

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

Support to NEPAD

Period of Report: 2005 to 2006

During 2005, UNIDO has continued its technical assistance programmes in Africa within the framework of the African Productive Capacity Initiative (APCI) that was adopted by the African Union in 2004 as the Sustainable Industrial Development Component of NEPAD. Its primary aim is to increase the manufacturing value-added in selected industrial sectors identified in all five sub-regions in close collaboration with African Governments.

Support for areas relevant to the implementation of NEPAD

Regional Programme

Within the framework of the APCI, UNIDO and WTO jointly launched the Cotton Initiative for Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Mali, Nigeria, Senegal and Togo through the introduction of programmes in the field of quality, standards and technology upgrading.

Small and Medium-Scale Enterprises

UNIDO programmes in Ghana, Guinea, Sierra Leone and Sudan focused on training internally and internationally displaced people in crisis or post-crisis environments in productive skills to enable them to effectively participate in the economic recovery and reconstruction phases. Strong emphasis was placed on improving the competitiveness of small-scale industries, focusing on efficient business licensing practices, private sector-led business advisory services, including the capacity-building of business associations and the application of ICT as well as the entrepreneurship and technical training of youth and women, in UNIDO integrated programmes of technical assistance in 18 African countries.

Environment

During 2005, UNIDO, in close cooperation with the Ministry of National Environment and with the Ozone Unit of the recipient countries, elaborated and implemented seven investment projects in Africa¹ with total approved funding of approximately US\$6,423,909 to phase-out approximately 467.4 equivalent (standardized) tonnes of Ozone Depleting Substances (ODP tonnes), from the commercial and domestic refrigeration, aerosols, solvents and fumigants sectors. The fumigants projects included substitutions for methyl bromide in three investment projects with total approved funding

¹ In: Egypt, Ivory Coast, Nigeria and Libya (Phase-out projects); Fumigants in Morocco (cut flowers and horticulture), Libya (horticulture) and Zimbabwe (tobacco).

of approximately US\$4,276,481 with the task to phase-out 110 ODP tonnes.

The Montreal Protocol-related programme created unique opportunities for UNIDO to promote the latest available alternative technologies in the respective industrial sectors and sub-sectors. It also elaborated and implemented innovative approaches to address the great number of SME enterprises, with a unique impact on NEPAD priorities on capacity building. On the Stockholm Convention on Persistent Organic Pollutants (POPs), UNIDO is currently developing projects on Enabling Activities to facilitate its implementation in 19 African countries by assisting them to formulate their National Implementation Plans. The projects include capacity building activities, reducing negative effects on the environment from local industries, and reducing negative influences on health from POPs. The total allotment of the projects is US\$8,610,470, mostly implemented by national organizations.

Finally, in the Climate Change field, UNIDO implemented during 2005 a US\$320,000 project for 11 sub-Saharan Francophone countries², in order to provide government focal points to the UNFCCC and representatives from the private sector with training and assistance to improve their capacity to handle the Clean Development Mechanism (CDM) project cycle, as well as to enhance their ability to identify, develop and prepare industrial CDM projects to a level where they could be picked up by investors.

Standardization, Quality and Metrology

The West African Economic and Monetary Union³ Quality Project, funded by the European Union, improved the quality and safety of export products relating to conformity assessment requirements of markets in Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo. At the request of UEMOA and the EU, UNIDO is preparing a second phase with a budget of 14 million Euros in order to consolidate the results achieved in UEMOA countries and extend activities of the programme to other ECOWAS countries and Mauritania. UNIDO is also strengthening the capacity of the laboratories of the Industrial Research Centre (IRC) of Libya. The collaboration between UNIDO and ISO has led to the development of a training package on ISO 22000 for the East African Community.

UNIDO and WTO have undertaken a programme to assist developing countries to achieve increases in their exports by removing supply side constraints and proving conformity to markets' technical and regulatory requirements. The programme is being implemented in nine pilot countries, four of which are members of NEPAD; Egypt, Ghana, Kenya and Mauritania. Additionally, individual countries such as Algeria, Angola, Burkina Faso, Morocco, Mali, Mozambique, Niger, Tunisia, Uganda and United Republic of Tanzania were assisted in upgrading the Technical Barriers to Trade/Sanitary and Phytosanitary (TBT/SPS) Agreements related infrastructure.

² Namely Benin, Burkina Faso, Burundi, Cameroon, Congo (Brazzaville), Côte d'Ivoire, Guinea, Mali, Mauritania, Niger and Togo.

³ Better known as the Union Economique et Monétaire Ouest Africaine (UEMOA) in French.

Sub-contracting

The Subcontracting and Partnership Exchange (SPX) Programme assisted Cote d'Ivoire, Ghana, Mauritius and Senegal in increasing productivity by enabling institutions in the public and/or private sectors to strengthen linkages with national and international production systems. UNIDO established SPX Centres, technical information and matchmaking centres for industrial subcontracting and partnerships between buyers and suppliers, in Abidjan, Port Louis, Accra and Dakar.

Agro-industries and sectoral support

The activities implemented in 2005 focused on agro-processing and aimed at:

Building a national framework for improved governance: Improvement of the general and regulatory frameworks to create an enabling environment involving all actors to avoid overlapping, increase cooperation linkages, achieve synergy and common understanding. In the field of trade capacity building reliable food safety and quality systems have been established in 2005 in various sectors (fish, fruits/vegetables, honey, etc.) allowing countries to export their products to EU and other export markets. In addition to institutional capacity building, UNIDO has focused on increasing countries' capacity to produce more and better quality products.

Building institutional capacity for sustainability: Strengthening of the capacity of the support institutions (food inspection and quality control bodies, R&D and training, food laboratories, sector and business associations and NGOs) through training and provision of demonstration and training equipment and tools/materials, and preparation of working guides and manuals.

Building and demonstrating impact at the level of industrial operations: Direct assistance to a group of pilot enterprises/operations, using the services of strengthened institutions. The pilot operations are run on a commercial basis and used for demonstration and on-the-job training. Quick impact of the assistance provided can be concretely demonstrated.

In the rural areas assistance was provided for capacity building in post harvest technology transfer and dissemination to reduce the post harvest losses, create income and employment, and increase the quantity of safe food for consumption and of good quality raw material for the food industry. The establishment of strong linkages with industrial and market outlets supports rural industrialization and poverty reduction.

The pilot food processing operations established so far in Africa have trained many farmers and small-scale food processors, including mainly women and exporters of organic and good quality products (pineapple, banana and mango from Uganda, mango and various dried vegetables from Burkina Faso, figs and prunes and olive oil from Morocco, fish from Senegal, etc.). The success of the pilot operation approach has attracted the interest of the private sector and increased cooperation with other UN and

non-UN agencies. A joint project (amounting to US\$ 4-5 millions) is under preparation with WFP to complement its programme on “Food for Assets” in Northern Uganda.

At the industrial level the assistance concentrates on technology upgrading and food safety assurance required to meet the WTO SPS and TBT agreements thus preventing non-tariff barriers for trade.

Innovative Approaches

In support to the APCI, a financial mechanism (African Productive Capacity Facility - APCF) has been established. UNIDO has provided seed money to the APCF to start implementation. The Republic of Cameroon and the Federal Republic of Nigeria contributed financially to the facility and the Republic of Egypt offered to provide technical expertise.

UNIDO facilitated the signing of Memorandum of Understanding between Islamic Development Bank and selected Western African Countries in order to open credit facilities for specific sectors.

Within the framework of the APCI, several expert group meetings and ministerial conferences took place in each of the five Africa regions with the objectives to:

- Provide coherence in both regional and national programmes in support to NEPAD, through the preparation of regional road maps and national sectoral action plans, as well as UNIDO integrated programmes;
- Prepare or support regional programmes in line with Regional Road Maps;
- Advocate and mobilize jointly diversified sources of funding with special focus on both grants and loans.

Challenges and constraints

The main constraint was the lack of funding to properly support the APCI, partly due to the difficulty for African Governments to contribute to the APCF as defined in the implementation strategy of the APCI. The funding prospects of the APCI will depend on the relevance of the programmes to be developed for the client countries.

Advocacy and awareness-raising

UNIDO’s overall approach was to build a core group comprised of representatives of the African Union, NEPAD, Regional Economic Communities, private sector organizations, support institutions and selected donor representatives to advocate the NEPAD/APCI. A large portion of this advocacy work will be facilitated by the organization of the Conference of African Ministers of Industry in June 2006 and through additional regional programs to be developed. In addition, UNIDO develops strong partnerships with other UN Agencies (WTO, ILO) and is building cooperation with financial institutions, such as the Islamic Development Bank, the African Development Bank to facilitate the implementation of the APCI.