual property rights. However, there were important advancements on the agreement during the reporting period. In January 2022, signatories agreed to rules of origin for 87.8 per cent of tariff lines, including consensus on over 80 per cent of the 8,000 products listed under the World Customs Organization harmonized system of rules of origin and tariffs. A dispute settlement body has also been set up to administer the Protocol on Rules and Procedures on the Settlement of Disputes.

8. In support of an adjustment facility for the African Continental Free Trade Area, its secretariat and the African Export-Import Bank have raised \$1 billion to help cushion the fiscal effects of tariff loss in member countries. The Pan-African Payment and Settlement System, launched in January 2022, is expected to boost intra-African trade by facilitating cross-border payments in African currencies, saving African traders an anticipated \$5 billion annually. By May 2022, 43 of the 54 signatories had ratified the Agreement Establishing the African Continental Free Trade Area.

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

A. Agribusiness and rural development

9. During the reporting period, UNIDO implemented a number of projects to boost agribusiness and agro-industry. In Egypt, it provided technical assistance to 7,000 small-scale cotton farmers focused on meeting quality and environmental standards set by the Better Cotton Initiative, a worldwide framework for sustainability and licensing. More than 1,600 farmers obtained licences from the Better Cotton Initiative, with another 3,600 moving towards this goal. In Ghana, a new \$3.65 million project funded by Japan was launched to strengthen the rice value chain through training on quality assurance, productivity and business competitiveness for farmers, agribusiness traders, crop processors and public institutions. In Mozambique, UNIDO implemented a \$3.9 million project to improve targeted agro-value chains, such as specialty coffee.

10. The Food and Agriculture Organization of the United Nations (FAO), in collaboration with the Organization of African, Caribbean and Pacific States, continued to implement the “FISH4ACP” programme in eight African countries (Côte d’Ivoire, Gambia, Nigeria, Sao Tome and Principe, Senegal, United Republic of

Tanzania, Zambia and Zimbabwe). With funding from Germany and the European Union, in-depth analyses were conducted with the aim of identifying the main challenges and opportunities to make selected value chains more sustainable.

11. The International Fund for Agricultural Development (IFAD) partnered with the Government of Burundi to support smallholder inclusion in rice and dairy value chains through measures including financing hydro-agricultural infrastructure, rehabilitating marshlands for rice production, and distributing cows and heifers for milk production. Some 225,000 rural people are expected to enjoy improved livelihoods thanks to the project, which will end in 2022. In Uganda, IFAD worked with the European Union on the implementation of the Uganda Yield Fund, an innovative social impact investment fund to support small and medium-sized agribusinesses, which to date has provided \$5.5 million in support.

12. In December 2021, the International Labour Organization (ILO), IFAD and the United Nations Development Programme (UNDP) partnered to implement a joint \$20 million initiative focused on improving food security, income and resilience among targeted rural households in South Sudan. The initiative, part of the Global Agriculture and Food Security Programme, will directly target 37,500 poor households, reaching approximately 221,250 people.

13. The United Nations Office for Project Services (UNOPS) continued to collaborate with the Governments of the Niger and the United States of America in implementing a \$437 million programme to promote access to water and develop sustainable agriculture. UNOPS provided technical assistance on the management and development of agricultural infrastructure. As a result of this collaboration, it is expected that 5,052 ha of irrigated land and roads will have been rehabilitated, resilience to climate disasters will have improved and access to markets and income-generating activities will have increased by March 2023.

B. Trade capacity-building

14. During the reporting period, UNIDO continued to implement a range of projects in support of trade capacity-building. In the United Republic of Tanzania, a \$7.5 million programme for quality standards and compliance was launched in January 2022. In Ethiopia, UNIDO initiated a \$1.9 million project to develop high-value export opportunities for honey through compliance with European Union market access and quality requirements. In Ghana, under its Global Quality and Standards Programme, UNIDO strengthened the quality and standards compliance capacity of small and medium-sized enterprises in the cashew, palm oil and cocoa value chains. Thirteen new standards were developed, while seven standards were revised.

15. The International Trade Centre (ITC) implemented the Global Textiles and Clothing Programme, which helped to raise sectoral export competitiveness in Egypt, Madagascar, Morocco and Tunisia. Overall, the beneficiary countries increased their exports by \$895 million, while beneficiary companies supported directly by the project increased exports by \$75 million, which led to significant job creation. In Cameroon, the Comoros, Côte d'Ivoire, Ghana, Madagascar, Seychelles and Zimbabwe, ITC supported job creation by expanding trade opportunities with the United Kingdom of Great Britain and Northern Ireland and Europe through economic partnership agreements with micro-, small and medium-sized enterprises, particularly in the food and clothing sectors.

16. In December 2021, UNIDO, ILO, ITC, the United Nations Conference on Trade and Development (UNCTAD), the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the World Trade Organization (WTO), the Enhanced Integrated

Framework and the World Association of Investment Promotion Agencies jointly established a \$2 million programme to assist investment promotion agencies from the least developed countries by providing tailored capacity-building activities to help attract investment.

17. In November 2021, AfDB approved the second phase of the multinational Madagascar-Beira port corridor development and trade facilitation project, with funding of UA 11 million. The project will connect the southern African region through road and port facilities, creating a logistics hub that will reduce transaction costs and promote increased trade and regional integration. In addition, AfDB helped with the establishment of key structures and documentation of the African Continental Free Trade Area on trade facilitation, customs, cooperation and transit, certificate of origin and supplier declaration procedures for products from the States parties to the Agreement Establishing the Area.

18. In March 2022, the Economic Commission for Africa (ECA) joined the International Islamic Trade Finance Corporation and the Enhanced Integrated Framework on a new project aimed at helping with the implementation of the African Continental Free Trade Area in eight countries. The \$1.5 million project will support over 30 trade-related activities in Burkina Faso, Côte d'Ivoire, Guinea, Mauritania, the Niger, Senegal, Togo and Tunisia and could help to boost regional trade levels by 18–25 per cent within a decade.

C. Entrepreneurship and skills development

19. In February 2022, UNIDO launched a \$5.3 million project supported by the European Union in Somalia with the aim of driving entrepreneurship by creating business incubators geared towards promoting inclusive initiatives that boost economic opportunities, in particular for young women. In Ethiopia, UNIDO implemented a \$1.7 million project on sustaining businesses and protecting jobs in the informal economy in collaboration with UNDP, ILO and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). The project targeted the micro-, small and medium-sized enterprises operating in the leather sector, which were badly affected by the COVID-19 pandemic. In an effort to help recover productive capacity and maintain jobs, essential inputs were delivered to 237 small and medium-sized enterprises, while a further 177 small and medium-sized enterprises received help to access the local market.

20. ILO continued to implement business development services programmes in various countries, including Botswana, Egypt, Ethiopia, Kenya, Morocco, Namibia, Nigeria, Sierra Leone, Somalia, South Africa, the Sudan, Tunisia, Uganda and the United Republic of Tanzania. In Ethiopia, 49 factories in the garment and textile supply chain received assistance to comply with international labour standards in areas such as occupational safety and health. A total of 14,286 workers from 46 domestic textile and garment factories were also supported. In Zimbabwe, two anchor enterprises for processing mopane worms were supported and received equipment valued at \$1.4 million.

21. ITC implemented a youth empowerment project in the Gambia that provided agribusiness companies in the groundnut sector with equipment and training. As a result, over 1,000 jobs were created, with over \$8 million in income generated.

22. In May 2022, the International Telecommunication Union (ITU), in collaboration with UN-Women, the African Union Commission, the United Nations Educational, Scientific and Cultural Organization, ECA and the United Nations Children's Fund (UNICEF), launched the second phase of the African Girls Can Code initiative. The project is expected to equip 2,000 African women and girls between

the ages of 17 and 25 with digital literacy skills, putting them on track for careers in the information and communications technology sector. ITU also collaborated with UNDP and the World Food Programme (WFP) to launch the second phase of the Digital Transformation Centres Initiative in March 2022, with the aim of boosting digital skills in marginalized groups and rural communities. The initial phase, which ended in August 2021, provided training for 106,388 participants, including 26,679 in Africa.

23. The Department of Economic and Social Affairs of the Secretariat launched a project to strengthen national capacities to enhance the resilience of micro-, small and medium-sized enterprises. The project, funded by the United Nations peace and development trust fund, will help policymakers to design and deliver effective policy measures, and improve financial, market and technical knowledge, in particular for women and young entrepreneurs. It will be implemented from 2022 to 2024 in nine pilot countries, including Ethiopia, the Gambia, Kenya, Madagascar and Zimbabwe.

24. In December 2021, IFAD approved a rural entrepreneurship development programme to improve rural livelihoods in selected value chains in Burundi, with a specific focus on youth and women's entrepreneurship. Activities include establishing youth business start-up and accelerator platforms, business development services and coaching support. Over the next seven years, it is expected that 85,000 beneficiaries will be reached through the project.

D. Industrial policy and statistics

25. In January 2022, UNIDO, the African Union Commission, the African Union Development Agency-New Partnership for Africa's Development (NEPAD) and AfDB initiated collaboration on the development of a joint programme aimed at establishing an African industry observatory. The observatory will consist of a central online platform providing regular industrial information and data; an index tracking Africa's industrialization; an investment-monitoring platform showcasing industrial investment opportunities; and an annual Africa industrial development report. It is expected to be launched in November 2022 at the African Union Summit on Industrialization and Economic Diversification in Niamey.

26. ITC, in collaboration with the African Union Commission and the European Union, released a new module of the African Trade Observatory dashboard called "Monitor", which provides policymakers with relevant indicators to analyse regional trade integration and the impact of the African Continental Free Trade Area. The African Trade Observatory is one of the five operational instruments of the Area and provides free trade intelligence to businesses, business service organizations and policymakers. In January 2022, the Office of the Special Adviser on Africa collaborated with the African Continental Free Trade Area secretariat on developing a policy brief on the Area which assesses its potential contribution to inclusive growth and sustainable development, including its expected impact on structural transformation and economic diversification.

27. The East African Community continued to strengthen regional quality infrastructure in the leather, pharmaceutical, fruits and vegetable sectors, where a tool was developed with support from the German Metrology Institute to help small and medium-sized enterprises to identify quality gaps and assess the costs and benefits of implementing quality management systems in the leather value chain. In January 2022, the East African Community unveiled its strategic plan to increase fruit and vegetable production from the current \$9.9 million to \$25 million by 2031.

28. In November 2021, the World Bank published a study entitled *Industrialization in Sub-Saharan Africa: Seizing Opportunities in Global Value Chains*. A related

policy brief, “Industrialization remains viable in sub-Saharan Africa: rethinking policy priorities in the context of GVCs”, was issued in December 2021, and key policy insights were presented to advisers in the Chief Economists of Government network comprising 38 African countries.

29. The World Tourism Organization helped in formulating tourism policy and master plans, strengthening tourism statistics and conducting value chain analyses in 16 countries – Angola, Benin, Botswana, the Comoros, Lesotho, Liberia, Malawi, Morocco, Namibia, the Republic of the Congo, Seychelles, South Africa, Tunisia, the United Republic of Tanzania, Zambia and Zimbabwe – supporting the sector’s role in economic transformation and socioeconomic recovery.

30. The Technology Bank for the Least Developed Countries, in partnership with the World Eco-Design Conference, launched an industrial design skills initiative with the International School of Design at Zhejiang University, China, to support students from the least developed countries, including African countries. This resulted in 50 scholarships being awarded to students from the least developed countries so that the students can undertake a master’s level degree, valued at approximately \$250,000. The Bank also continued to implement the technology needs assessment programme and to undertake diagnostic work to validate the technology needs of the least developed countries, including Benin, Djibouti, Mozambique, Senegal and Sierra Leone.

E. Special economic zones and industrial parks

31. In December 2021, UNIDO signed a \$2.1 million technical assistance deal with Ethiopia aimed at establishing quality management and traceability systems and gender inclusion initiatives and promoting the circular economy. Funded by Italy, it will contribute to agro-industrial sector growth, decent jobs and economic opportunities within the framework of the established pilot integrated agro-industrial parks. In Senegal, the second phase of the integrated industrial park in Diamniadio was launched in July 2021 with financial support from the Export-Import Bank of China. In November 2021, UNIDO signed a programme for country partnership with Zambia following the completion of a three-year programming phase. UNIDO also completed feasibility studies for the establishment of integrated agro-industrial parks in Nyamira, Kenya, under the framework of the country’s programme for country partnership self-starter.

32. FAO continued to support the implementation of agro-commodity procurement zones for integrated agro-industrial parks under its Hand-in-Hand Initiative. Through a \$500,000 agro-industrial development project supported by Italy, which will run until 2023, FAO is providing technical assistance to develop coffee and avocado value chains in Sidama region and wheat and dairy in Oromia region.

33. The Common Market for Eastern and Southern Africa (COMESA), ECA, UNIDO and AfDB continued to work towards the implementation of the joint industrialization cooperation programme planned between Zambia and Zimbabwe, aimed at developing a common agro-industrial park. At the request of its stakeholders, UNIDO initiated preparatory work for a detailed feasibility study. The common agro-industrial park is expected to contribute to the production of value added products and promote agro-industrialization in both countries and in the region.

34. The African Union Commission, UNIDO, the African Continental Free Trade Area secretariat, the African Export-Import Bank and the Forum for Agricultural Research in Africa initiated collaboration towards implementing the common African agro-parks programme, a large-scale initiative to create regional agro-industrial hubs across Africa in support of the African Continental Free Trade Area. Its goals are to increase the supply of locally produced agricultural goods, reverse projections on

food imports and add value to the processing of agricultural products, boosting intra-African trade and investment.

F. Pharmaceutical industries and COVID-19

35. In October 2021, UNIDO launched a health industry initiative to develop a comprehensive strategy including policy advice and agenda setting, convening partnerships and alliances and driving harmonization of regulatory policies and standards for essential medicines, vaccines and medical products. The strategy will be accompanied by pilot interventions, which could include policy advice on the development of a pharmaceutical pole in Burkina Faso, validation of a pharmaceutical sector development strategy in Zambia and assessing the feasibility of pharmaceutical production capacity in Guinea.

36. In July 2021, the World Health Organization (WHO) launched a messenger RNA vaccine technology transfer hub aimed at building capacity in low- and middle-income countries through a centre of excellence, allowing them to produce their own messenger RNA vaccines. Located in Cape Town, South Africa, the hub will also be used in the long term for the development of treatments for a range of infectious diseases. In addition, WHO is working with the African Union Commission and the African Union Development Agency-NEPAD to develop technical specifications for a host location for the African Medicines Agency. The Treaty for the Establishment of the African Medicines Agency entered into force on 5 November 2021, marking an important step in the continent's readiness for future pandemics and in fostering greater regional cooperation in the development of medicines and vaccines.

37. WTO continued to work closely with the World Intellectual Property Organization (WIPO) and WHO to build the capacity of policymakers to respond to the pandemic. In September 2021, a workshop was conducted on COVID-19 technologies, and in April 2022 WHO, WIPO and WTO launched their trilateral COVID-19 technical assistance platform providing countries with access to expertise and resources in innovation, health and trade. In addition, WTO organized a technical symposium addressing vaccine supply chain and regulatory transparency and a workshop on vaccine research and development, manufacturing and distribution.

38. In February 2022, AfDB approved the Strategy for Quality Health Infrastructure in Africa 2022–2030 and committed to investing \$3 billion over the next 10 years, with \$100 million in direct pharmaceutical and vaccine manufacturing investments and support to private and public entities, and \$200 million in related logistics and infrastructure per year. The programme builds on the Pharmaceutical Manufacturing Plan for Africa developed with UNIDO and other stakeholders. AfDB also signed a \$3.77 million funding agreement with the Economic Community of West African States (ECOWAS) Commission aimed at helping to develop pharmaceutical industries in West Africa, including through the establishment of an effective regional pharmaceutical regulatory ecosystem. AfDB also approved UA 328,000 in support of the COMESA pharmaceutical industries, ensuring that they meet WHO good manufacturing practices and conduct research on the supply and demand of COVID-19 goods and services.

39. In July 2021, the International Atomic Energy Agency established a master's academic programme in radiopharmacy. Four radiopharmacists from Burkina Faso, Côte d'Ivoire, the Democratic Republic of the Congo and Mauritius were among the first cohort of students to receive a master's degree under the project. Held at the Mohammed V University in Rabat, and organized with the country's National Centre for Energy, Nuclear Sciences and Techniques, the programme is Africa's first French-language post-graduate curriculum in radiopharmacy. The African Association of Radiopharmacy was established in March 2022 with support from the Agency.

G. Renewable energy and energy efficiency

40. UNIDO continued to implement various programmes and projects focused on renewable energy and energy efficiency. In Madagascar, a project to increase energy access through the development of small-scale hydropower plants in rural areas is under implementation. The project is expected to result in at least 2 MW installed capacity, with an estimated 503,180 tons of greenhouse gas emissions prevented over the next 20 years, benefiting 20,000 households and 5,000 productive users. In Mozambique, UNIDO supported the adoption of market-based integrated renewable energy systems for productive activities. With funding from the Global Environment Facility, a \$1 million credit line was initiated to help finance the transition from diesel and wood fuels in rural Mozambique.

41. The United Nations Capital Development Fund facilitated access to finance through digital solutions for early-stage renewable energy companies in Burkina Faso, the Democratic Republic of the Congo, Ethiopia and Uganda, helping them to sell almost 350,000 clean energy products and services and benefiting 1.8 million people. In Burkina Faso, over 80 energy entrepreneurs benefited from business development support and technical assistance. A total of 3,375 solar units and 766 cooking stoves were sold and 135 full-time jobs and 247 part-time jobs were created, of which 33 per cent were for women. In Uganda, over 170,000 clean cooking products and 24,000 solar products were sold by partners with the support of the Fund in 2021.

42. Sustainable Energy for All helped with the development of an energy transition plan for Nigeria in partnership with the international management consulting firm McKinsey that will move the country towards net-zero emissions by 2050, providing one of the first comprehensive transition plans devised for an African country. The plan includes policies for the power sector and the Solar Power Naija initiative, which will expand energy access to 25 million people through decentralized solar energy solutions.

43. The United Nations Environment Programme (UNEP) collaborated with AfDB through the European Union-funded SWITCH Africa Green programme aimed at developing guidelines for accelerating the transition towards a circular economy in Africa, and it is carrying out an assessment of green financing mechanisms for micro-, small and medium-sized enterprises. UNEP also joined with the Kenya National Cleaner Production Centre and National Environment Management Authority in a project to enhance private sector resilience through green business practices in food processing, manufacture of animal health products and a factory producing fast-moving consumer goods.

44. UNOPS, with funding from the United Kingdom Foreign, Commonwealth and Development Office, continued assistance in providing clean energy and increasing sustainable energy capacity in 54 rural communities in Sierra Leone through the Rural Renewable Energy Project. The installation of solar energy technology is benefiting more than 337,000 residents, local businesses and essential services by providing up to 4 MW of sustainable, low-carbon energy to community health centres, houses, schools and businesses.

H. Environment and climate change

45. UNIDO continued to implement various programmes and projects aimed at addressing environment and climate change issues. In September 2021, a \$5 million circular economy centre project was launched in Ghana to speed up the commercialization of circular plastics technologies. In February 2022, a \$2.8 million Japanese-funded circular economy initiative aimed at managing plastic waste was launched in Nigeria. In Côte d'Ivoire, under the Abidjan Sustainable City project

supported by the Global Environment Facility, UNIDO helped to install measures that would better identify and address air pollution. The Ivorian Anti-Pollution Centre was also supported in improving the measurement and assessment of air quality capacities in the city.

46. ITC scaled up the reach and impact of its “Green to compete” hubs in Ghana and Kenya. To date, Kenyan micro-, small and medium-sized enterprises have received financing to implement climate resilience strategies and climate adaptation measures. In Ghana, micro-, small and medium-sized enterprises started implementing resource-efficient and circular production practices ranging from upgrading machinery to more energy- and water-efficient options, to reducing and recycling production residues by briquetting of biomass and installing biomass-powered boilers. Micro-, small and medium-sized enterprises from both countries started the process of complying with sustainability standards and are already receiving their organic and GlobalGAP certifications.

47. The United Nations Capital Development Fund deployed a total of \$17.6 million for climate-resilient infrastructure through technical assistance, policy support, capacity development and performance-based grants. It supported scalable initiatives through 588 local governments in 42 countries and completed 390 localized investments, demonstrating the effectiveness of decentralized financing mechanisms for climate adaptation, clean energy, women’s empowerment, food security, health, and local economic development, creating 42,478 jobs and benefiting 992,058 people, 532,401 of them women. In the Gambia, the Fund supported 23 climate adaptation projects directly benefiting over 27,000 individuals.

48. IFAD continued to implement its smallholder irrigation revitalization programme designed to promote improved climate change-resistant production and sustainable management of water and land in Zimbabwe. The initiative is targeting several semi-arid zones by revitalizing 6,100 ha of land across 152 smallholder irrigation schemes. A key focus is promoting modernization through increased adoption of improved seed varieties, combined with climate-smart agricultural practices and improved access to markets. By its closure in 2023, the project is expected to have reached roughly 27,700 low-income rural households.

I. Information and communications technology

49. In September 2021, UNIDO implemented a new initiative funded by the Least Developed Countries Fund to bolster climate change adaptation in Sierra Leone. The project worked with innovators and entrepreneurs to support the expansion of adaptation-enhancing services such as climate-smart agriculture, water management systems, climate risk insurance, renewable backup power and digital information and education tools. In Côte d’Ivoire, the energy and agro-industry sectors were selected for development under a \$6 million UNIDO project launched in 2021 aimed at encouraging Industry 4.0¹ practices in support of youth employment in both Côte d’Ivoire and Tunisia.

50. ITC continued to implement the \$1 million FastTrack Tech Africa initiative. The project, which ended in December 2021, helped 2,000 digital entrepreneurs and 200 technology start-ups in sub-Saharan Africa to become international by providing online and on-site training, as well as coaching on digital and business skills. In 2021, new jobs were created, market linkages were improved and \$5.4 million in investment was mobilized. The initiative, which covers Benin, Côte d’Ivoire, Ethiopia, Mali, Rwanda, the United Republic of Tanzania and Zambia, will start a new phase in 2022/23, focusing

¹ Also known as the fourth industrial revolution; see <https://www.unido.org/unido-industry-40>.

on policy change, digital transformation of traditional sectors and consolidation of high-potential start-ups. In the fourth quarter of 2021, ITC launched a four-year project with \$15 million in funding from the Netherlands in Benin, Côte d'Ivoire, Ethiopia, Ghana, Mali, Senegal and Uganda, focusing on creating links between micro-, small and medium-sized enterprises in digital technologies and agricultural technology.

51. In March 2022, ITU initiated the second phase of its Digital Transformation Centres Initiative with five additional members, including the Democratic Republic of the Congo, Ethiopia, Morocco and Uganda. In partnership with the technology conglomerate Cisco, the centres are building digital skills in underserved communities. For example, in March 2022, the Ghana Investment Fund for Electronic Communications completed digital skills training that reached 2,673 people, including young people and women.

52. ITU collaborated with UNICEF and Liquid Intelligent Technologies to expand the Giga initiative, aimed at connecting every school in Africa to the Internet. Announced in December 2021, the expansion will focus initially on Kenya, with plans to move into Botswana, Rwanda, South Africa, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe. Under the initiative, the Islamic Development Bank (IsDB) is providing \$5 million to a digital learning project for 403 schools, 95,781 students and 3,000 teachers in Sierra Leone. The project will utilize science, technology and innovation solutions such as blockchain technology to enhance education access and employment and boost technical and entrepreneurial capacities.

53. The United Nations Capital Development Fund increased technical support focused on leveraging financial technology innovations to a range of beneficiaries in Africa. In Uganda, more than 700,000 clients, 300,000 of them women, were reached directly with digital payment services supported by the Fund, and nearly 1.5 million people gained access to digital and financial skills. In West and Central Africa, it boosted financial education and digital literacy capacities for 63,797 customers and contributed to the resilience of micro-, small and medium-sized enterprises through e-commerce and e-payment solutions.

54. In January 2022, FAO launched the subprogramme Global Network of Digital Agriculture Innovation Hubs in four pilot countries, including Ethiopia and Morocco. This will accelerate the digital transformation of agrifood systems, increasing productivity, managing and mitigating climate risks and diversifying rural economies. In March 2022, in collaboration with ITU, it published the *Status of Digital Agriculture in 47 Sub-Saharan African Countries*. In addition, in February 2022 FAO launched the Digital Skills and Innovation Capacity Development programme with the Rwanda Development Board and other key institutions to support youth and women agricultural entrepreneurs and agribusiness stakeholders.

55. In December 2021, AfDB approved a \$170 million loan to finance a digital and creative enterprises programme in Nigeria. Co-financed by the French Development Agency and IsDB, the initiative will stimulate investments in 226 technology and creative start-ups and provide non-financial services to 451 digital technology firms and small and medium-sized enterprises. The programme is expected to create 6.1 million direct and indirect jobs, of which around 850,000 will be supported by AfDB financing.

J. Outreach and global forums

56. In November 2021, UNIDO collaborated with the African Union Commission, ECA, the African Union Development Agency-NEPAD and the AfroChampions Initiative in organizing various side events during Africa Industrialization Week, held from 20 to 24 November 2021 under the theme "Industrializing Africa: renewed

commitment towards an inclusive and sustainable industrialization and economic diversification”. Topics included the fourth industrial revolution, climate-related challenges to industrialization, and opportunities for international investors, value chains and integrated agro-industrial parks and corridors. The Week culminated in a declaration to sustain the momentum towards concrete actions leading to the African Union Summit on Industrialization and Economic Diversification, to be held in November 2022.

57. In September 2021, UNIDO, in partnership with the African Union Commission, ECA, AfDB, the Office of the Special Adviser on Africa, the African Union Development Agency-NEPAD, the AfroChampions Initiative and the African Export-Import Bank, organized the fourth high-level event on the Third Decade on the margins of the general debate at the seventy-sixth session of the General Assembly. Held under the theme “Strengthening Africa’s pharmaceutical industry: learning the lessons from COVID-19”, the event provided a platform for exploring innovative ways to overcome systemic barriers to the development of the local pharmaceutical industry in Africa, including the role of technology and investment. A key outcome of the event was a joint communiqué on the need for enhanced partnerships in support of the development of Africa’s manufacturing sector.

58. In preparation for the Fifth United Nations Conference on the Least Developed Countries, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States organized several events. The first part of the Conference took place in New York in March 2022, with a second part scheduled to take place in March 2023 in Qatar. The Conference adopted the Doha Programme of Action for the Least Developed Countries, which was endorsed by the General Assembly in April 2022. The Programme of Action provides a road map for reform and tools to ensure that more resources are made available to help countries to recover, including support for further industrialization.

59. In November 2021, as part of the preparatory process for the Fifth United Nations Conference on the Least Developed Countries, UNIDO organized the ninth Ministerial Conference of the Least Developed Countries in collaboration with the Office of the High Representative and the Organization of African, Caribbean and Pacific States on accelerating inclusive and sustainable industrial development in the least developed countries as part of the next decade of action. Held in hybrid format with over 500 participants, the Ministerial Conference adopted a ministerial declaration supporting the development of the UNIDO operational strategy and implementation plan for the least developed countries for the period 2022–2031 in close alignment with the Doha Programme of Action for the Least Developed Countries.

60. The Southern African Development Community (SADC) secretariat, Malawi and the SADC Business Council hosted the fifth annual SADC Industrialization Week under the theme “Bolstering productive capacities in the face of the COVID-19 pandemic for inclusive, sustainable economic and industrial transformation”. It highlighted the need for greater public and private sector engagement in promoting intraregional trade.

61. In September 2021, UNCTAD collaborated with UNDP, ECA, ITC and the African Technology and Creative Group to organize an event promoting regional dialogue on making the African Continental Free Trade Area work for e-commerce in Africa. In February 2022, on the margins of the eighth session of the Africa Regional Forum on Sustainable Development, UNCTAD, UNDP and ECA also organized an event entitled “Towards enhanced partnerships to support an inclusive African Continental Free Trade Area”, in collaboration with the African Union Commission, the African Continental Free Trade Area secretariat, ITC and UN-Women.

62. The Arab Bank for Economic Development in Africa sponsored the East African Week of Trade and Industry Conference, held in the United Republic of Tanzania from 30 August to 3 September 2021 with the objective of integrating the African Continental Free Trade Area agenda within East African Community member States. The Bank also provided financial support for the International Exhibition and Conference for Small and Medium Industries, organized by the Arab Union for Industrial Exports Development and held in July 2022 in Algeria.

K. Partnerships and resource mobilization

63. UNIDO continued to expand its engagement with various stakeholders, including development financial institutions such as AfDB, the International Islamic Trade Finance Corporation and the World Bank, as well as the private sector, all focused on boosting economic recovery in African countries. 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. To date, the Network has supported 126 projects in Africa, leading to investments totalling \$1.7 billion. The partnership between the Global Environment Facility and UNIDO resulted in funding of \$89.5 million for 44 ongoing technical cooperation projects in Africa. As part of a regional programme for the Green Climate Fund, UNIDO and AfDB collaborated on the development of a \$20 million project for implementation in Ethiopia. The project, which is expected to be funded by AfDB and the Green Climate Fund, will pilot the AfDB-led Adaptation Benefits Mechanism, an innovative, first-of-its-kind financial mechanism for mobilizing public and private sector finance for enhanced adaptation action.

64. In Uganda, IFAD approved a \$5 million loan to the Economic Enterprise Restart Fund, established in 2020 by Stanbic Bank in partnership with the United Nations and other funding partners to promote COVID-19 recovery. The loan, targeted at small and medium-sized enterprises, will provide 1,550 institutions with liquidity support and help to mobilize additional financing through crowdfunding allowing the Fund to attain its capital target of \$40 million. In Mozambique, up to \$2 million was allocated in senior debt financing to the microfinance institution Futuro, which will enable the company to increase the number of its borrowers from 3,700 to 21,000 by the end of 2025 and help to catalyse \$5 million in lending to smallholders and rural small and medium-sized enterprises. In Madagascar, a \$3.5 million loan was extended to Soafiary, a grain aggregator that sources grains from small-scale producers and provides them with inputs and technical assistance, allowing it to acquire produce from some 4,000 smallholder farmers and reach an expected 20,000 beneficiaries.

65. In December 2021, IsDB approved \$1.6 billion to finance 24 new development projects in 19 member countries. In Guinea over \$170 million was allocated to the construction of the Labé-Mali Road, aimed at improving rural accessibility and boosting agricultural and mining value chains. In Nigeria, \$29.8 million will support the Front-End Engineering Design Phase II Study Project for the Morocco-Nigeria Gas Pipeline, which will enable West African States to replace costly oil-based power generation with renewable and gas-based power. The sum of \$150.5 million will also be disbursed to support a special agro-industrial processing zone, with the aim of increasing household incomes, creating 180,000 jobs and increasing crop yields by 50 per cent. In February 2022, IsDB approved \$338 million for projects in Côte d'Ivoire, Guinea and Senegal, including \$35 million for the third phase of the Hydro-Agricultural Development Project in the Upper Sassandra and Fromager regions of Côte d'Ivoire to help the rice and fishing sectors.

66. During the reporting period, the Common Fund for Commodities had eight active projects within the framework of the Third Decade with a total value of

\$22.4 million. In Cameroon, the Fund is committed to providing \$1 million to help expand the country's largest commercial meat producer. A total of €970,000 has been allocated in support of the construction of a fertilizer blending and packaging station in Côte d'Ivoire, aimed at enhancing productivity, increasing diversification and improving market access. An additional loan of \$1.5 million has been allocated with a view to increasing capacity for a leading cashew-processing company in Benin.

67. In November 2021, AfDB agreed to a \$2 billion partnership and co-financing arrangement with the French Development Agency to mobilize additional resources for high-impact projects in Africa. A \$150 million financial facility was provided to agriculture conglomerate ETC Group to support food production across 10 African countries, helping smallholder farmers. In December 2021, a \$210 million loan to launch the first phase of the Nigeria Special Agro-Processing Zone Programme was also approved. In February 2022, AfDB launched the \$380 million Desert to Power Group of Five for the Sahel Financing Facility to help the five Sahel countries.

68. In February 2022, the European Investment Bank pledged over \$500 million in partnership with WHO and in cooperation with the African Union and the European Union to support more resilient health systems in Africa, aimed at mobilizing at least \$1 billion in new investments. The initiative is aimed at restoring, expanding and sustaining access to essential health services; improving access to vaccines, medicines, diagnostics, devices and other health products; expanding innovative primary health-care service delivery models and investment in a health-care workforce to deliver effective quality care throughout Africa.

L. South-South cooperation

69. UNIDO continued to implement a \$1.8 million project funded by the South-South Cooperation Assistance Fund of China, aimed at developing the meat export market in Ethiopia by improving the competitiveness of meat value chains and the livestock industry through targeted capacity-building in the value chain. A total of 25 meat inspectors working in 10 export abattoirs were trained by the Addis Ababa University, receiving national certification upon graduation on 12 June 2022, and 40 participants were trained jointly by UNIDO and the Ministry of Agriculture of Ethiopia in meat handling and animal welfare.

70. The United Nations Office for South-South Cooperation, through the South-South Galaxy digital platform, facilitated over 40 new partnerships for knowledge exchange, including partnerships between Ghana and Bangladesh on e-services and between Ghana and China on the development of industrial parks. The platform shares Southern solutions relating to all Sustainable Development Goals, including Goal 9 to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, and currently has over 400 registered institutions. In addition, the Office continued to support the African Union Commission in developing capacities for young entrepreneurs in Africa through virtual training sessions under the African youth innovation acceleration programme.

71. In response to COVID-19 and with the aim of building on the increasing role of South-South and triangular cooperation in fragile contexts, IFAD has approved four new projects totalling \$1.9 million, including two in Africa. In the United Republic of Tanzania, a partnership with two Chinese private sector companies will help to strengthen the beans, cassava and sunflower value chains, benefiting more than 100,000 farmers. In the wider East Africa region, a project will facilitate a learning and knowledge exchange between Kenya and Rwanda to aid recovery and build the resilience of local farmers.

72. The United Nations Human Settlements Programme (UN-Habitat) joined forces with the agency of the Republic of Korea for small and medium-sized enterprises and start-ups as part of the Republic of Korea-Africa programme for fostering start-up enterprises and experience-sharing through cooperation between start-ups. This collaboration initiated a large online forum, knowledge exchange and training programme in 2021 for start-up entrepreneurs, policymakers and potential investors from the Republic of Korea and Eastern African countries. A Korean start-up delegation visited Kenya in June 2022 to provide skills training and foster business linkages.

III. Cross-cutting issues

A. Integration of women into industrial development

73. UNIDO implemented various programmes focused on empowering women. In the Sudan, with joint funding from Italy and UN-Women, UNIDO facilitated microloans for 1,500 smallholder farmers in Kassala State. Guided by UNIDO experts, the farmers adopted new technologies, improved business practices and crop quality and created more than 1,100 jobs. UNIDO also collaborated with UN-Women in implementing a global project focused on the integration of gender and green industrial policies. In Egypt, a gender-sensitive study of the palm date sector in Fayoum and Giza was carried out, the results of which will guide the development of a detailed action plan to expand and improve the inclusion of women in the sector.

74. In May 2022, ECOWAS and ITC launched a new project building on the ITC SheTrades digital platform initiative. Under the project, targeted support and technical training will be provided to women in business in ECOWAS member States in a series of export-oriented boot camps, empowering them to be competitive actors in the trade ecosystems of the African Continental Free Trade Area. SheTrades reached the milestone in 2022 of connecting 3 million women entrepreneurs to global markets.

75. In March 2022, UN-Women, FAO, IFAD and WFP launched a new phase of the Accelerating Progress towards the Economic Empowerment of Rural Women programme in several countries, including the Niger, Tunisia and the United Republic of Tanzania. With funding from Norway and Sweden, the programme will focus on various areas such as access to opportunities, resources and services, including land, credit and technology. Under the initial phase, which ended in 2021, over 80,000 women were supported.

76. UN-Women continued to implement its Climate-Smart Agriculture programme in various countries, including Ethiopia, Kenya, Malawi, Rwanda, South Africa, the Sudan, Uganda and the United Republic of Tanzania. This has resulted in more than 5,000 women improving their yield and productivity across various value chains in Ethiopia, Malawi, Rwanda and Uganda; over 3,000 women farmers accessing financial literacy for value chain investment in Ethiopia, Malawi and Rwanda; and more than 7,000 women applying climate-resilient agricultural production techniques. In Malawi alone, groundnut productivity nearly doubled during the reporting period, from 800 kg/ha to 1,500 kg/ha, as a result of the adoption of new seed varieties that are resistant to drought and disease. The project has benefited over 10,000 women farmers and their families.

77. In June 2022, ILO launched a project to promote green and better jobs in Algeria, supporting its commitments under the Paris Agreement on climate change. The project will help to create jobs through sustainable entrepreneurship and the establishment of microenterprises in growth sectors of the green economy. In addition, ILO strengthened training in gender-sensitive basic entrepreneurship in Botswana, Egypt,

Ethiopia, Kenya, Morocco, Namibia, Nigeria, Sierra Leone, Somalia, South Africa, the Sudan, Tunisia, Uganda and the United Republic of Tanzania.

B. Youth employment

78. UNIDO launched a project aimed at catalysing youth and women's employment and entrepreneurship in the cassava and cashew nut value chains in Côte d'Ivoire and Zambia, which is expected to be scaled up in other regions. The initiative will contribute to providing young people with decent job opportunities in agribusiness, including through the deployment of "Agriculture 4.0" and electronic circular economy measures. In addition, UNIDO partnered with the Governments of Japan and Zambia in a \$3.8 million project aimed at boosting the skills of young people operating heavy machinery. This public-private development partnership is expected to contribute to aligning industrial skills with the needs of industry and the labour market, fostering productive youth employment.

79. Under the joint \$50 million UNIDO/FAO Opportunities for Youth programme aimed at accelerating job creation in the agrifood sector, country-level assessments and preparation for country action plans have been carried out in Cabo Verde, the Democratic Republic of the Congo, Ghana, Kenya, Tunisia and Zambia. Technical capacity-building services to develop vocational skills, create a supportive business ecosystem and strengthen institutional knowledge are under way. In Ghana, 137 young entrepreneurs participated in the Agritech Challenge Pro business incubation programme for a six-month period from December 2021.

80. FAO continued the implementation of a \$6 million project on skills development and green job opportunities for rural youth in agricultural sectors and value chains in Sierra Leone and Zimbabwe. During the reporting period, over 500 young people received transferable skills training, and business and employment opportunity assessments for the rural youth were conducted. In addition, FAO continued the implementation of the four-year \$5.3 million Integrated Country Approach project aimed at fostering decent jobs for youth in the agrifood sector in Kenya, Rwanda, Senegal and Uganda. In Senegal, a model for integrating young entrepreneurs was developed, and in December 2021 a \$120 million partnership agreement to scale up activities was signed with the Government.

81. In August 2021, in collaboration with the African Continental Free Trade Area secretariat, ITC, ECA and other agencies, the Youth Alliance for Leadership and Development in Africa launched a youth creative competition on the theme "The AfCFTA: what is in it for young Africans?". The competition attracted 477 entries from 36 countries across Africa and from the diaspora, with winners being awarded in January 2022. It provided a bottom-up approach by harnessing youth-driven solutions encouraging engagement with the Area, showcasing benefits and opportunities available to young people and their communities through regional integration and intra-Africa trade.

IV. Conclusions and recommendations

82. A global landscape dominated by COVID-19, climate change and conflict threatens to slow progress towards sustainable industrial development in Africa, with concomitant health, fuel and food crises pushing millions on the continent into extreme poverty, derailing the advances made towards achieving the 2030 Agenda. To curb the impact of these interlinked and unprecedented challenges, countries must strengthen efforts to build a resilient industrial development base that will underpin

the income generation and structural change required to drive growth and reverse rapidly rising poverty levels.

83. Assuring food self-sufficiency through improved agricultural production and, more importantly, value addition and agroprocessing is an absolute necessity. More investment is needed to develop productive and efficient food value chains with strong market links; to build sustainable food value chains and inclusive market systems; to improve labour skills; and to support the development of high-quality agricultural techniques and infrastructure to raise competitiveness and help to stem post-harvest losses. Ongoing programmes such as the Comprehensive Africa Agriculture Development Programme and the Programme for Infrastructure Development in Africa, which creates a framework for integrated infrastructure, should continue to be leveraged.

84. Development of the pharmaceutical manufacturing sector in Africa needs to be reinforced to help mitigate the impact of future pandemics and support ongoing economic recovery. It is critical to boost the local manufacturing of pharmaceuticals and medical products by strengthening companies based in Africa. Market consolidation, strong regulatory oversight, investments and new technology are essential to unlock Africa's full manufacturing potential in the sector. There is also a need to merge health, industrial development, and trade policies in the pharmaceutical sector. Important progress was made in 2021 with the ratification of the Treaty for the Establishment of the African Medicines Agency, which will help to build regional harmonization in medicines, and support sector growth. Ensuring that momentum is maintained on these developments, and other initiatives such as the Pharmaceutical Manufacturing Plan for Africa, will be crucial for future growth.

85. Both energy security and access to affordable low-carbon energy are key to driving African industrialization, but surging oil and gas prices and climate change threaten progress. Greater investment is needed to unlock the continent's vast potential for renewable energy, especially in critical infrastructure. Expansion and increased efficiency of distribution networks, combined with off-grid and mini-grid solutions, will contribute to energy equity. Promotion of entrepreneurship and sustainable business models covering the entire spectrum of the energy life cycle will advance local manufacturing of energy generation and distribution systems. Upholding commitments made under the Glasgow Climate Pact, adopted at the twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, will make investments in renewable technology more accessible.

86. The success of the African Continental Free Trade Area is key to delivering the structural change needed to create more diversified, self-sufficient and resilient African economies. Momentum must be maintained to complete the second and third phases of negotiations and efforts should be accelerated on the completion of rules of origin and tariff schedules, along with the establishment of institutions to support trading.

87. Deepening economic integration and productivity is critical to enhancing economic development and growth. Promotion of regional industrial value chains would accelerate the regional and continental integration aspired to under Agenda 2063 of the African Union and the African Continental Free Trade Area. It will also help create and strengthen short supply chains that are critical to promoting local industries, products and processes based on local resources. By reducing the distance between producers and consumers, short supply chains could offer cost effectiveness in terms of storage, transit, and market access.

88. It is equally important to expedite the adoption of fourth industrial revolution technologies in Africa in order to advance industrialization and reach the targets of

the Sustainable Development Goals. While African firms reported a shift to advanced digital production during the pandemic, the share of firms using such technologies remains at just over 1 per cent. In order to take advantage of the trend towards more diverse global supply chains, Governments must embrace innovation, invest in new digital infrastructure and direct industrial policy to accelerate uptake of such technologies and boost digital skills. Leveraging programmes developed by UNIDO and other stakeholders in this area would go a long way in supporting the implementation of the African Union digitalization strategy.

89. Lastly, partnerships are critical to accelerating Africa's industrialization efforts. The work being carried out by the focal points initiative under the Third Decade, comprising 31 institutions, is essential and should be supported to ensure coordinated delivery of targeted, coherent support to countries. Furthermore, private sector expertise, know-how and resources must be leveraged. The private sector should be given more opportunity and reciprocal recognition by Governments and the international community to build local productive capacity, enhance social inclusion and promote environmental sustainability in Africa. Upcoming global forums such as the eighth Tokyo International Conference on African Development in Tunisia, the Group of 20 Summit in Indonesia, the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Egypt and the African Union Summit on Industrialization and Economic Diversification, to be held in the Niger, offer timely opportunities for leaders and policymakers to find ways and means of addressing the pressing development needs of Africa.
