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**Third Industrial Development Decade for Africa
(IDDA III)**

**Report on the Third Industrial Development Decade for
Africa (IDDA III)**

Report by the Director General

The present report responds to the request of the Industrial Development Board in its decision IDB.46/Dec.13, to regularly report on the progress made on the Third Industrial Development Decade for Africa (IDDA III). It follows the information contained in document IDB.51/15 and should be considered in conjunction with the information on IDDA III initiatives contained in the *Annual Report of UNIDO 2023* and the United Nations General Assembly's note by the Secretary-General on IDDA III (A/78/258).

**I. Progress made in the implementation of the Third
Industrial Development Decade for Africa (IDDA III)**

Technical assistance activities

1. In 2023, UNIDO had 271 projects in progress across Africa, with a total budget of \$55.7 million, excluding interregional and global portfolios. Ten Programmes for Country Partnership (PCPs) were at various stages of development and implementation in Côte d'Ivoire, Egypt, Ethiopia, Morocco, Nigeria, Rwanda, Senegal, the United Republic of Tanzania and Zambia, as well as in Kenya as a self-starter PCP. Six country programmes (CPs) were running in Cabo Verde, the Gambia, Ghana, Guinea, Madagascar and Sierra Leone. Three CPs were formulated and finalized for the Democratic Republic of the Congo, Guinea-Bissau and Niger, and two new CPs were in their formulation phase for Benin and Burundi.

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2. UNIDO implemented several projects to promote agribusiness and agro-industries. In South Africa, a €1.5 million Switzerland-funded project was under implementation to enhance the quality of essential and vegetable oil exports. A project of €7.9 million funded by China and the European Union continued to support the development of the leather value chain in Ethiopia. In the Sudan, a Canada-funded project totalling \$3.9 million was under implementation to enhance food security.

3. In the area of trade capacity-building, the €6.4 million West Africa Competitiveness Programme funded by the European Union continued to be implemented in Ghana to enhance the market access and competitiveness of local value chains for processed fruits, cassava, cosmetics and personal care products. In Egypt, an €8.1 million project funded by the European Union and Germany was carried out to improve collaboration among small and medium-sized enterprises (SMEs) and enhance compliance with trade regulations in the private sector. In Sierra Leone, a €4.6 million project funded by the European Union was under way to promote the development of the cocoa, cassava and oil palm value chains.

4. Under the renewable energy and environment initiative portfolio, the \$70 million Accelerate-to-Demonstrate Facility, funded by the United Kingdom of Great Britain and Northern Ireland, was launched to promote the commercialization of clean energy technologies in low- and middle-income countries, including in Algeria, Cabo Verde, Cameroon, the Congo, Côte d'Ivoire, Egypt, Ghana and Kenya. Other projects under implementation included a \$9.1 million Global Environment Facility-funded project in the Democratic Republic of the Congo to enhance climate resilience through adaptation-oriented technologies, and a 5 million Swiss francs project funded by Switzerland to promote green economy development in Egypt.

5. In the area of entrepreneurship, a €5 million project was under implementation in Somalia to establish incubators designed to enhance economic opportunities for young women. In the Comoros, a €3.5 million European Union-funded programme aiming to enhance local consumer goods production for various markets is ongoing. To boost youth skills in heavy machinery operation, projects totalling \$6.1 million and \$3.2 million were under implementation respectively in the Democratic Republic of the Congo and Zambia.

Collaboration with United Nations agencies and other stakeholders

6. UNIDO, in collaboration with the African Union Commission (AUC), the International Trade Center (ITC) and regional economic communities have held advanced discussions on the €205 million European Union-funded African Trade Competitiveness and Market Access Programme (AfTCMAP). This led to the development of joint concept notes with the Economic Community of West African States (ECOWAS) and the Economic Community of Central African States (ECCAS) for the regional components of the programme, as well as with the AUC for the continental component. Consultations were launched with the Common Market for Eastern and Southern Africa (COMESA), ITC and the Delegation of the European Union to Zambia and COMESA to develop a joint concept note for a regional component of the programme and conduct a joint scoping mission in April 2024. During a visit of representatives of the Southern African Development Community (SADC) to the UNIDO headquarters in February 2024, a joint action plan was developed to strengthen collaboration on mutually identified activities, including in the framework of the African Trade Competitiveness and Market Access Programme.

7. UNIDO, AUC, the African Union Development Agency (AUDA-NEPAD), the African Continental Free Trade Area (AfCFTA) Secretariat, the African Export-Import Bank (Afreximbank) and the Forum for Agricultural Research in Africa advanced collaboration on the implementation of the Common African Agro-Parks (CAAPs) programme. During the annual CAAPs meeting hosted by UNIDO in April 2023, an action plan with seven major programme clusters was adopted. Subsequently, Afreximbank approved \$20.8 million to implement the prioritized programme clusters and a memorandum of understanding was signed

between AUC and Afreximbank in February 2024. UNIDO is expected to play a key role in the implementation of the programme as a whole.

8. UNIDO, AUC, AUDA-NEPAD and the Africa Capacity Building Foundation (ACBF) joined efforts towards the establishment of an African Manufacturing Institute to facilitate growth of modern manufacturing skills and foster innovation in the manufacturing sector for Member States and the private sector. Led by ACBF, the terms of reference for the development of the institute were formulated.

9. UNIDO, the African Development Bank (AfDB) and AUC intensified efforts towards the establishment of the African Industry Observatory. Following its inclusion in the action plan to deliver on the decisions taken at the African Union Summit on Industrialization and Economic Diversification, a draft architecture and terms of reference for the AIO were formulated. In February 2024, a joint meeting involving AUC, UNIDO and AfDB explored integrating AIO into the existing African Trade Observatory hosted by AUC.

Global forums and advocacy

10. In September 2023, UNIDO, in partnership with AUC, the United Nations Economic Commission for Africa (UNECA), the International Labour Organization, ACBF, the Africa Business Council, Afreximbank and the Tony Elumelu Foundation, jointly organized the IDDA III high-level event during the seventy-eighth session of the United Nations General Assembly in New York. The event, attended by over 200 participants, focused on Africa's industrial skills development, deployment and retention.

11. In November 2023, UNIDO hosted the Tenth Ministerial Conference of the Least Developed Countries (LDCs) in Vienna, Austria, during which a ministerial declaration was adopted and the UNIDO Operational Strategy for the LDCs 2022–2031 was endorsed to support the implementation of the Doha Programme of Action for the LDCs for 2022–2031.

12. In November 2023, UNIDO, AUC and UNECA co-organized the 2023 Africa Industrialization Day and Week celebrations on the margins of the Intra-African Trade Fair held in Cairo, Egypt, under the theme “Accelerating Africa’s Industrialization through the Empowerment of African Women in Processing for an Integrated Market”. Additionally, UNIDO led the organization of two side events.

13. In May 2023, UNIDO co-organized an event with the United Nations Office of the Special Advisor on Africa as part of the 2023 Africa Dialogue Series. Under the theme “A Growing Middle Class and Continental Import Substitution: Connecting the dots to Unlock ‘Made in Africa’”, the event facilitated dialogue on the middle-class expansion and import substitution to enhance African-made products.

14. In September 2023, UNIDO participated in the second African Union Annual SME Forum and the Inter-Institutional Coordination Meeting for the Implementation and Domestication of the African Union Commodities Strategy. During an awareness session on “Cluster development and industrial upgrading”, attended by 200 participants, UNIDO was invited to assist AUC in creating a pan-African initiative for cluster development and enterprise upgrading.

II. Outlook

15. *IDDA III evaluation*: IDDA III is set to conclude in July 2025 and will be evaluated in consultation with AUC. The evaluation will inform the United Nations General Assembly negotiations and discussions about the successor to IDDA III, within the context of the Agenda 2063 of the African Union and the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development.

16. *Facilitation of the development and implementation of selected IDDA III joint initiatives*, including those related to CAAPs, AfCFTA regional value and supply chains, the African Manufacturing Institute, the African Industrialization Index and AIO.

17. *Supporting the implementation of African Union Summit Action Plan initiatives*: Support will continue to be provided to AUC in the development and implementation of selected activities within the Action Plan.

18. *Organization of global forums* including the final IDDA III high-level event at the seventy-ninth session of the General Assembly in September 2024, side events in the framework of the Forum on China-Africa Cooperation and the Ministerial Meeting of the Tokyo International Conference on African Development, regional IDDA III and AfCFTA events, the Africa Industrialization Day and Week, and the African Union Annual SME Forum.

19. *Consultative meetings with regional economic communities* will continue to build on those held in 2023 with COMESA, ECCAS, ECOWAS and SADC. In 2024, meetings will be held with the Arab Maghreb Union and the East African Community to enhance collaboration and align efforts towards advancing regional industrialization in accordance with UNIDO's Strategy for Africa, as presented to Member States at the twentieth session of the General Conference in November 2023 (GC.20/Res.1 refers).

20. *Submission of the United Nations General Assembly progress report*: The eighth IDDA III annual progress report is scheduled for submission to the Secretary-General in July 2024.

III. Action required of the Committee

21. The Committee may wish to take note of the information contained in the present document.
