

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

Support to NEPAD

Period of Report: July 2008 to June 2009

For the period under review, within the frame of its mandate, UNIDO continued to provide its technical assistance to African countries and regions, based on its thematic priorities:

- a) poverty reduction through productive activities,
- b) trade capacity building and
- c) environment and energy.

Focusing on these priorities, UNIDO has been able to provide concrete and tangible support to efforts aimed at achieving the global development agenda, including the Millennium Development Goals in the Africa region, more especially as they relate to eradicating extreme poverty, promoting gender equality and economic empowerment, ensuring environmental sustainability and promoting partnerships for development.

Consistent with the programmes of NEPAD, Africa, as a region, also benefited from UNIDO's normative functions which were designed to ensure a balanced mix of analytical and technical cooperation activities, the dissemination of industrial knowledge, the promotion of emerging technologies and the promotion of South-South cooperation.

A case in point is the work UNIDO initiated in 2008 to undertake a comprehensive analysis of Africa and the Global Industrial Economy: Strategies for Prosperity. The objectives of this project are to generate new ideas, strategies and actions to support Africa's industrial development efforts, diversify its internationally tradable products, and significantly increase its share of global exports of manufactured products and global manufacturing. Results from the study will provide a major input to a High-Level Agro-Industries Summit which will be organized in Nigeria in 2009. Results and recommendations from the study and Summit will provide inputs for the promulgation of strategies and actions to support the African Union Action Plan for Accelerated Industrial Development of Africa. The outcome of the project will be contained in a major publication on Africa for wide dissemination to decision makers and major stakeholders.

Action Plan for Accelerated Industrial Development of Africa (AIDA)

The African Productive Capacity Initiative (APCI), launched by the African Union in July 2004, to promote manufacturing value-added, proved to be of limited scope and focus, given Africa's overall needs. It was recognized that there was a need for a more broad-based and comprehensive approach that would enable Africa to take advantage of new opportunities offered by the globalization of industrial production, trade and investment was clearly evident. Partly in response to this need, the African Union decided to devote its 10th Ordinary Session to the theme of industrial development of Africa and requested UNIDO, as its partner, to provide all the technical and other support for the process.

To prepare the ground, the African Union Commission (AUC), together with its NEPAD programme, and with the technical support of UNIDO and the Government of South Africa,

organized an extraordinary meeting of the African Ministers of Industry (CAMI) in September 2007 in South Africa. The outcome of that meeting was presented at the 10th Ordinary Session of the African Union Assembly of Heads of State and Governments held in Addis Ababa, Ethiopia in January 2008. In approving the Action Plan for Accelerated Industrial Development of Africa, the Summit also directed that operational priorities, programmes and projects should be established in liaison with the Regional Economic Communities. It also called for wide dissemination of the Action Plan both within and outside of Africa.

That directive led to the 18th CAMI held in October 2008 in Durban, South Africa. As usual, AUC, NEPAD, the Government of South Africa with the technical backing of UNIDO were responsible for organizing the meeting which articulated the Implementation Strategy for Accelerated Industrial Development of Africa. The Strategy grouped the listed activities into seven clusters spanning from industrial policy, upgrading and modernization, infrastructure development, enhancement of industrial skills, promotion of innovation and technology, mobilization of resources and promotion of sustainable industrial development.

In the course of the work leading up to the January 2008 Summit and subsequently, the capacity of NEPAD to undertake analytical work covering various sectors and sub-sectors of industry as well as its capacity to design related programmes and projects were enhanced. The knowledge acquired will place NEPAD in good stead when its on-going integration within the AU Secretariat comes to fruition. It is a matter of great satisfaction for UNIDO to have developed a very strong partnership not only with the African Union Commission but also with its NEPAD programme.

In parallel with the above, UNIDO, as the convenor of the Industry, Trade and Market Access Cluster of the Regional Coordination Mechanism, also worked with NEPAD and AUC in drafting the work plan for the cluster. The said work plan was adopted at the cluster meeting held in November 2008 in Addis Ababa, Ethiopia.

Support in specific areas that contribute to NEPAD priorities

Poverty Reduction through Productive Activities

A large number of programmes focusing on the above theme are, as would be expected, agro-based. The current food crisis has shown how vulnerable most developing countries are to fluctuations in food prices and supplies. In most of Africa, majority of the population are farmers. But agro-industry activities in the region are characterized by low production and productivity, lack of appropriate technologies, heavy post-harvest losses, inability to conform to market requirements in terms of standards, quality and health.

Against this background, UNIDO's efforts in promoting agro-industries had the objective of stimulating local production capabilities and opening of market channels for African products. In this regard, a new agri-enterprise development project for eight West African target countries is expected to replicate the success of the Songhai Center in Benin in promoting integrated agri-business, poverty alleviation and economic growth. Also in West Africa, Nigeria and Cameroon are being assisted to maximize the potential of the oil palm while the pilot project on increased farm income from banana-based beverages will benefit Tanzania, Uganda and Kenya who border Lake Victoria. Two hides and skin improvement programmes were initiated – one in Nigeria and the other in Ethiopia.

A project with the support of Hewlett-Packard aims at promoting sustainable industrialization in six African countries by harnessing the use of ICT through skills development and capacity building of job-seeking youth and young entrepreneurs. UNIDO and Hewlett-Packard (HP) have developed a partnership to help young unemployed or underemployed people and graduates – aged 16 to 25 – to acquire business and ICT skills to enter professional life or to start their own businesses. The project aims at establishing the GET-IT Programme in selected non-profit organizations in Egypt, Morocco, Nigeria, South Africa, Tunisia and Uganda. A related pilot project with Microsoft Corporation with emphasis on refurbishing of used computers which are sold at affordable prices was also launched in Uganda.

Targeting the youth, a multi-stakeholder programme for productive and decent work is being implemented in the post conflict Mano River Union countries of Liberia, Guinea, Sierra Leone and Cote d'Ivoire. This project contributes to the achievement of sustainable development and peace consolidation in the MRU countries by creating opportunities for decent and productive work for under- and unemployed youth in the sub-region.

Environment & Energy-Related Programmes

The energy sector in Africa is characterized by lack of access (especially in the rural areas), low purchasing power and over-dependence on the traditional biomass for meeting basic energy needs. Since access to affordable energy is a central determinant of economic growth and poverty reduction, UNIDO concentrated its efforts in promoting small hydro and other forms of renewable energy. UNIDO believes in providing energy not just for lighting or for its own sake but to promote productive activities.

A number of renewable energy (RE) projects and energy efficiency (EE) projects were initiated in Africa. Some of those include the mini-hydro rural energy development project in Rwanda and the “lighting up Kenya” project.

With the financial support of GEF, UNIDO is responsible for a sixteen million dollar (\$16 m) West Africa Regional Programme which addresses the energy challenges of countries in the region by promoting renewable energy and energy efficiency projects, focusing on scaling up energy access based on renewable energy, and by promoting energy efficiency measures in industrial households and public sectors. UNIDO is in charge of the overall coordination of the Programme as well as of the implementation of specific projects in Cape Verde, Chad, Côte d'Ivoire, Gambia, Guinea, Liberia, Nigeria, and Sierra Leone. A similar project for Eastern Africa is under consideration.

In collaboration with the African Union, UNIDO also organized an international conference on bio-fuels in February 2008 in Addis Ababa, Ethiopia as well as a conference on renewable energy in Dakar, Senegal in April, 2008. The Dakar conference focused on how to unleash the potential and scale up renewable energy in Africa, to increase the services and promote FDI in the sector. Participants adopted the Dakar Declaration on Scaling Up Renewable Energy in Africa as well as an Action Plan. The outcome of these conferences is being used to refine UNIDO's energy programmes in the region.

With regard to environment, UNIDO believes that pollution and resource degradation represent an inefficient use of resources and therefore a serious challenge that must be addressed both from the perspective of environmental issues as well as economic wastage.

UNIDO has therefore focused its programmes on promoting environmental practices that encourage the use of cleaner production practices to reduce waste, stimulate efficiency gains and enhance quality improvements. This is largely done through the Cleaner Production Centres in collaboration with UNEP. Following an evaluation of existing NCPC, action is being taken to further strengthen them.

Trade Capacity Programmes

Under its trade capacity programme, a competitiveness support and harmonization of TBT and SPS programme (phase 2), UNIDO continued to strengthen the support it had been giving to the UEMOA subregion. The programme aims at strengthening the UEMOA scheme of accreditation of labs, systems of certification, upgrading capacities for inspection and setting up quality systems according to international standards.

In November 2008, UNIDO organized in Cairo, Egypt, an international conference “from farm to markets, providing know-how and finance”. The conference looked at a) supply/value chains, market access and linkages, b) compliance with standards and conformity assessment, c) technology and value addition and d) innovative forms of financing. An overarching issue was traceability of agro-products for the EU market based on the experience of a successful UNIDO project.

Another programme was designed to build capacity in agro-industries in the EAC countries of Kenya, Uganda and Tanzania. With the accession of Rwanda and Burundi into the EAC, the programme has been extended to those two countries. The programme aims at updating and harmonizing food safety regulatory frameworks, raising awareness on food safety/standards/quality issues, developing food chain and risk analysis, upgrading inspection surveillance services within the EAC countries.

To support the various RECs who were negotiating Economic Partnership Agreements with the EU, UNIDO initiated the articulation of programmes of industrial upgrading and modernisation. As of October 2008, all the five sub-regions had held validation workshops for their respective programmes for which funding is being sought from the EU.