



IDDA3

Third Industrial Development
Decade for Africa 2016-2025

UNIDO ROADMAP
Implementation of the Third Industrial
Development Decade for Africa
(2016–2025)



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Glossary of abbreviations and acronyms

AfDB	African Development Bank
AIDA	Action Plan for the Accelerated Industrial Development of Africa
ECA	Economic Commission for Africa
FAO	Food and Agriculture Organization of the United Nations
IDDA	Industrial Development Decade for Africa
ILO	International Labour Organization
IMF	International Monetary Fund
MVA	Manufacturing value added
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
WIPO	World Intellectual Property Organization

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Disclaimer

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From the Director General

On 25 July 2016, the United Nations General Assembly adopted its resolution [70/293](#) in which it proclaimed the period 2016–2025 as the Third Industrial Development Decade for Africa (IDDA III). The developmental goal of the Programme Framework/Road Map (referred to as “the Road Map”) for the implementation of IDDA III is to guide the efforts of the continent and its development partners towards inclusive and sustainable industrial development.

The vision of the Road Map is to *anchor Africa firmly on a path towards inclusive and sustainable industrial development*. The achievement of this vision requires the transformation of African countries into competitive industrial production locations, by putting in place the necessary framework conditions for industrial transformation. These include key elements of industrial productive capacities such as infrastructure, technology (through innovation and technology transfer), industrial finance, industrial entrepreneurship, industrial knowledge and skills, and public and private sector institutions that regulate and advocate industrial development. Accordingly, the diverse development interventions that are ingrained in the Road Map seek to leverage broad-based dynamic partnerships to improve these framework conditions as well as to undertake concrete industrial investment ventures on the continent.

The architecture of the Road Map for implementation of IDDA III builds on the experience gained during the first two Industrial Development Decades (1980–1990 and 1993–2002). Both IDDA I and IDDA II sought to promote internal engines of growth, building on Africa’s wealth and natural resources to enable the continent to progress towards self-reliance and self-sustainment through inclusive and sustainable industrialization against a backdrop of concerted support by the international community. The diverse development interventions contained in the Road Map correspond with the various requirements for inclusive and sustainable industrial development in African countries.

The Road Map addresses four issues that are critical for the successful implementation of IDDA III. The first is government ownership and leadership, for which success will depend on a clear vision, commitment and resolve on the part of African Governments. The second is the strengthening of an enabling business environment, in which the Road Map supports the development or enhancement of a robust framework for industrialization. This includes having appropriate policies, infrastructure, knowledge and skills, financing, technologies, and market institutions. Third is a sectoral focus, whereby the Road Map prioritizes sectors that have high potential for growth that can meaningfully contribute to the alleviation of poverty. The

fourth is building strong partnerships for financial and non-financial resource mobilization at the multilateral, regional and bilateral levels, as well as the prudent deployment of such resources.

The Road Map is not an isolated initiative but is fully aligned with other key development blueprints. These include the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goal 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation); the African Union's Agenda 2063: The Africa We Want (covering the period 2015–2063); the Addis Ababa Action Agenda on financing for development; and other multilateral and bilateral initiatives.

In terms of concrete development interventions, the Road Map is anchored by six interlinked pillars.

Pillar 1 focuses on outreach and global forums. It aims to increase the visibility of IDDA III through the creation of new partnerships and by fostering strategic dialogue and coordination among stakeholders.

Pillar 2 focuses on enhancing strategic support for the development and management of industrial policy instruments. In this regard, UNIDO is ready to partner with other stakeholders to provide the required technical support, including in the areas of development and management of industrial data systems.

Pillar 3 relates to technical cooperation. Under this third pillar, UNIDO stands ready to operationalize the implementation of IDDA III through the development and implementation of multidisciplinary programmes and projects that are in line with the areas stipulated in the resolution. These include the development of industrial parks and special economic zones; energy security and access; trade capacity-building; agro-value chain development; technology transfer; investment promotion; innovation; and entrepreneurship and private sector development, with the empowerment of women and youth as cross-cutting issues.

Pillar 4 focuses on stepping up cooperation with the African Union Commission and the African regional economic communities. Activities will be designed to support these institutions in the effective implementation of IDDA III.

Pillar 5 concerns partnerships and resource mobilization. Mobilizing financial and non-financial resources is critical to the success of the implementation of IDDA III. Joint multi-stakeholder initiatives are of paramount importance. To that end, we believe that the convergence of official development aid flows and investments along a specific country-owned industrial policy direction is critical to ensure effectiveness and large-scale development impact.

Pillar 6 focuses on communication and advocacy to promote and publicize the implementation of the IDDA III framework. Appropriate modes of communication and advocacy will be developed within this pillar, including an IDDA III promoters programme to help advocate the key messages of IDDA III.

By means of these six pillars, the Road Map charts the path that African countries can follow to overcome barriers to industrial transformation; it will allow them, systematically and sustainably, to assume the status of key players in the global industrial economy. Each pillar is divided into several programmes, with each programme containing several projects.

The Road Map also touches on key issues related to the mechanisms for coordination and consultation with stakeholders; resource mobilization and deployment in support of the implementation of the decade; the monitoring, evaluation and reporting framework; and the way forward.

Mr. LI Yong, Director General of UNIDO

CHAPTER ONE

Mandate, vision and rationale

1. The Road Map for the implementation of the Third Industrial Development Decade for Africa (2016–2025) (IDDA III) is a comprehensive industrial upgrading blueprint, which is designed to guide the implementation of the IDDA III initiative. Its six interconnected pillars, and constituent programmes and projects, outline those strategic development interventions deemed necessary to support Africa’s efforts to expedite the realization of industrially-driven structural transformation in the decade 2016–2025. The pillars, programmes and projects complement each other and are predicated upon full use of the competences of the various development partners involved in the process. The Road Map also highlights key issues related to the mechanisms for coordination and consultation among stakeholders, resource mobilization and deployment in support of the implementation of the Decade and a monitoring, evaluation and reporting framework. The narrative ends with proposals for the way forward. Five annexes form integral parts of the Road Map.

I. Mandate

2. The mandate of the Road Map is derived from General Assembly resolution [70/293](#), through which the Assembly unanimously adopted IDDA III on 25 July 2016. In its resolution, the Assembly, inter alia:

(a) Encouraged the international community to take action and use industrialization as a vehicle for meeting the targets set out in the Sustainable Development Goals. The timely proclamation of IDDA III builds on the tradition of international coordination efforts to promote sustainable industrial development across the continent;

(b) Called specifically on UNIDO to develop, operationalize and lead the implementation of the programme for IDDA III. It also invited UNIDO to foster partnerships with other relevant United Nations entities with a view to developing joint initiatives in favour of industrialization. The initiatives may include technology transfer, product diversification, agro-value chain development, trade capacity-building, renewable energy and energy efficiency, industrial policy, special economic zones and industrial parks, climate change and human capital development;

(c) Called for stronger and effective private-public partnerships with a range of stakeholders, as well as for enhanced international cooperation including North-South, South-South and triangular cooperation in

order to expedite the industrialization of Africa through the implementation of Assembly resolution [70/293](#).

3. The architecture of the Road Map for implementation of IDDA III builds on the experience gained during the First Industrial Development Decade for Africa (IDDA I) (1980–1990), and the Second Industrial Development Decade for Africa, 1993–2002 (IDDA II). Both IDDA I and IDDA II sought to promote internal engines of growth, building on Africa’s wealth and natural resources to enable the continent to progress towards self-reliance and self-sustainment through inclusive and sustainable industrialization. IDDA I gave concrete form to the goals of the Lagos Plan of Action for the Economic Development of Africa (1980–2000), adopted in 1980. The industrial subsectors that were focused on included food processing, textiles, forestry, building materials and construction, metallurgy, chemical engineering and small-scale industries. The implementation programme of IDDA II focused on the rehabilitation of existing industries and the expansion of selected subsectors: leather and leather products, textile, metallurgy, chemical, engineering, construction, agriculture and food production, the promotion of small and medium-sized industries and the provision of physical and institutional infrastructure. It covered consolidation programmes, industrial expansion, promotion of the small and medium-sized industries sector, entrepreneurship development and support services.

4. IDDA III presents a further opportunity to confront the remaining challenges and embark on a new path to industrialization within a new global economic environment. It seeks to channel international efforts into programmes and projects that will enable African countries to gradually achieve self-reliance and self-sustainment through inclusive industrial development.

5. The Decade is not an isolated initiative. Several multilateral and bilateral frameworks have inspired the design of the Road Map for the implementation of IDDA III in order to ensure socioeconomic growth and development that is transformative, inclusive and sustainable. Multilateral frameworks include the UNIDO agenda for inclusive and sustainable industrial development and its operational strategy for least developed countries; the 2030 Agenda for Sustainable Development; the Addis Ababa Action Agenda and the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020; the African Union Action Plan for Accelerated Industrial Development of Africa and the African Union’s Agenda 2063; the Group of 20 initiatives for industrialization in Africa and least developed countries; the Doha Development Round (the Doha Development Agenda); and the Aid for Trade initiative.

6. Major bilateral frameworks include the Africa-European Union Partnership through Economic Partnership Agreements, the India-Africa Forum Summit, the Forum on China-Africa Cooperation, the Tokyo International Conference of Africa's Development, Russian Federation-Africa cooperation, cooperation between the United States of America and Africa under framework agreements on trade and investment, cooperation between Africa and the League of Arab States, cooperation between Africa and the Republic of Korea, cooperation between Africa and Turkey, and Germany's "Marshall Plan with Africa". Further key frameworks include the Generalized System of Preferences agreed on under the aegis of the United Nations Conference on Trade and Development (UNCTAD) and the European Union's "Everything But Arms" initiative; unilateral trade preferences of the European Union in favour of least developed countries; the African Growth and Opportunity Act of the United States; industrialization frameworks of African regional economic communities; the Tripartite Free Trade Area Agreement; and the African Continental Free Trade Area.

II. Vision

7. The vision of the Road Map for the implementation of IDDA III is *to anchor Africa firmly on a path towards inclusive and sustainable industrial development*. This can be achieved only by fostering sustainable economic transformation in Africa through a broad-based and country-owned process that leverages financial and non-financial resources, promotes regional integration and mobilizes cooperation among Africa's development partners.

8. In order for this vision to become a reality, all the targets contained in Sustainable Development Goal 9, as well as the other related Sustainable Development Goals, have to be met, namely:

- (a) To promote inclusive and sustainable industrial development and to achieve the target of doubling industry's share in the gross domestic product in the least developed countries;
- (b) To build productive capacity and capabilities for converting comparative advantage into industrial competitiveness;
- (c) To promote actions that facilitate the export of value-added products through the conversion of commodities into products;
- (d) To enhance trade linkages and market penetration to expand the market for products;

(e) To increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets;

(f) To upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities;

(g) To enhance scientific research and upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, by encouraging innovation and substantially increasing the number of research and development workers;

(h) To support domestic technology development, research and innovation, ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities;

(i) To foster private-public partnerships for industrial development.

III. Rationale

A. Industrialization and inclusive economic growth and development

9. Industrialization is critical for economic growth and development. Statistical data clearly show that the prosperity gap mirrors the industrialization gap. The average per capita manufacturing value added (MVA) of industrialized countries is 10 times higher than that of developing countries and 90 times higher than that of least developed countries, most of which are in Africa. When the per capita MVA increases by 1 per cent annually, the poverty head count decreases by almost 2 per cent. With an increase of per capita MVA of 1 per cent, the number of deaths related to armed conflicts falls by 4.5 per cent (see UNIDO 2014).

10. All major regions of the world have recorded, and continue to record, success in their industrialization efforts. On the other hand, after several decades and several initiatives, aspirations to industrialize African countries, as outlined in IDDA I and later IDDA II, are still far from being achieved:

(a) Africa remains the least industrialized region of the world, with only one country on the entire continent — South Africa — currently categorized as industrialized. Against that backdrop, the positive economic and industrial growth and performance achieved in recent years by some African countries was predominantly driven by a boom in primary commodities;

(b) Many African countries have evidently not set themselves on a path towards industrialization;

(c) The framework conditions for the industrial transformation of Africa (see paras. 12–14 below) have not yet sufficiently developed to trigger the required developmental impact.

11. The achievement of fast, competitive and sustainable economic growth in Africa calls for a fundamental change in the structure of the economies of African nations. Industry — especially manufacturing — will have to account for a far greater share of national investments, output and trade. In order for this to happen, it is imperative that all countries in Africa, both individually and as a whole, fully commit to an industrial transformation agenda that reflects the crucial role of industry in the continent’s development. Industrialization must be accorded the highest priority in the socioeconomic development agenda.

12. Historically, the existence of a number of enabling factors has allowed industrialization to flourish. Notwithstanding the differences prevailing from country to country, certain preconditions must be met if Africa is to achieve an industrial mode of production. Competitive industrialization demands bold initiatives on the part of industrial entrepreneurs who have access to financial capital, whether derived from the domestic private and public sectors or from external sources. Also, foreign direct investments are a significant catalyst of industrialization. Similarly, industrialization requires access to natural resources that provide raw materials for industrial production, whether available locally or through international trade.

13. Further preconditions include a skilled labour force with the requisite scientific knowledge that is central to industrial production activities; the systematic upgrading of physical infrastructure; and continuous improvements in appropriate technological capacities to be achieved both through research and development and innovations not driven by research and development, involving individuals, universities and other research institutions. Equally crucial is the presence of industrial development advocacy bodies from both the private and the public sectors: they are central to the organizational capacities to support industrialization.

14. Across Africa, women, youth and rural communities form the backbone of production. Also, the urban poor possess great potential, which should be leveraged for inclusive industrialization. Enhancing the participation of these groups — women and girls, youth, rural communities and the urban poor — in industrial development efforts is not simply a matter of inclusiveness and economic and human rights but will also accelerate economic growth, encourage sustainable development and boost prosperity. Strong measures to support industrial enterprises that are owned or managed by or employ women, youth, rural communities

and the urban poor are a requirement for the continent's competitive, inclusive and sustainable industrial transformation.

B. Landscape of industrialization in Africa

15. The landscape of Africa's economic development and industrialization provides the *raison d'être* for the proclamation of IDDA III:

(a) There is no doubt that Africa has enormous potential for industrialization given its rich natural resources, as well as prospects for developing intra-African value chains and their integration into global value chains. Specifically:

(i) Africa is home to 12 per cent of the world's oil reserves, 40 per cent of the world's gold deposits and 80 to 90 per cent of its chromium and platinum (see AMCEN, African Union and UNEP (2015)). The continent is home to around 60 per cent of the world's uncultivated arable land, giving it extraordinary potential for agricultural development (see McKinsey and Company reports (2010 and 2016));

(ii) Its rich natural resources allow the development of integrated intra-African value chains and can help ease its integration into global value chains;

(iii) There are promising prospects for Africa's engagement in global value chains. Under the right conditions, African economies can integrate into manufacturing and other industrial production activities, as well as in industrial services value chains. Africa stands to benefit from South-South, North-South and triangular cooperation through increased foreign direct investment inflows to the continent;

(b) Despite its potential, economic development and industrialization in Africa has achieved mixed and largely unsatisfactory results:

(i) Since 2000, the continent has recorded impressive growth trends. Sixteen African countries were among the 30 countries with the highest growth rates worldwide. In 2016, the 10 fastest growing economies had a growth in gross domestic product of over 5 per cent. That remarkable performance — largely driven by factors such as prolonged commodity booms and development assistance — does not reflect economic transformation (see International Monetary Fund (2016));

(ii) Africa's share of global manufacturing has been on the decline since the mid-1970s. Whereas the share of manufacturing value added in exports was about 17 per cent in 1975, that share dropped to around 10 per cent in 2013. Although recent analysis by UNIDO of trends in industrial output suggests that manufacturing value added in Africa has grown at a rate exceeding the world average, overall the volume of manufactured production remains meagre, while the volume of manufactured exports from several countries has in fact declined. Similarly, the share of manufactured goods in total exports is still relatively low (see UNIDO, *Industrial Development Report* (2016b));

(iii) Sub-Saharan African countries witnessed the least change in their manufacturing base in terms of technological complexity of products over the period of 2002–2011. There was a heavy concentration on the production of resource-based goods (representing 40.6 per cent of the value of goods manufactured) and a marginal increase in medium- and high-tech manufacturing, to 34.1 per cent and 26.1 per cent, respectively, over the same period. Natural resource-based sectors had lower productivity growth and had poor linkages with the rest of the economy (see UNIDO, *Industrial Development Report* (2013));

(iv) Currently, 600 million Africans have no access to electricity, a number that may well rise to 700 million by 2030. This situation stifles economic growth since businesses, particularly manufacturing enterprises, are dependent on secure energy supplies. The lack of energy security has a similarly detrimental effect on health and education. Women and girls, rural populations and the urban poor are especially vulnerable to the consequences of energy poverty. The challenge of providing energy to rural households is exacerbated by factors such as the predominance of scattered settlements in many rural areas of Africa and the high costs of electrification infrastructure;

(v) The rate of development of domestic entrepreneurial capacities continues to be slow. Although many Governments have designed incentives to support private sector development, factors such as high taxation and interest rates, lack of investments and the prevalence of tariffs and non-tariff barriers to trade, among other things, continue to hamper industrial development efforts, affecting most acutely those enterprises owned by marginal groups: women and girls, youth, rural entrepreneurs and the urban poor;

(c) Indisputably, there is a discrepancy between Africa's potential and its achieved performance. The slow pace of industrialization has meant that many economies are structurally stagnant, and the continent remains the least industrialized region of the world. Regional economic integration is still not deep enough,

due to the significant barriers to the integration of the continent's markets of goods, services and investments (capital). In addition, Africa's present integration into the global economy is hardly advantageous: Africa supplies agricultural and mineral raw materials to the world, while it relies on imports from the rest of the world for manufactured, consumer and investment products. Equally disturbing is the scale of unemployment, which poses a daunting challenge as an estimated 70 per cent or more of the working age population either lack job security or are without any employment whatsoever.

CHAPTER TWO

Pillars, programmes and projects

I. Determination of pillars, programmes and projects for IDDA III

16. The pillars, programmes and projects proposed in the Road Map for the implementation of IDDA III respond to the objectives elaborated by the General Assembly in its resolution [70/293](#). These include the need for a continuation of the tradition of international coordination in efforts to promote sustainable industrial development across the continent that in turn will lead to meaningful development. They also recognize that sustainable industrialization is a key element to furthering economic diversification and job creation on the African continent, thus reducing poverty and contributing to the implementation of the 2030 Agenda for Sustainable Development. The Road Map builds on the readiness of the international community both to forge stronger partnerships with African stakeholders in support of industrial development and to use industrialization as a vehicle for meeting the targets set out in the Sustainable Development Goals.

17. The proposed pillars, programme and projects reflect the focus of the Third Industrial Development Decade on linkages among the various institutions involved in the process. In this context, the Road Map seeks to develop joint initiatives in support of Africa's industrialization in the following priority areas identified in Assembly resolution [70/293](#) — the transfer of technology on mutually agreed terms, access to information and communications technology, the diversification of production, agro-value chain development, trade, capacity-building, renewable energy and energy efficiency, industrial policy, special economic zones and industrial parks, action on climate change and human capital development — while also strengthening private-public partnerships with a range of stakeholders, including those in the public and the private sectors, civil society organizations and academia (see paras. 2 (c) and 8 (i) above).

II. Proposed pillars and possible constituent programmes and projects

18. Six key interconnected pillars were selected on the strength of their ability to contribute to the industrialization of Africa, as laid out in Assembly resolution [70/293](#). The pillars, which also reflect the current status of industrialization in Africa, are as follows: global forums; strategic support for the development and management of industrial policy instruments; technical cooperation; cooperation with the African Union, the New Partnership for Africa's Development (NEPAD) and the African regional economic

communities; partnerships and resource mobilization; and communication and advocacy. Each pillar is to be split into programmes, and further subdivided into projects.

Pillar 1. Global forums

19. Pillar 1, Global forums, includes high-level events and activities organized by UNIDO in collaboration with other stakeholders throughout the entire implementation period of IDDA III. UNIDO will ensure that the Decade is on the agenda of selected meetings of intergovernmental organizations — the United Nations, the African Union and the African regional economic communities — and will seek to organize side events at the World Trade Organization’s ministerial conferences and other major conferences.

20. Global forums present an opportunity to draw attention to the Industrial Development Decade and take stock of its implementation. They help build new partnerships and create synergies with other key partners and stakeholders. They also provide platforms for regular updates on the progress of IDDA III, thereby encouraging cooperation in the implementation of projects.

21. The five programmes comprising pillar 1 provide platforms for dialogue on IDDA III:

- Programme 1.1 Meetings of the General Assembly and the Economic and Social Council as platforms for dialogue on IDDA III
- Programme 1.2 African Union conferences and events as platforms for dialogue on IDDA III
- Programme 1.3 UNIDO global platforms as platforms for dialogue on IDDA III
- Programme 1.4 Meetings of the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States as platforms for dialogue on IDDA III
- Programme 1.5 Other platforms for dialogue on IDDA III

Pillar 2. Strategic support to develop and manage industrial policy instruments

22. Pertinent programmes and projects will help to strengthen governance, research and statistics in support of industrialization; they will also offer policy advice and help to build institutional human capital within Member States, the African Union Commission and African regional economic communities. Key projects

cover strengthening industrial data collection (including statistics disaggregated by gender and other important criteria) and analysis to monitor the implementation of IDDA III; training and technical assistance for industrialization partnership agreements; support to RECs and subregional statistic hubs/competence centres in the formulation, update and execution of industrial policies; and diagnostic, thematic and empirical studies to determine appropriate policies for the structural transformation of African economies.

23. Pillar 2 consists of the following three programmes:

- | | |
|---------------|---|
| Programme 2.1 | Strengthening governance, research and statistics in individual African countries |
| Programme 2.2 | Policy advice and institutional human capital development for the African Union Commission |
| Programme 2.3 | Policy advice and institutional human capital development for the secretariats of African regional economic communities |

Pillar 3. Technical cooperation

24. Pillar 3 will focus on implementing pipeline projects and developing new initiatives in line with future prospects for manufacturing and other industrial subsectors in Africa. The projects will cover, inter alia, the establishment of industrial parks and the special economic zones; energy security and access for industry; fostering competitiveness, including through trade facilitation and regional economic integration; agro-value chain development and upgrading; technology transfer; investment promotion, innovation and the “fourth industrial revolution”; entrepreneurship and private sector expansion; and the economic empowerment of women and girls, youth, rural communities and the urban poor. Special emphasis will be placed on expanding the UNIDO programme for country partnership approach from the two pilot countries, Ethiopia and Senegal, to other African countries.

25. Programmes that could be grouped under this pillar include:

- | | |
|---------------|---|
| Programme 3.1 | Industrializing Africa by promoting special economic zones and industrial parks |
| Programme 3.2 | Diversifying industrial production in African countries through the |

	development of value chains
Programme 3.3	Energy security and access for industry (scaling-up)
Programme 3.4	Upgrading technological capacities in African countries for environmentally sustainable industrial production
Programme 3.5	Trade capacity-building in support of the competitiveness of African industrial enterprises

Pillar 4. Cooperation at the level of the African Union, regional economic communities and countries

26. Pillar 4 is concerned with the strengthening of cooperation with the African Union Commission and African regional economic communities, notably through the implementation of the Action Plan for Accelerated Industrial Development of Africa (AIDA). Activities will concentrate on mainstreaming the IDDA III implementation Road Map into the work programmes of the above-mentioned institutions; setting up and running an AIDA implementation coordination unit; organizing regional consultative forums for policy decisions on industrialization; scaling up strategic support for regional economic integration in line with industrial cross-cutting issues (infrastructure, trade regimes, etc.); and capacity-building.

27. Pillar 4 consists of three programmes:

- Programme 4.1 Support in the implementation of AIDA at the level of the African Union
- Programme 4.2 Support in the implementation of AIDA at the level of the African regional economic communities
- Programme 4.3 Support in the implementation of AIDA at the country level

Pillar 5. Partnerships and resource mobilization

28. The success of the Decade relies on the mobilization of the requisite financial and technical resources for countries to achieve higher levels of inclusive and sustainable industrial development. It is crucial to involve in the process actors from government, the public and private sectors and multilateral and bilateral development cooperation agencies. The convergence of official development aid flows and investments along

a specific, country-owned industrial policy direction is critical to ensure effectiveness and large-scale development impact. Activities will focus, inter alia, on the following:

(a) Scaling up cooperation with various development finance institutions through memorandums of understanding and other types of agreements. These institutions include the World Bank, the African Development Bank (AfDB), the Arab Bank for Economic Development in Africa, the Islamic Development Bank, the European Investment Bank, and African regional and subregional banks;

(b) Scaling up cooperation with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women);

(c) Convening of funds mobilization/investment conferences and donor round tables. This shall involve collaboration on specific activities or projects with organizations such as the Economic Commission for Africa (ECA), UNCTAD, United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (on least developed countries graduation), the United Nations Development Programme (UNDP), United Nations Environment Programme, the International Labour Organization (ILO) and others;

(d) Pursuing other avenues for cooperation. This shall include encouraging private-public partnerships (through the programme for country partnership approach, and other partnership models); mobilizing financing from private sector partners, i.e., multinational companies that seek to outsource manufacturing); leveraging South-South and triangular cooperation; targeting resources from global environment partnerships such as the Global Environment Facility; strengthening cooperation within bilateral frameworks including the European Union, the Forum on China-Africa Cooperation, the Tokyo International Conference on African Development and the BRICS (Brazil, Russian Federation, India, China and South Africa).

29. Pillar 5 comprises the following programmes:

- Programme 5.1 Organization of global pledging forums
- Programme 5.2 Organization of dedicated IDDA III consultative forums
- Programme 5.3 Integrating African industrialization in North-South and South-South economic diplomacy and industrial cooperation and partnerships
- Programme 5.4 Operationalization of selected projects in the financing and resource mobilization strategy of AIDA

Pillar 6. Communication and advocacy

30. Pillar 6 will feature an outreach campaign to publicize IDDA III activities with particular focus on the results achieved and impact. It may include targeted advocacy and communication activities relating to key global, regional and country-level events; country- and regional-level advocacy and communication activities; identifying eminent persons and deploying them as IDDA ambassadors and champions; using social and other media channels to publicize and disseminate information on activities for the Third Industrial Development Decade, including promotional videos and documentaries on global and African media outlets; and producing and disseminating publications and advocacy products.

31. The possible programmes for inclusion in this pillar are:

- Programme 6.1 Designing the IDDA III communication and advocacy strategy paper and promotional instruments
- Programme 6.2 Running the IDDA III promotional campaign
- Programme 6.3 Organizing championship programmes for IDDA III

III. Timelines for the implementation of the projects

32. Projects proposed for each programme fall into four categories according to their implementation timeline: immediate term, short term, medium term and long term. Hence, the projects scheduled for full implementation within the first three years of the Decade, from 2016 to 2018, are considered immediate term and include most of the projects with minimum financial implications. Projects planned for full implementation within the first five years of the Decade, from 2016 to 2020, are classed as short term, while those scheduled for full implementation within the 10-year period, from 2016 to 2025, are medium term. Long-term projects are those whose implementation extends beyond the Decade, i.e., will be fully implemented after 2025.

CHAPTER THREE

Working with stakeholders

33. Immediate-, short-, medium- and long-term initiatives all play a crucial role in achieving the objectives of IDDA III. Cognizant of the significant challenges facing the industrialization of Africa and the need for concerted global efforts, the General Assembly called, in its proclamation of the Third Industrial Development Decade, for the active and broad-based participation of all stakeholders and entrusted UNIDO with the design and implementation of appropriate programmes and projects.

34. An undertaking of the magnitude of IDDA III is a highly involved process that requires intense consultations. It is imperative to put in place appropriate oversight mechanisms to guide both consultations within UNIDO and consultations between UNIDO and its partners. The mechanisms will, inter alia:

- (a) Promote the development of joint activities;
- (b) Increase the impact of project activities;
- (c) Facilitate the sharing of best practices and lessons learned;
- (d) Promote the visibility of the IDDA III programmatic framework across the African continent and among Africa's development partners.

I. Approach for the implementation of the IDDA III Programme Framework

A. Dynamic partnerships: the coordinating and convening role of UNIDO in a broad-based alliance

35. General Assembly resolution [70/293](#) encourages the creation of inter-institutional alliances in order to implement IDDA III. In addition to participating in the design of the Decade's implementation blueprint, UNIDO will serve as the coordinator of the institutional mechanisms charged with the oversight of implementation. These different forms of inter-institutional partnerships shall embrace North-South, South-South and triangular cooperation. It is important to stress that South-South cooperation complements rather than substitutes North-South cooperation.

36. The following inter-institutional partnerships will facilitate concerted action:

- (a) **The Core Group of Implementing Partners** of IDDA III, for the purpose of developing and leading the Road Map for implementation of IDDA III. Its six members are:

- (i) From Africa: African Union Commission, NEPAD and AfDB;
- (ii) From the United Nations system: UNIDO, Office of the Special Adviser on Africa (OSAA) and ECA.

(b) **The Implementing Partner Group** of IDDA III. Its members are:

- (i) From Africa: AfDB, the African Union Commission, the African regional economic communities and NEPAD;
- (ii) From the United Nations system: UNIDO, UNCTAD, the Food and Agriculture Organization of the United Nations (FAO), OSAA, ECA, the World Intellectual Property Organization (WIPO), ILO, the United Nations Environment Programme (UNEP), the International Monetary Fund (IMF) and the World Bank;
- (iii) Others: key development finance institutions (multilateral, regional and national) and international finance institutions (multilateral and regional).

(c) **The Expanded Group of Implementing Partners** of IDDA III. The members are:

- (i) From Africa: African countries, African Union Commission, key African regional economic communities, AfDB, African regional development banks, key African civil society organizations, key African non-governmental organizations, a selection of prominent members of African academia, African private sector apex organizations and representatives of the African private sector, and investors in Africa from abroad;
- (ii) From the United Nations system: UNIDO, UNCTAD, FAO, WIPO, ILO, ECA, UNEP, the International Telecommunication Union (ITU), the International Trade Centre (ITC), the World Health Organization (WHO), IMF, the World Bank, OSAA and UNDP;
- (iii) Other key development partners of Africa: the European Investment Bank, bilateral development cooperation agencies from key development partner countries of Africa, the Group of 20 Development Working Group, the Organization for Economic Cooperation and Development and other donors not elsewhere specified.

37. As stipulated in General Assembly resolution [70/293](#), the coordination responsibilities of UNIDO include overall reporting throughout the implementation period of the IDDA III Road Map. This involves monitoring and evaluation as well as the preparation of reports on all programmes and projects undertaken by UNIDO and other key implementation partners. Specifically, UNIDO shall convene and participate actively

in appropriate global forums, thereby forging ties with a range of stakeholders that subscribe to the Organization's goals in the area of inclusive and sustainable industrial development. UNIDO coordination activities shall be guided by a comprehensive results-based monitoring, evaluation and reporting framework . The Organization's Africa Division will serve as the secretariat for the implementation of the Decade .

B. Shared responsibilities

38. The implementing partners shall share responsibilities, including leadership. In this connection, wherever feasible and assuming willingness on the part of all parties concerned, each partner institution shall assume leadership of a certain segment of the IDDA III Road Map. Depending on the competencies and resources of the partner, the segment in question shall be flexibly defined and can involve coordinating one or several projects. Leadership responsibilities shall include the following options: a single project or collection of projects, a single programme, or a group of programmes, a single pillar or several pillars.

C. UNIDO commitment to scale up technical cooperation in Africa

39. A key undertaking by UNIDO is the scaling-up of technical cooperation activities in Africa by means of its programme for country partnership approach in order to promote inclusive and sustainable industrial development, itself a sine qua non requisite for the successful implementation of IDDA III. Scaling up efforts will involve the enhancement of programmes for country partnership and their integration into IDDA III projects. The programme for country partnership approach makes it possible to differentiate development support according to country needs. The projects, although tailored to the specific situation of each country, will draw on lessons learned from the experiences of other countries and regions. This will allow each country, as well as to the continent as a whole, to define and design its own pathway to industrialization.

40. The scaling-up of UNIDO technical cooperation to countries, the African Union and African regional economic communities shall also encompass all other technical cooperation undertakings, including country projects and all other projects at various levels.

II. Institutional mechanisms for stakeholder consultations

A. Mechanisms to guide consultations between UNIDO and other IDDA III stakeholders

41. The architecture of the institutional framework for cooperation between UNIDO and other IDDA III stakeholders takes into account:

(a) The magnitude of the interventions required to support industrialization endeavours in Africa and the participation of a wide range of stakeholders, as underlined in different sections of the present document;

(b) The need to enable Africans, at the country, regional and individual level, to assume ownership and leadership in the implementation of the Decade;

(c) The importance of creating a greater sense of ownership of the industrial development agenda, by teaming up with representatives of all major stakeholder groups;

(d) The need for synergies and complementarities among the projects included in the action plan for IDDA III at all levels;

(e) The necessity of integrating oversight mechanisms in existing institutional arrangements, thereby minimizing the need for new mechanisms.

B. Other possible oversight mechanisms dedicated to IDDA III

42. The following implementation oversight mechanisms shall be established to match the inter-institutional partnerships described in paragraph 36:

(a) IDDA III Core Group Steering Committee (see para. 36 (a));

(b) Implementing Partner Steering Committee (see para. 36 (b));

(c) IDDA III High-level Advisory Panel (see para. 36 (c)).

C. Integrating oversight functions within existing mechanisms

43. In addition to the newly created oversight mechanisms (see para. 42), the following existing institutional arrangements shall oversee the implementation of IDDA III, in line with their respective mandates:

(a) The African Union Commission, through the African Union Specialized Technical Committee on Trade, Industry and Minerals, which is responsible for advancing the industrialization agenda in Africa;

(b) The commissions or secretariats of the eight key regional economic communities recognized by the African Union: the Community of Sahelo-Saharan States, the Common Market for Eastern and Southern Africa, the East African Community, the Economic Community of Central African States, the Economic Community of West African States, the Intergovernmental Authority on Development, the Southern African Development Community and the Arab Maghreb Union.

D. Other consultation avenues

44. In addition to existing mechanisms, consultations among IDDA III stakeholders will include the following:

(a) Consultative activities, including missions to targeted stakeholders, to identify possible areas of collaboration and to agree on modalities for joint implementation;

(b) Validation workshops, used to present the IDDA III programme to expanded groups of stakeholders with a focus on programme activities, implementation mechanisms and reporting.

III. Strategic milestones for the implementation of IDDA III

45. Strategic milestones for the implementation of IDDA III include mobilizing stakeholders, creating joint oversight mechanisms, convening meetings, validating the programme framework, reporting to the Secretary-General of the United Nations on the progress of implementation, the endorsement of IDDA III documents by the relevant African Union organs and publicizing IDDA III in Africa.

46. The timeline for strategic milestones for the period 2017–2025 is as follows:

1. March to August 2017

(a) Mobilizing the stakeholders in the implementation of IDDA III;

(b) Creating joint oversight mechanisms (see paras. 36 and 42);

(c) Validating the IDDA III programme framework.

2. Every August from 2017 to 2025

(a) Organize annual expert group meetings to review progress;

(b) Submit an annual report to the Secretary-General of the United Nations on the progress of implementation.

3. Every September from 2017 to 2020

- (a) Organize meetings to mobilize and deploy resources in support of the Decade;
- (b) Submit new IDDA III documents for endorsement by the relevant African Union organs.

4. Every February and March from 2018 to 2025

(a) An annual meeting of the chief executives of IDDA III (the six core implementation partner institutions: the African Union Commission, NEPAD, AfDB, OSAA, ECA and UNIDO) will take place in February;

(b) The annual consultative forum of the extended group of the implementing partners of IDDA III will convene in March.

5. March and April 2018

Regional workshops and other relevant events will disseminate information on IDDA III in Africa.

CHAPTER FOUR

Resource mobilization and deployment

47. Reliable industrial financing, together with a range of other resources, is imperative for the industrialization of Africa. In this connection, it is crucial to mobilize both financial and non-financial resources in order to improve the framework conditions for industrialization through, among other things, support in the design and implementation of comprehensive industrial development regulatory frameworks (policies, laws and regulations), building infrastructure, promoting industrial entrepreneurship, advancing technologies through innovation and technology transfer and strengthening public and private sector institutions that advocate and regulate industrial development. Resources are also needed for investments in specific industrial production ventures.

48. Given the high volume of resources required, Africa and its development partners need a comprehensive strategy to guide their joint endeavours in the mobilization and deployment of resources. To address this need, an innovative, comprehensive and clearly enunciated Resource Mobilization and Deployment Strategy shall form an integral part of the Road Map.

I. Key issues in the architecture of the strategy to guide resource mobilization and deployment

49. The architecture of the Resource Mobilization and Deployment Strategy should, inter alia, specify resources to be mobilized and benchmark resource requirements; identify prospective sources to be targeted; encourage partnerships in the mobilization and deployment of resources; develop feasible modalities for institutionalizing the mechanisms for resource mobilization and deployment; promote financial inclusiveness; and foster organic industrial growth.

A. Specification of types of resources needed

50. In addition to financial resources, industrial development requires the accumulation of diverse non-financial resources. In particular, the Resource Mobilization and Deployment Strategy should seek to create sustainable capacities in terms of industrial finance, industrial entrepreneurship, infrastructure, industrial knowledge and skills, technology, and industrial development regulatory and advocacy institutions.

The accumulation of diverse resources should involve a transformation, underpinned by a shift from quantitative to qualitative improvements in the resource capacities in African countries.

51. The causal links between the accumulation of relevant resources and economic growth underline the necessity of accumulating resources. For example, in South-East Asia, two thirds of the economic growth observed from 1960 to 1985 was attributed to a combination of human and physical capital accumulation, while part of the remaining one third could be attributed to technological change (see UNIDO 2016b).

B. Appropriate benchmarking of the magnitude of resource requirements

52. One of the shortcomings of the past industrial development interventions in African has been the inappropriate benchmarking of resources required for industrial development. This led to the failure to create the appropriate framework conditions in terms of capacities in financial and non-financial resources. Funds available for investment in concrete industrial ventures also remained below the required threshold. Invariably, appropriate benchmarking of resource needs is a key component of an effective Resource Mobilization and Deployment Strategy: proper benchmarks should guide Africa in mobilizing critical masses of resources, capable of achieving the desired industrial development impact.

C. Specification of the sources of resources that should be targeted

53. The diversification of resources to be mobilized is as important as the diversification of sources from which such resources are mobilized. This calls for a Resource Mobilization and Deployment Strategy that adopts appropriate measures to broaden the search for sources of industrial finance. The Resource Mobilization and Deployment Strategy should also find ways to identify and mobilize non-financial resources from all possible sources. In short, Resource Mobilization and Deployment Strategy must exhaustively investigate all traditional and non-traditional sources of resources (financial and non-financial).

D. Enhancing partnerships and the mobilization and deployment of resources

54. The Resource Mobilization and Deployment Strategy shall put in place institutional mechanisms to facilitate the mobilization and deployment of financial resources which are needed to enhance diverse non-financial capacities in African countries. The required non-financial resources capacities may include

industrial infrastructure; industrial entrepreneurship; industrial knowledge and skills; technological capacities from various sources, whether within the country, within regional economic communities or beyond; and institutional (organizational) capacities. The Resource Mobilization and Deployment Strategy should specify the appropriate mechanisms for the mobilization, as well as for the effective deployment of non-financial resources.

55. The building of smart partnerships will facilitate the mobilization and deployment of the resources required to expedite the achievement of inclusive and sustainable development in Africa. However, this requires that Governments play a key role in dynamic private-public partnerships. Also critical to the process are global, regional and national partnerships in the mobilization and deployment of financial resources.

56. The leveraged partnerships must be in a position to help mobilize sufficient resources to achieve the aspirations of IDDA III. The funds mobilization aspect of the Resource Mobilization and Deployment Strategy should also build on the outcomes of the Third International Conference on Financing for Development and the resulting outcome document, the Addis Ababa Action Agenda, which recognizes the importance of industrial development as a critical source of economic growth, economic diversification and value addition, and which also highlights several key avenues for financing development initiatives.

E. Need to institutionalize mechanisms for resource mobilization and deployment

57. The architecture of the Resource Mobilization and Deployment Strategy should, among other things, take into consideration the need to institutionalize mechanisms for joint endeavours by the IDDA III implementing partners in resource mobilization and deployment. As an integral part of the Resource Mobilization and Deployment Strategy, an inter-institutional committee for the mobilization and deployment of resources would be designed as a dynamic strategic and technical organ, to pursue objectives, guided by clear terms of reference.

F. Promoting financial inclusiveness

58. The Resource Mobilization and Deployment Strategy shall devise appropriate policy incentives to encourage financial institutions to provide loans to small and other marginalized (real and potential) industrial investors. Financial inclusiveness requires the development of financing instruments to address the special financial needs of small and marginalized industrial investors. One of the reasons it is difficult for many small

industrial investors to access business finance, for instance, is the unwillingness of financial institutions to commit resources to investigate their creditworthiness. In order overcome this hurdle, the Resource Mobilization and Deployment Strategy shall devise an independent mechanism to assess such credit worthiness, on the basis of which banks may make lending decisions. The Resource Mobilization and Deployment Strategy shall also outline the requirements for establishing dedicated financing institutions, like special banks for small and marginalized industrial investors, including women and girls, youth, rural entrepreneurs, and entrepreneurs from poor urban neighbourhoods.

G. Creating appropriate financing instruments

59. The responsiveness of financial institutions to industrial investment needs largely depends on the existence of appropriate financing instruments. Two considerations are important in this regard:

(a) **Establishment of long-term maturity financial instruments.** The Resource Mobilization and Deployment Strategy shall specify which financial instruments are required to support industrial development, with a focus on credit instruments with long-term maturity. It shall explore the feasibility of introducing such instruments in African financial markets;

(b) **Industrial finance loan guarantee.** The Resource Mobilization and Deployment Strategy shall also address the design of an industrial finance loan guarantee as a public scheme to provide guaranteed lending to viable industrial businesses to ensure that they can secure the necessary investment and working capital. The analysis shall include feasible approaches for the establishment and strengthening of national, subregional and continental industrial investments loan guarantee programmes. The proposed measures should help to reconcile the needs of the private sector (for easy access to industrial finance) and the needs of the financial institutions (to make industrial finance less risky, hence increasing responsiveness to the industrial investment needs of the private sector).

II. Responsibility for resource mobilization and deployment

60. The mobilization and deployment of diverse resources in support of African industrialization shall be a shared responsibility of all institutions involved in the implementation of IDDA III. The collective efforts shall be guided by the Resource Mobilization and Deployment Strategy .

CHAPTER FIVE

Monitoring, evaluation and reporting framework

61. The implementation of IDDA III will take place within a results-based monitoring, evaluation and reporting framework, in line with the principles of results-based management. The framework contains indicators to monitor and evaluate progress in implementing the action plan set out in the programme framework as well as results achieved through such implementation. In this context, an indicator denotes a variable, which can be qualitative or quantitative, offering a simple and reliable basis for measuring the implementation and/or results of a development intervention. The indicators are summarized by programme and cover all projects contained in each programme.

I. Approach in monitoring and evaluation

A. Indicators of progress in the implementation of the action plan

62. The indicators of *implementation* of the programme framework shall be carefully designed to measure the progress of specific activities and tasks. They will show:

(a) Concrete development interventions, i.e., *inputs* — financial, human and material — associated with activities and tasks. They can be considered capacity-creators or capacity-builders since they build capacity and thereby facilitate the implementation of the development intervention. The relevant monitoring, evaluation and reporting indicators are designated as **input (IN) indicators**;

(b) Which *outputs* have been achieved as a result of deploying inputs. The outputs are intended to contribute towards improved framework conditions for the achievement of the goal (in this case, the aspirations of IDDA III). The relevant indicators are designated as **output (OU) indicators**.

B. Indicators of the results achieved through the implementation of IDDA III

63. The indicators of the *results* achieved through the implementation the undertakings included in the Road Map assess both *outcome* and the *developmental impact*. Specifically:

(a) **Outcome (OC) indicators** relate the development intervention to achievement it has led to. They show the degree to which a development intervention has been successful. They express the general consequences, triggered by the created capacities. They demonstrate, for example, whether the integrated

industrial development policies and their implementation strategies improved the way in which the industrial economy is managed;

(b) **Impact (IM) indicators** show the actual — the ultimate — developmental impact of the intervention. An example would be the improvement of Africa’s industrialization vis à vis credible benchmarks and targets, such as the growth of share in the global manufacturing economy.

C. Reference points of the indicators

64. In the Road Map, each indicator is associated with three reference points: a baseline, a benchmark (or benchmarks) and a target (or targets):

(a) The baseline refers to the current situation which a development intervention is seeking to change. It describes the situation before implementation of a project or programme and serves as a departure point for measuring the performance of the project or programme in question against benchmarks and targets;

(b) A benchmark is essentially a threshold. It is a reference point, or standard, for the assessment of performance or achievement, set at the level of performance that can reasonably be achieved under the given circumstances. Taking into account the dynamic nature of most variables related to development, the monitoring, evaluation and reporting framework specifies *dynamic or moving benchmarks*, linked to global best performance or to selected role model economies;

(c) Targets represent the desired results, i.e., the expected or planned level of “achievement” by a specific date, which is used to gauge performance of the industrialization endeavours. Invariably, they specify particular values for an indicator to be accomplished within a given period.

II. Responsibility in monitoring, evaluation and reporting

65. UNIDO shall be responsible for the overall monitoring, evaluation and reporting about the implementation of the IDDA III agenda, as well as the results thereof. In undertaking this activity, UNIDO shall be guided by a results-based monitoring, evaluation and reporting framework. Data and information about the progress of the implementation of IDDA III shall be monitored and collected on a continuous basis. The evaluation and reporting shall be done twice a year at the pillar, programme and project levels. Where needed, appropriate information and data shall be provided by all partner institutions in the implementation of IDDA III. In its capacity as the secretariat for the implementation of the Decade, the UNIDO Africa Division

will be responsible for the mobilization and the processing of pertinent data and information to produce the required reports.

66. Each implementation partner shall be responsible for the monitoring, evaluation and reporting of the activities under its leadership. In this case as well, the monitoring, evaluation and reporting shall be guided by a results-based monitoring evaluation and reporting framework. In addition, where needed, appropriate information and data shall be provided to the implementation partner in question by all partner institutions in the implementation of IDDA III.

67. UNIDO, through its Africa Division, shall be responsible for reporting to the Secretary-General of the United Nations and other relevant authorities on the implementation of IDDA III.

CHAPTER SIX

Way forward

68. The comprehensive Road Map for the implementation of IDDA III is designed to set African countries on the path to sustainable industrial transformation. Both the timelines of the development interventions contained in the Road Map and the development targets stretch over the entire decade (2016–2025) and beyond.

69. While UNIDO and its partners will provide valuable support to the initiative, it is clear that the successful implementation of IDDA III lies firmly in the hands of African countries themselves. It is vital that African stakeholders participate fully in the implementation of the Decade’s programmes and projects at all levels: national, regional and continent-wide. Immediate focus must be on the mobilization of financial and non-financial resources from local, foreign and international sources, in order to set in motion the implementation of the action plan.

70. In line with General Assembly resolution [70/293](#), all stakeholders that agree to be involved in the Decade are urged to commit to a high level of participation and collaboration. Appeals will be made to donors, development finance institutions and the private sector to provide financial and non-financial resources for the implementation of IDDA III.

71. Mindful of the current state of industrialization in Africa, the interventions needed to realize the vision and mission of the Road Map must:

(a) Go far beyond the scope of Sustainable Development Goal 9. This confirms the fact that the design and implementation of measures for the Decade cannot be the responsibility of UNIDO alone;

(b) Go far beyond the scope of IDDA III. In truth, a full response to the manifold gaps in capacity that plague the continent’s industrialization efforts would require broad-based efforts that must be sustained over several decades. IDDA III will serve to set the scene for future endeavours.

72. In order to successfully implement IDDA III, UNIDO shall strengthen the human and financial resource capacity of its Africa Division to make it efficiently function as the secretariat for the implementation of the Decade.

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