

**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION
(UNIDO)**

Support to NEPAD

Period of Report: 2004 - 2005

In order to promote Africa's industrialisation process, NEPAD and the African Union adopted the African Productive Capacity Initiative (APCI) in July 2004 as the policy framework for Africa's industrial development. The initiative was adopted in recognition of the fact that neither economic development nor trade are sustainable without the promotion of manufacturing. The initiative also responds to the MDGs and the need to create wealth and generate employment in Sub-Saharan Africa. APCI is a collaborative effort that calls for strong public-private sector partnerships at all levels - national, regional and continental - and seeks to build consensus among all stakeholders. It involves the establishment of an African Productive Capacity Facility (APCF), the mechanism for funding the projects identified under the Initiative.

In 2004, UNIDO continued to lend strong support to NEPAD and to the industrialization process of Africa in general. At the end of 2004, the total number of **Integrated Programmes (IPs) or Country Service Frameworks** implemented by UNIDO in Africa stood at 36 compared with 24 in 2003. A total of \$221.4 million was approved as budget, out of which \$103.68 million was allocated for programme implementation on the continent. Through the APCI, IPs and Regional Programmes, UNIDO continues to provide assistance to NEPAD in a number of critical areas including industrial policy, metrology and standardization, investment and technology promotion, environment policy framework, SME development, energy efficient and renewable energy development, capacity/skills and technology upgrading, export diversification and market access.

Following the endorsement of the APCI by the African Union and NEPAD, UNIDO allocated €1.57 million as seed money to the African Productive Capacity Facility (APCF) in July 2004. The implementation of the APCI has continued in collaboration with the Conference of African Ministers of Industry (CAMI). The African member countries have strongly supported the Facility and some countries have provided funds. UNIDO organized a sub-regional conference on **“improving industrial performance and employment promotion in West Africa”** from 3-5 November 2004 in Dakar, Senegal. Ministers in charge of industry, representatives of national and sub-regional private sector organizations in the 15 ECOWAS countries, sub-regional organizations (ECOWAS, WAEMU, WADB, etc.) as well as a number of development partners (ILO, IDB, WADB, UNDP) and national experts from the sub-region participated in the meeting. The “NEPAD Sectoral and Operational Plan of Action for West Africa” and two sectoral Action Plans (textiles and agro-industries) for each country in West Africa as well as a Road Map for the implementation of the APCI for the West Africa sub-region have been prepared. The participatory approach used in the programme formulation was very much appreciated by the private sector and the RECs as it enhanced ownership.

The sub-regional meetings for Eastern and Southern Africa are planned for June 2005. In this regard, preliminary meetings were undertaken with COMESA in February 2005. Final arrangements for the meeting and the work plan are under way.

An APCI support group comprising Ministers, NEPAD, African Business Roundtable (ABR) and UNIDO representatives was established with the aim of promoting the APCI as NEPAD's sustainable industrial development strategy among major development partners.

UNIDO is also an international partner institution in the African Peer Review Mechanism (APRM) process. In this regard, UNIDO will give support to the APRM by providing expert advice on socio-economic development in Africa, support to the APRM database, participating in the APRM at country-level, as well as developing activities in support to private sector development and employment creation, among other things.

In 2005, UNIDO will continue its collaboration with NEPAD and RECs in Africa. In particular, UNIDO will facilitate the preparation of Sectoral Action Plans and Road Maps for each sub-region as part of the operationalisation of the APCI. UNIDO also envisages intensifying resource mobilization efforts for the APCI.