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**Integrated and coordinated implementation of and follow-up  
to the outcomes of the major United Nations conferences and  
summits in the economic, social and related fields**

## **Third Industrial Development Decade for Africa (2016–2025)**

### **Note by the Secretary-General**

The Secretary-General hereby transmits the report of the Director General of the United Nations Industrial Development Organization, submitted in accordance with General Assembly resolution [70/293](#).

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\* [A/79/150](#).



*Summary*

The present report is submitted pursuant to General Assembly resolution [70/293](#), in which the Director General of the United Nations Industrial Development Organization was requested to submit a report on progress made in the implementation of the Third Industrial Development Decade for Africa (2016–2025).

## I. Introduction

1. The present report provides an update on the progress made in the implementation of the Third Industrial Development Decade for Africa (2016–2025) during the period from July 2023 to June 2024. It provides details of implemented, ongoing or planned projects and a summary of specific activities, initiatives and events carried out in pursuit of the industrialization agenda for Africa. The report serves in particular to highlight collaborative work between local and international partners, especially where the United Nations Industrial Development Organization (UNIDO) and other United Nations agencies are involved. The collaboration includes the mobilization of human, technical and financial resources for sustainable industrial development in Africa, in particular within the framework of the Third Industrial Development Decade for Africa (2016–2025).

### A. Status of industrial development in Africa

2. The steadily growing population of Africa makes the creation of millions of new jobs and sustainable industrial development one of the greatest challenges of the continent's future. Fair value chains, investment in local production and value creation, innovation transfer and significant investment in industrialization and innovative technologies of the future are key factors for successful development. The continent has enormous economic development potential. Currently, 6 of the 10 fastest growing economies are on the African continent. With Agenda 2063 of the African Union, Governments of African countries have set themselves a forward-looking agenda. The continent accounted for nearly one fifth of the global population and land area, yet its contribution to global gross domestic product (GDP) stood at only 3 per cent, with an even smaller share of 2 per cent in world manufacturing value added. Major industries driving the manufacturing sector in Africa included food products, non-metallic mineral products and beverages. However, the participation of high-tech industries such as computer, electronic and optical products, as well as other transport equipment, remained limited, indicating a need for diversification and technological advancement in the industrial landscape.

3. Several challenges hindered the robust development of the industrial sector of Africa. The negative effects of the coronavirus disease (COVID-19) pandemic, the ongoing wars and related crises as well as the consequences of climate change are having a particularly adverse impact on the economic development of African countries. In 2023, the continent's debt had reached \$1.13 trillion, with the average government debt ratio of sub-Saharan Africa increasing from 24 per cent of GDP in 2013 to 51 per cent in 2023. Inflation was high at 18.5 per cent, driven by global conflicts such as those in Ukraine and the Middle East, which caused surging food and energy prices. Internal conflicts in countries such as the Democratic Republic of the Congo, Ethiopia, Somalia, South Sudan and the Sudan as well as the Sahel region have further disrupted cross-border value chains, affecting industrial activities.

4. Notwithstanding those challenges, the economic performance of Africa has been relatively strong compared with other regions. According to the African Development Bank, the real GDP of Africa grew by 3.1 per cent in 2023, down from 4.1 per cent in 2022 but still above the global average of 3 per cent in 2022 and 2.6 per cent in 2023. The International Monetary Fund and the Economic Intelligence Unit anticipate Africa to have the second-fastest growing economy in 2024, with an average growth rate of 4 per cent. African exports are expected to grow by 5.3 per cent in 2024, outpacing regional averages in North America (3.6 per cent), the Middle East (3.5 per cent), Asia (3.4 per cent), South America (2.6 per cent) and Europe (1.7 per cent).

## **B. New developments in industry in Africa and the global economy**

5. In 2023, the industrial sector of Africa saw significant advancements driven by technology and renewable energy. Countries such as Kenya and Nigeria led the charge in integrating digital technologies into manufacturing processes, fostering the rise of smart factories and Industry 4.0 initiatives. That shift not only increased production efficiency but also created high-skilled job opportunities, addressing youth unemployment. In addition, the continent made strides in renewable energy adoption, with substantial investments in solar and wind projects. Those initiatives are not only reducing reliance on fossil fuels but also providing sustainable energy solutions to remote and underserved communities, thereby promoting inclusive growth.

6. Globally, the economy in 2023 was marked by a robust recovery from the pandemic-induced downturn, with a strong emphasis on sustainable development. Major economies, including China, the United States of America and the European Union, significantly invested in green technologies and infrastructure. That focus on sustainability spurred innovation in electric vehicles, energy storage and carbon capture technologies. Moreover, the global supply chain saw a strategic shift towards resilience and diversification, reducing overreliance on single sources and enhancing economic stability. The increasing collaboration on climate action and digital trade agreements also highlighted a more integrated approach to addressing global challenges, setting the stage for more sustainable and equitable economic growth.

## **II. Progress in the implementation of key priorities in the Third Decade**

### **A. Agribusiness and rural development**

7. UNIDO continued to implement various projects to promote agribusiness and agro-industries. In South Africa, a €1.5 million project funded by Switzerland was focused on improving the quality of essential and vegetable oil exports. In the Sudan, supported by Canada with \$3.9 million, efforts were directed towards enhancing food security through better agricultural practices. In Burkina Faso, in partnership with the World Food Programme (WFP), a project funded with \$530,973 and aimed at strengthening the National Society for Food Stock Management was implemented. In Guinea Bissau, collaboration with the World Trade Organization (WTO) led to training programmes that improved the competitiveness of the artisanal fisheries value chain, benefiting over 300 fisherfolk and enhancing their socioeconomic conditions. In addition, an alliance on special economic zones was launched with other stakeholders, as a global initiative designed to enhance the impact and sustainability of special economic zones by fostering collaboration and sharing best practices among stakeholders.

8. The Food and Agriculture Organization of the United Nations (FAO) continued to implement the Integrated Country Approach project to boost youth employment in agrifood systems, primarily funded by Sweden with \$5.3 million in Kenya, Rwanda, Senegal and Uganda. The fourth phase (\$4.7 million, from 2024 to 2027) began in May 2024 and was focused on the soybean value chain in Zambia. FAO also collaborated with the International Trade Centre on a programme for empowering women and boosting livelihoods through agricultural trade by leveraging the African Continental Free Trade Area in Ghana, Malawi, Nigeria, Senegal, South Africa and the United Republic of Tanzania. The programme enhances women's capacities in agriculture and agroprocessing, support women-led micro-, small, and medium-sized enterprises and promote policy dialogue.

9. In October, 2023 the United Nations Capital Development Fund launched the Africa Adaptation Initiative Food Security Accelerator in partnership with the Department of State of the United States and the Africa Adaptation Initiative. Funded by the Governments of the United States and Canada, the initiative is aimed at enhancing investment in climate-adaptive food systems, with a focus on nature-positive and climate-resilient businesses in Africa. At the Africa Climate Summit in Nairobi in September 2023, an additional \$20 million was announced for the Food Security Accelerator, complementing the \$25 million allocated at the twenty-seventh Conference of the Parties to the United Nations Framework Convention on Climate Change.

10. The International Labour Organization (ILO), in partnership with various organizations, has continued to support agricultural activities. In Zimbabwe, an African Development Bank-funded initiative on sustainable economic development for women and young people improved dairy production and built greenhouses, aiding 2,300 young entrepreneurs, 518 women-owned businesses, 216 artisanal miners and 1,900 farmers.

11. The United Nations Environment Programme continued its collaboration with ILO to implement the Africa agriculture and trade investment fund programme, which is aimed at improving food security. The fund has invested over \$300 million since its inception, resulting in the production and delivery of more than 660,000 metric tons of food and related products by direct investees of the fund in 18 African countries. By providing patient capital through innovative structures, increasing value-added production and enhancing environmental and social practices, the fund will continue to strengthen both the financial and the sustainability performance of the private sector.

12. The United Nations Office for Project Services (UNOPS), with \$879 million from the United States Agency for International Development, partnered with the Niger to boost food security by modernizing water management, reducing post-harvest losses and improving agribusiness value chains. The initiative served to rehabilitate 300 km of roads, expand irrigable land by 5,640 hectares and provide 104 farmers with solar pump irrigation systems and training. It also supported pastoral activities, benefiting 3.4 million people, and promoted climate-resilient agriculture for 300,000 households. In Madagascar, a \$141.6 million UNOPS project funded by the International Fund for Agricultural Development supported the establishment of solar pumping stations for 1,200 hectares and rural road rehabilitation. Similar projects were under way in Ghana and the United Republic of Tanzania, funded by the Korea International Cooperation Agency.

13. The International Atomic Energy Agency (IAEA) provided support on climate-smart agriculture and nuclear-based crop management methods to farmers in Africa in order to increase their crop yields for food security. As a result of the assistance, cassava yields increased from 12 to 33 metric tons in Burundi, from 10 to 50 metric tons in the Central African Republic, from 20 to over 70 metric tons per hectare in Ghana and from 15 to 62 metric tons in Rwanda.

14. The African Export-Import Bank committed \$2 billion to the export agriculture for food security initiative, aimed at boosting agricultural production, processing and intra-African trade, thereby expanding market access for African farmers and agribusinesses. The African Export-Import Bank supported the cotton value chain through the Cotton Four plus initiative with WTO, UNIDO, the United Nations Conference on Trade and Development (UNCTAD), FAO, the Fédération Internationale de Football Association and the Better Cotton Initiative, enhancing cotton production and transformation in the least developed countries. Furthermore, the African Export-Import Bank partnered with the National Association of Young

Entrepreneurs of Portugal to bolster the fashion and textiles sectors of Africa through the Creative Africa Nexus programme, while collaborations with WFP and the African Continental Free Trade Area facilitated \$2 billion in funding for agriculture and trade initiatives.

## **B. Trade capacity-building**

15. UNIDO advanced several trade capacity-building projects across Africa. In Ghana, the \$6.59 million West Africa Competitiveness Programme, funded by the European Union and Germany, improved market access and competitiveness in the processed fruits and cosmetics sectors. A €8.1 million project in Egypt funded by Germany and the European Union enhanced collaboration and trade regulation compliance among small and medium-sized enterprises. In Sierra Leone, a €4.6 million project funded by the European Union strengthened value chains in the cocoa, cassava and palm oil sectors. A \$7.32 million initiative in the United Republic of Tanzania funded by the European Union improved market access of micro-, small and medium-sized enterprises by upgrading quality standards. The ProFishBlue project in Southern Africa, funded by the African Development Bank, promoted sustainable fisheries. In Mozambique, a \$1.98 million Norwegian People's Aid project boosted market competitiveness for aquaculture small and medium-sized enterprises. Through a \$2.55 million European Union project in the Gambia, onion storage facilities were developed and female farmers were trained in agricultural practices and market access.

16. UNCTAD invested \$59 million in 200 technical cooperation projects across 70 countries. In Africa, 39 countries received support for customs automation, leading to increased revenue and job creation; for instance, the Gambia saw a 23 per cent rise in customs revenue and 1,000 new jobs in 2023. In collaboration with the African Union Commission and the African Continental Free Trade Area secretariat, the Conference developed a mechanism for reporting and addressing non-tariff barriers, benefiting African exporters and micro-, small and medium-sized enterprises. In addition, UNCTAD and the European Union organized the Train for Trade II programme in Angola, under which 3,301 participants trained and which was recognized by the United Nations as a best practice for achieving the Sustainable Development Goals.

17. WTO and UNIDO, with \$2.47 million from the European Investment Fund, supported trade mainstreaming and the implementation of the African Continental Free Trade Area in 25 African least developed countries, including workshops in Burundi, Chad and Guinea-Bissau. WTO also organized 41 capacity-building events on trade-related intellectual property rights, e-commerce, sanitary and phytosanitary measures and technical barriers to trade, and trade in services across the Comoros, Kenya, Mauritius, Morocco, Zambia and the Economic Community of West African States (ECOWAS). In addition, WTO and the European Investment Fund, in partnership with the International Islamic Trade Finance Corporation and the Economic Commission for Africa (ECA) and funded by the Islamic Development Bank, conducted 30 activities in Burkina Faso, Guinea, Mauritania, the Niger, Senegal, Togo and Tunisia, focusing on trade promotion and African Continental Free Trade Area policy.

18. The World Bank Group invested over \$1.7 billion in transportation infrastructure, including projects such as Rodrigues Airport in Mauritius and Safer Roads in Mozambique. It committed more than \$900 million to sustainable transportation and urban infrastructure in Cabo Verde. Through the International Development Association, the Group supported over 90 regional integration projects with more than \$16 billion. In addition, the Group is investing over \$8 billion to

enhance regional connectivity, trade integration, human capital development and resilience, focusing on the African Continental Free Trade Area, the Protocol relating to Free Movement of Persons, Residence and Establishment and the Single African Air Transport Market.

19. The African Export-Import Bank, in partnership with the African Association of Automotive Manufacturers, the African Union and the African Continental Free Trade Area secretariat, supported the continental automotive strategy adopted in February 2023, identifying \$125 million in investment opportunities presented to trade ministers of the African Continental Free Trade Area in June 2024. In addition, the Bank, with ECA and other partners, launched the battery precursor special economic zones initiative of the Democratic Republic of the Congo and Zambia to develop regional value chains for battery production, creating jobs and reducing carbon emissions. The Bank committed \$1 million, with a pre-feasibility study completed in December 2023 and groundwork expected to start by July 2024.

### **C. Entrepreneurship and skills development**

20. UNIDO continued to implement several projects to enhance entrepreneurship in Africa. In Ethiopia, it continued the Training Institute for Commercial Vehicle Drivers project, funded by Sweden with \$3,123,299. The project also created jobs for young people through vocational training. In addition, with funding from the African Development Fund and in collaboration with the Government of Ethiopia, UNIDO promoted sustainable agro-industrialization. That initiative was focused on capacity and skills development, integrating smallholder farms and small-scale processing enterprises into commercial value chains and ultimately increasing rural economic opportunities within the agribusiness sector.

21. The Department of Economic and Social Affairs, supported by the United Nations peace and development trust fund and the Development Account, trained micro-, small, and medium-sized enterprise entrepreneurs and government support officers in Ethiopia and Zimbabwe. Participants gained cutting-edge knowledge in entrepreneurship and digitalization skills through the Department's capacity-building interventions, which were aimed at strengthening the growth and resilience of the micro-, small, and medium-sized enterprise sector by addressing opportunities and risks of regional market integrations. The Department's micro-, small, and medium-sized enterprise capacity-building efforts prioritize the needs of women, young people and entrepreneurs with disabilities, with over half of the beneficiaries women entrepreneurs.

22. IAEA continued to support initiatives in postgraduate education in nuclear science and technology in Africa. It supported 19 candidates in starting the master's programme in nuclear science and technology at the University of Alexandria in Egypt and at the University of Ghana. In addition, 21 candidates from 16 Member States, including from Africa, were awarded fellowship programmes to pursue doctoral research work at foreign universities. Forty-seven candidates from 27 African countries were supported in attending postgraduate courses on radiation protection and safety of radiation sources in Kenya and Algeria.

### **D. Industrial policy and statistics**

23. In June 2024, UNIDO launched the Industrial Development Report 2024, the theme of which related to modern industrial policies and global challenges such as resource scarcity and climate change. The report was focused on Sustainable Development Goal-oriented policies, regional coordination and the leveraging of

megatrends, with a chapter on Africa containing an assessment of progress towards Goals 7, 8 and 9. From June 2023 to June 2024, UNIDO conducted policy research in Africa, including industrial country diagnostics of the United Republic of Tanzania, which will guide future cooperation. In November 2023, UNIDO published a policy brief entitled “Diving into diversification” with a view to analysing North Africa-European Union economic ties, followed by a round table in May 2024 at which the economic integration of European Union and Mediterranean African countries was discussed.

24. In collaboration with the Statistics Division and WTO, UNCTAD implemented the Train For Trade programme to train 2,494 participants from 176 countries, including from Africa, on how to compile and use international trade statistics. Of the attendees, 42 per cent were female. In Angola, UNCTAD and the European Union implemented the Train for Trade II joint programme. A total of 3,301 participants were trained, including managers from the 30 leading Angolan companies. UNCTAD contributed to economic development in Africa through research and policy analysis. It played an instrumental role in the development of the official non-tariff barriers reporting, monitoring, and eliminating the mechanism of the African Continental Free Trade Area, which allowed micro-, small and medium-sized enterprises to report trade obstacles that they face around Africa, in order to enhance regional trade.

25. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States published the first version of the road map for the implementation of the Doha Programme of Action for the Least Developed Countries, a living document that serves to identify specific actions to be taken by governments of least developed countries, development partners, the United Nations system and other stakeholders, including the private sector, to achieve the goals and targets of the Programme of Action.

26. The Office of the Special Adviser on Africa published the Secretary-General’s 2023 report entitled “Solving paradoxes of Africa’s development: financing, energy and food systems”. In the report, the Secretary-General highlighted that overcoming barriers faced by Africa in accessing its own resources could drive sustainable industrialization and advance the Sustainable Development Goals. He emphasized the need for improved domestic resource mobilization to capture the \$500–600 billion lost annually as a result of transfer pricing, illicit flows and inefficient taxation. Utilizing those resources could boost energy generation and strengthen food systems, which were crucial for sustainable industrialization and leveraging the African Continental Free Trade Area.

27. The World Bank Group released the October 2023 edition of its biannual publication, “Africa’s Pulse”, at its 2024 annual meeting. The publication serves as a resource for understanding the economic trends and challenges shaping the development of Africa, and the October 2023 edition was focused on delivering growth to people through better jobs. It featured insights from the World Bank Group, Oxfam and academic experts on the economic landscape of sub-Saharan Africa. At the 2024 Africa CEO Forum, held in Kigali, the International Finance Corporation launched a new book entitled *Digital Opportunities in African Businesses*. The book serves to highlight how more than 600,000 registered firms and 40 million microbusinesses in Africa could benefit from digital upgrades, to address challenges such as high technology costs and to advocate investing in digital infrastructure and technology start-ups to offer affordable digital solutions.

28. ECOWAS implemented several initiatives to strengthen industrial frameworks in the region. With a \$100,000 grant from the African Export-Import Bank, the Commission developed the West Africa automotive industry policy framework in collaboration with the African Association of Automotive Manufacturers. In addition,



it revised the strategy for the West Africa Common Industrial Policy (ECOWAS) on a \$120,000 budget, with work expected to be completed in 2024, benefiting all economic actors in the region.

29. The African Export-Import Bank collaborated with the African Organization for Standardisation, the Physikalisch-Technische Bundesanstalt of Germany and the International Islamic Trade Finance Corporation to harmonize African standards for automotive, pharmaceutical and medical equipment, as well as textiles and leather products. This is aimed at supporting industrialization and facilitating intra-African trade under the African Continental Free Trade Area. A total of 360 pharmaceutical standards and 148 textile and leather standards were harmonized, with further standards under review. The Bank and the Corporation committed \$2.42 million to those initiatives.

30. The Commission of the Economic Community of Central African States, with the support of member States and ECA, has developed a cooperation protocol for industrial development and a master plan for industrialization. These documents will serve as a framework and reference for supporting the structural transformation of Central African economies. The adoption process for these reference documents, which began in 2023 with experts and ministers responsible for industry, is expected to be completed by September 2024.

31. The secretariat of the Common Market for Eastern and Southern Africa, with technical assistance from ECA, implemented a project to adapt African Union guidelines for regional agriculture value chains, piloted in Zambia and Zimbabwe and aimed at building capacity for promoting regional value chains, with a focus on maize and dairy products. Key activities included developing industrialization and export strategies for those sectors and training government officials and stakeholders in integrating African Union guidelines into national policies and strategies.

## **E. Special economic zones and industrial parks**

32. UNIDO launched a \$4.21 million project, funded by the Government of Ethiopia, to build capacity and entrepreneurial skills for sustainable agro-industrialization in Ethiopia. The initiative is aimed at integrating smallholder farms and processing enterprises into commercial value chains, supporting the country's industrial park development strategy. In November 2023, UNIDO, in partnership with the African Development Bank, Arise Integrated Industrial Platforms and the Islamic Development Bank, launched the Alliance for Special Agro-Industrial Processing Zones. The Alliance committed \$3 billion over five years to develop private sector-led special agro-industrial processing zones, with contributions of \$1.1 billion from the African Development Bank, \$1 billion from the African Export-Import Bank, \$600 million from Arise Integrated Industrial Platforms and \$300 million from the Islamic Development Bank.

33. FAO, the African Union and partners, including UNIDO, continued to support the Common African Agro-Parks Programme. Launched in 2019 as part of the Comprehensive Africa Agriculture Development Programme and Agenda 2063 of the African Union, the Common African Agro-Parks Programme is aimed at boosting agricultural productivity and economic growth and fulfilling the Comprehensive Africa Agriculture Development Programme commitment in the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods to “triple intra-African trade in agricultural commodities and services” and help Africa to reclaim its domestic market currently served with \$50 billion in global imports.

34. In December 2023, ECA, in partnership with the Governments of the Democratic Republic of the Congo and Zambia, completed a pre-feasibility study to establish an electric vehicle battery manufacturing special economic zone between the Democratic Republic of the Congo and Zambia, funded with \$1 million from the African Export-Import Bank. The study was officially endorsed by Zambia in April 2024. The signing of the concession agreement is planned for December 2024, followed by the mobilization of resources and implementation of the special economic zone in July 2025. The project is expected to generate 15,000 direct and 25,000 indirect jobs upon project implementation. It is also anticipated to displace 9.8 million tons of carbon annually, significantly reducing greenhouse gas emissions.

## **F. Pharmaceutical industries and the coronavirus (COVID-19) disease**

35. UNIDO continued to implement several projects to enhance vaccine and essential medicine production in Africa. In the ECOWAS and East African Community regions, a project funded by Germany in the amount of \$703,927 supported the development and promotion of regional product and marketing plans for vaccine production in the two regions, detailed pharmaceutical market analyses in Ethiopia, Kenya and Nigeria, and the facilitation of business collaborations between the global North and South through avenues such as the German-African Healthcare Forum, promoting local capacity and economic growth in the pharmaceutical sector. In December 2023, UNIDO launched a project valued at \$899,208 and funded by Germany to support the local production of vaccines and pharmaceuticals in Senegal.

36. In 2023, the African Development Bank initiated the 2030 continental pharmaceutical and vaccine manufacturing vision and action plan to strengthen the pharmaceutical and vaccine production capabilities of Africa. The plan is aimed at reducing dependency on external sources, improving health-care outcomes and stimulating economic development. It will require an estimated \$111 billion in investments by 2030, with \$11 billion designated for pharmaceutical industry development and \$100 billion for infrastructure to support regional logistic integration. The Bank plans to invest up to \$3.1 billion up to and including 2030, including mobilizing approximately \$100 million annually for the pharmaceutical industry and around \$200 million each year for infrastructure development.

37. In June 2023, IAEA established a network of nine universities from Algeria, Egypt, Ethiopia, Ghana, Kenya and South Africa to host a harmonized master's programme in radiopharmacy, which is scheduled to be launched by September 2025. They also created e-learning modules and organized a summer school on radiopharmaceuticals, providing training on preparation and quality control. The initiative is aimed at enhancing African capacities by updating radiopharmacists on the latest developments. In 2023, 12 students from eight African countries obtained master's degrees in radiopharmacy, equipping them with the skills needed to work in the field and collaborate with global experts.

38. The African Medical Centre of Excellence initiative of the African Export-Import Bank, part of its Health and Medical Tourism Programme, was aimed at enhancing health-care facilities across Africa. The flagship project, located in Abuja, involved creating a 500-bed multispecialty hospital offering comprehensive medical services, including oncology, haematology, cardiology and general care. The project also included academic and research facilities, residential areas and retail spaces. The first phase, a 170-bed hospital costing up to \$250 million, is under construction and is expected to open in the first quarter of 2025.

39. The World Intellectual Property Organization (WIPO) continued to build capacity and raise awareness about the potential of intellectual property to boost community-based businesses. In September 2023, WIPO launched a training, mentoring and matchmaking programme on intellectual property and traditional medical knowledge with a regional workshop for 10 African countries. The workshop was aimed at introducing the work of WIPO on intellectual property and traditional knowledge as well as the international legal framework for traditional medical knowledge, and providing basic intellectual property principles and tools. Following the workshop, WIPO will offer tailored training and mentoring. In October 2023, WIPO launched the Global Health Innovation Fellows Initiative, sponsoring four African fellows in the Bio-design Program of India to train medical technology innovators. The inaugural cohort began their two-year fellowship at the Indian Institute of Technology Delhi and the Indian Institute of Technology Bombay in January 2024.

## **G. Renewable energy and energy efficiency**

40. UNIDO continued to implement its global renewable energy centres programme, the objective of which is to support the establishment and development of centres that can drive the adoption and deployment of renewable energy technologies. Key results to date have included the establishment of five regional sustainable energy centres in Africa, covering over 50 countries, and the development of five regional renewable energy and efficiency policies, 30 national action plans, and national standards adopted by more than 40 countries. The programme has also mobilized over \$250 million in investment from sources such as the European Union, the World Bank Group and the African Development Bank. It has engaged more than 10,000 experts through events and trained over 3,000 individuals. In addition, over 400 sustainable energy businesses in Africa have received support. Project sites include Angola, Cabo Verde, Egypt, Namibia and Uganda. UNIDO also continued to advance the energy efficient lighting and appliances project, which is aimed at transforming the energy-efficient lighting and appliances market in the East African Community and Southern African Development Community regions by promoting regional regulatory and trade harmonization. In February 2024, the project successfully led to the adoption of regional minimum energy performance standards for air conditioning and refrigeration by 16 Southern African Development Community member States.

41. The World Bank Group, through its “Powering Africa for economic transformation” initiative, continued to support access to clean and sustainable energy in Africa. Investments totalling over \$1.8 billion were directed towards renewable energy development and power sector reforms across the West and Central Africa region. The World Bank Group continued to support the regional electricity access and battery energy storage technology project in West Africa, aimed at increasing access to grid electricity, enhancing power system stability and increasing renewable energy integration in the West Africa Power Pool agency of ECOWAS.

42. The African Development Bank continued to implement the Africa Energy Transition Catalyst Programme approved in 2023 with \$10.28 million from the Sustainable Energy Fund for Africa. The project supports measures such as the Mega Solar initiative, the African Energy Transition Programme of the African Energy Commission, and green energy strategies in Mauritania, Nigeria, Senegal and Tunisia. The Bank supported the implementation of the new Electricity Act in Nigeria through the Africa Energy Sector Technical Assistance Programme, a \$995,000 project approved in 2024. It assisted in developing policies and regulatory guidelines for the Act and supported State-level projects in Enugu, Oyo and Ekiti. In addition, the Bank

prepared the multinational Africa Energy Sector Technical Assistance Programme, with \$5.5 million in funding from the Sustainable Energy Fund for Africa. The Programme was aimed at enhancing energy security, access and decarbonization across Africa over 48 months.

43. UNOPS, in partnership with the United Nations Development Programme (UNDP), continued to implement an \$8.5 million pilot project funded by the Swedish International Development Cooperation Agency to provide clean energy in the Liptako-Gourma region of Sierra Leone. The project includes installing six solar-powered mini-grids, developing income-generating activities and green jobs and offering training. It is expected to benefit around 330,000 people by December 2025. In Freetown, UNOPS, with funding from Japan, also launched a project to enhance disaster response and provide renewable energy, including by constructing a biogas system to convert organic waste into manure and provide lighting for the community.

44. The United Nations Capital Development Fund, in collaboration with UNIDO, FAO and the Government of the United Republic of Tanzania, implemented the European Union-funded CookFund programme in Tanzania. Under the €5 million programme, 62 grants were awarded to small businesses, benefiting over 41,000 users and reducing carbon emissions by about 114,588 tons while improving health, education, and gender equality. The Fund also provided a \$350,000 loan to the renewable energy firm Altech Group in the Democratic Republic of the Congo, which helped the company to secure an additional \$18 million from private investors, resulting in renewable energy access for 900,000 new clients and the creation of thousands of green jobs.

## **H. Environment and climate change**

45. UNIDO continued to implement various environment and climate change activities. In 2024, it expanded the Global Cleantech Innovation Programme to Egypt, Lesotho, Morocco, Nigeria, Senegal and South Africa, aiming to support 2,100 small and medium-sized enterprises, save 11 million metric tons of carbon dioxide equivalent and mobilize \$30 million by 2030. In Egypt, a green economy project funded by Switzerland with 5 million Swiss Francs was carried out. In Algeria, a \$10.9 million green and circular economy programme focused on training and resource conservation was under implementation. UNIDO also promoted circular economies in various sectors and repurposed 330,000 metric tons of textile waste in Egypt, Morocco and Tunisia.

46. The United Nations Human Settlements Programme (UN-Habitat) supported technological innovation and transformation in the urban services sector of Africa, including waste management and energy supply. In Zimbabwe, UN-Habitat and the Swedish International Development Cooperation Agency initiated a \$6 million project to construct a waste-to-energy plant and produce sustainable building materials. The project is aimed at addressing urban sustainability, productivity and employment by fostering economic activities in service provision and leveraging South-South expertise exchange. In South Africa, UN-Habitat implemented a circular construction and housing project with €500,000 from the Federal Ministry for Economic Cooperation and Development of Germany. In Kenya, UN-Habitat aided the Government in securing financing for a waste recycling plant in the metropolitan area of Nairobi.

47. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the United Nations Capital Development Fund and OKO Finance jointly developed gender-responsive innovations to address current income losses due to drought and floods in Mali. The innovations included surveying women

farmers to assess their needs, deploying female-only agents, incorporating gender aspects in training and designing insurance products for women-dominated crops such as peanuts. The initiative enabled 1,100 women smallholders to access crop insurance for the first time, created 11 new job types for women in the agricultural insurance value chain and increased the female customer base of OKO Finance from 18 per cent to 25 per cent in less than a year. Plans are under way to reach 5,000 more women farmers with tailored crop insurance in 2024.

48. The United Nations Framework Convention on Climate Change secretariat, via its regional collaboration centres in Uganda and Togo, supported climate projects to promote sustainable, climate-friendly industrialization in Africa. Key efforts included aiding the development of nationally determined contributions with technical guidance, mobilizing assistance from various partners, creating a database of support providers and enhancing synergies between providers and countries. A study on long-term low-emission development strategies was produced with the expert support of the African Group of Negotiators. An online course on the Paris Agreement was offered, along with regional training sessions during Africa Climate Week in Nairobi. In addition, carbon-pricing initiatives were supported, regional dialogues were organized, and a carbon pricing report for West Africa was published.

## **I. Information and communications technology**

49. UNIDO launched several initiatives to promote information and communications technology (ICT). In July 2023, at the World Artificial Intelligence Conference in Shanghai, UNIDO introduced the Global Alliance on Artificial Intelligence for Industry and Manufacturing. This initiative fosters responsible and inclusive artificial intelligence (AI) use in industry, supporting the UN Secretary-General's call for a Global Digital Compact. The Global Alliance unites governments, international organizations, the private sector and industry leaders to promote ethical AI development, enhance industrial competitiveness and ensure equitable AI benefits. In November 2023, UNIDO launched the Alliance for I4.0 and Smart Manufacturing in Africa, which is aimed at unlocking the smart manufacturing potential of Africa by raising Industry 4.0 awareness, fostering stakeholder collaboration and facilitating the adoption of advanced technologies in manufacturing.

50. The African Development Bank signed a partnership agreement with Intel at its annual meeting in May 2024 in Nairobi. The initiative is aimed at equipping 3 million African citizens and 30,000 government officials with AI skills, creating a critical mass of people proficient in Industry 4.0 skills to boost growth and productivity. Training will be focused on addressing socioeconomic challenges and enhancing productivity in sectors such as agriculture, health and education. The partnership will also help with developing harmonized AI, 5G, Wi-Fi 6E, data and cloud policy frameworks. In September 2023, the African Development Bank signed a letter of intent with Google to provide technical assistance for African entrepreneurs and small and medium-sized enterprises, focusing on digitalization, financing, digital marketing and private sector development. In the letter, the Bank highlighted a commitment to leveraging emerging technologies, enhancing infrastructure and developing skills in Africa.

51. The Technology Bank for the Least Developed Countries, in partnership with the Istanbul International Centre for Private Sector in Development of UNDP, launched the Frontier Tech Leaders programme to offer training in AI and machine learning. The first local implementation of the programme began in Djibouti in November 2023, with 20 students graduating in Python training by January 2024. In Türkiye, the Machine Learning Bootcamp started in July 2023, with 20 of 31 students graduating in December 2023. In a subsequent Python course in Djibouti, starting in

January 2024, 47 participants enrolled, with 20 graduating. Some 500 applications were received for an intensive machine learning training course starting in March, with 43 students enrolling and 23 submitting graduation projects.

52. The United Nations Capital Development Fund and FAO implemented a project in Northern Uganda to enhance smallholder farmers' access to finance by using their digital records for loan allocation. In the United Republic of Tanzania, the Fund collaborated with local banks, mobile network operators and multinational financial technology companies to support the PesaTech Accelerator programme, which fosters financial technology partnerships and provides business, technological and operational support to start-ups. It has supported 22 financial technology startups, resulting in a 40 per cent increase in their customer base, a 30 per cent increase in total revenue and more than \$5 million in capital raised for the first cohort of 12 financial technology enterprises.

53. The Common Fund for Commodities invested €300,000 in a field-data solutions provider operating in Côte d'Ivoire and Ghana, which helped the company to utilize the geographical information system technology for land mapping and land rights documentation. This enhanced supply chain transparency, eliminated risks such as deforestation and forced labour and ensured land security for smallholder farmers. The Fund also invested \$1 million in an exporter of organically certified vanilla and coffee beans and dried fruits in Uganda. This investment ensured supply chain transparency for more than 1,100 local farmers across five regions through innovative organic certification and digital traceability software.

54. FAO helped the African Union Commission to develop and adopt the African Union Digital Agriculture Strategy and Implementation Plan 2024–2030 in February 2024. FAO also launched the Digital Villages Initiative to promote both digitalization in rural areas and plans to advance the use of AI tools for advisory services. In Uganda, support was provided to introduce blockchain technology to improve agricultural market access and value through a project on blockchain and related digital technologies for sustainable agrifood value chains.

55. The African Export-Import Bank, in partnership with ECA, developed the Africa Trade Exchange, a business-to-business and business-to-government e-commerce platform facilitating trade under African Continental Free Trade Area rules. The Exchange serves as a centralized digital marketplace connecting verified African suppliers with buyers, thereby enhancing cross-border trade efficiency. Since its soft launch, the platform has listed 107 fertilizer companies on the Exchange and processed approximately \$1.5 billion in financing. It has also registered 1,916 vetted buyers and 1,172 vetted sellers, improving access to high-quality products and reducing trading costs. The Exchange streamlines the trading process and provides businesses with a robust network of trusted partners.

56. ECA advanced the Democratic Republic of the Congo–Zambia special economic zone for the battery and electric vehicle value chain. Following the establishment of the Centre of Excellence for Advanced Battery Research of the Democratic Republic of the Congo, the signing of the Democratic Republic of the Congo–Zambia Framework Agreement and the completion of a pre-feasibility study, ECA organized workshops in Kinshasa and Lusaka in October 2023 to explore local content and industry linkages. Efforts are under way to expand the value chain to include the local manufacturing of batteries and vehicles, with interest from Lesotho, Morocco, Mozambique, Namibia, South Africa and Zimbabwe. In addition, an ECA study of regional value chains for cellular phones is aimed at addressing the electronics trade deficit of Africa through the African Continental Free Trade Area and through growing local demand.

57. The International Telecommunication Union (ITU) advanced the digital transformation of Africa through several initiatives. It provided technical support for smart village and smart island projects in Cabo Verde and Liberia, supported GovStack sessions in the Gambia and Lesotho and developed e-waste management strategies in Botswana, Malawi, the Niger, Rwanda, Uganda and Zambia. A project was conducted to enhance radiofrequency spectrum management in 42 countries, while a benchmarking project served to guide ICT capacity-building in Central Africa. ITU also improved broadband infrastructure and policy guidance in Uganda and cybersecurity strategies in Chad and Rwanda.

## **J. Outreach and global forums**

58. UNIDO hosted several key global forums in Africa to advance industrial development and sustainability. In September, UNIDO collaborated with the African Union Commission, ECA, ILO, the African Capacity-Building Foundation, the Africa Business Council, the African Export-Import Bank and the Tony Elumelu Foundation to organize the high-level event for the Third Industrial Development Decade for Africa (2016–2025) at the General Assembly of the United Nations in New York, which was focused on industrial skills development in Africa. More than 200 participants attended. In November 2023, UNIDO, the African Union Commission and ECA jointly organized the 2023 Africa Industrialization Day week during the Intra-African Trade Fair in Cairo, which was focused on accelerating the industrialization of Africa through the empowerment of African women in processing for an integrated market. In May 2024, UNIDO moderated sessions at the 2024 Industry Engagement Forum, at which participants discussed the health industry framework and boosting local pharmaceutical production with stakeholders such as the National Agency for Food and Drug Administration and Control, and the Pharmaceutical Manufacturing Group of the Manufacturers Association of Nigeria. Also in May 2024, UNIDO supported the Africa Startup Initiative Program at the Medpharma Africa 2024 event in Abidjan, Côte d'Ivoire, by facilitating business-to-business discussions and visiting UbiPharm for potential partnerships. In June 2024, UNIDO attended the second Global Event on Harnessing Private Sector Engagement for Sustainable Vaccine and Pharmaceutical Manufacturing, held in Nairobi, and contributed to a panel on lean manufacturing.

59. In September 2023, the African Development Bank, FAO and other stakeholders organized the Africa Food Systems Forum summit in Dar es Salaam, United Republic of Tanzania. At the summit, agriculture ministers, policymakers, experts and food industry stakeholders reviewed progress on the implementation of the Dakar 2 Summit on Feed Africa: Food Sovereignty and Resilience. They highlighted the need for private sector involvement, scientific advancement, integrated public policies and political will to enhance the food security and resilience of Africa. The Bank committed \$10 billion over five years to support the implementation of country compacts, while development partners have announced over \$70 billion in support since the Summit.

60. In February 2024, the secretariat and business council of the Southern African Development Community hosted the first Southern African Industrialisation Forum in Johannesburg, South Africa. Attended by more than 200 government and business leaders, the forum was focused on setting industrial priorities and investment opportunities in the Community. In key discussions, the strengthening of human and financial capital as drivers for industrialization was emphasized. In March 2024, the Community secretariat organized a regional investment forum to foster partnerships for developing priority projects relating to energy storage, copper, and mining inputs.

The forum was attended by heads Of Investment Promotion Agencies and representatives from ministries of industry, investment and mining.

61. The United Nations Office for South-South Cooperation organized a dialogue to mark the thirtieth anniversary of the Tokyo International Conference on African Development. The event brought together representatives of Member States, the High-level Committee on South-South Cooperation, the Office of the Special Adviser on Africa, ECA, the Group of African States, the African Union Commission, academia and other stakeholders. Discussions were focused on the evolution of South-South and triangular cooperation through the Tokyo International Conference and on the role of Japan in the industrialization efforts of Africa.

## **K. Partnerships and resource mobilization**

62. In January 2024, UNIDO, in collaboration with Saudi Arabia, launched the Global Alliance for Responsible and Green Minerals to promote sustainable practices in the mineral supply chain. The initiative is focused on developing and implementing international standards for sustainable mining, offering policy advice to governments and organizations, enhancing stakeholder capabilities through training and workshops and establishing certification schemes for green practices. The Alliance seeks to reduce the environmental impact of mining, improve social conditions in mining regions and support economic growth through responsible sourcing. By convening diverse stakeholders and fostering international cooperation, it aims to integrate sustainability into industrial practices and advance global environmental and social governance.

63. UNOPS and the Sustainable Energy for All initiative signed a partnership to accelerate the energy transition of Africa and meet its growing energy needs. Announced at the twenty-eighth Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Dubai in December 2023, the partnership is aimed at improving coordination and addressing barriers to renewable energy, energy efficiency and sustainable infrastructure. It unites funders, African governments and stakeholders to develop a shared vision for the continent's energy mix. UNOPS manages the funds and provides support, while the Sustainable Energy for All initiative offers access to finance and technical expertise.

64. In 2023, the United Nations Capital Development Fund partnered with WFP, the MasterCard Foundation and local financial institutions to support micro-, small and medium-sized enterprises in the agricultural value chains of Rwanda, establishing a 70 per cent partial credit-risk guarantee to reduce collateral requirements for agricultural micro-, small and medium-sized enterprises led by young people and women. In Zimbabwe, the Fund, in collaboration with the United Nations Educational, Scientific and Cultural Organization, UNDP, UN-Women and Old Mutual Limited, created the Sustainable Development Goal Renewable Energy Fund, leveraging an \$8 million United Nations Capital Development Fund loan to mobilize \$50 million from the private sector for renewable energy investments.

## **L. South-South cooperation**

65. In October 2023, UNIDO and the China International Development Cooperation Agency agreed to collaborate on sustainable industrial development, planning four projects in agriculture and energy valued at \$6.3 million. In addition, a \$50 million initiative was discussed to establish centres for agro-technology, renewable energy and digitalization across four African countries. In November 2023, UNIDO, in partnership with the African Export-Import Bank and the Export-Import Bank of



China, hosted the South-South Investment Forum in Cairo. The Forum facilitated dialogue on mobilizing South-South investments and committed to increasing intra-African and South-South investment, setting the stage for future collaboration and development.

66. In 2023, the Islamic Development Bank used its reverse linkage mechanism to connect knowledge-providing and knowledge-receiving institutions in Africa. This included a collaboration with the Indonesian Agency for International Development to improve health services through telemedicine, linking the East Africa University Hospital in Somalia with Ain Shams University in Egypt. In addition, Djibouti partnered with Tunisia to develop a mobile-based financial services platform.

67. In May 2024, the Sustainable Energy for All initiative, the Institute of Transportation Studies at the University of California, Davis, and the Swaniti Global Initiative launched the Council for Critical Minerals Development in the Global South. This is a platform aimed at enhancing collaboration among global South countries on critical minerals needed for energy transitions, ensuring equitable development of the minerals value chain and improving access to clean technologies.

68. In September 2023, ILO in Zambia, alongside the Ministry of Emergency Management of China and local stakeholders, launched a South-South cooperation initiative to improve mining safety and health. Measures included training for 50 occupational safety and health managers from Chinese and Zambian mining companies, benefiting over 10,000 workers. Simultaneously, ILO started a project involving France, Kenya and Madagascar to support small and medium-sized enterprises and cooperatives in the horticulture value chain, facilitating exports to the European Union, including to Rungis International Market in France.

69. The Global South-South Development Centre, the United Nations Office for South-South Cooperation, the WFP centre of excellence in China and WFP launched the China-Africa rice value chain development initiative in Côte d'Ivoire to enhance rice value chains in West Africa. The project, which included a demonstration site and six agricultural machines, was successfully expanded to five additional West African countries with \$650,000 from the Melinda Gates Foundation. In addition, the India-Brazil-South Africa trust fund supported a \$1.7 million project in Zambia, led by the International Fund for Agricultural Development and the Muchinga Agricultural Development Company and focused on boosting soya bean production and processing, including by training farmers and establishing a processing plant.

### **III. Cross-cutting issues**

#### **A. Integration of women into industrial development**

70. UNIDO, funded by Italy, implemented two projects in Ethiopia. The first project, with a budget of \$2,537,537, was focused on developing the textiles sector in migration-prone areas to create economic opportunities and deter irregular migration, specifically by enhancing job prospects for young people and women through capacity-building and strategic partnerships. The second project, funded with \$3,310,206, expanded support for young people and women in Ethiopia by strengthening design capacities, promoting product development and fostering public-private partnerships, in particular in sectors such as design, fashion, textiles and ecotourism.

71. UN-Women and ILO jointly implemented a programme on promoting decent employment for women through inclusive growth policies and investments in the care economy. The programme covered five countries, including Ethiopia, Egypt and

Morocco. An innovative policy support tool was developed to estimate gaps and investment returns in care services. UN-Women led the application of the tool in more than 20 countries, including at least seven countries in Africa (Côte d'Ivoire, Egypt, Ethiopia, Morocco, Nigeria, Senegal and the United Republic of Tanzania). UN-Women and the Central Bank of Liberia support rural women's financial inclusion through digital training, formalizing 15 women-led village savings and loan associations and linking them with formal financial institutions.

72. The United Nations Capital Development Fund continued to support women's economic empowerment by partnering with Nyowe Ventures in northern Uganda to establish a digital platform for shea nut and sunflower value chains. The platform connected over 100,000 farmers, of whom 73 per cent were women, to markets, information, farming inputs and financial services. In April 2024, in Dakar, WIPO collaborated with the eTrade for Women programme of UNCTAD to organize training on the use of intellectual property in business for 25 women entrepreneurs from Benin, Burundi, Cameroon, Chad, Côte d'Ivoire, the Democratic Republic of the Congo, Djibouti, Mali, Senegal and Togo.

73. In collaboration with Women in Nuclear Global, IAEA established four national chapters in Ethiopia, Malawi, Togo and Zimbabwe. Building on the success of the IAEA Marie Skłodowska-Curie Fellowship and Lise Meitner Programmes (MSCFP), several African women were selected for a postgraduate programme in science and technology, aimed at enhancing their technical and managerial skills. The Marie Skłodowska-Curie Fellowship Programme has supported 143 African women with scholarships for master's degrees in nuclear-related fields.

74. FAO, in collaboration with the International Trade Centre, implemented a pilot programme entitled "Empowering women and boosting livelihoods through agricultural trade: leveraging the African Continental Free Trade Area" across Ghana, Malawi, Nigeria, Senegal, South Africa and the United Republic of Tanzania. With a budget of approximately \$635,550, the initiative was aimed at enhancing the capacities of women in agriculture and agroprocessing, supporting women-led micro-, small and medium-sized enterprises, improving access to financial services and promoting policy dialogue. It also contributed to the Expansion Programme for Women in Agro-Processing and Agribusiness in South Africa, with a focus on women's active involvement beyond primary production in the agroprocessing and export sectors.

## **B. Youth employment**

75. UNIDO continued to implement the second phase of the Youth Rising project in Liberia, funded by the European Union-Africa Infrastructure Trust Fund, to the tune of \$25,451,946. It expanded technical and vocational education and training across 15 counties, enhanced institutional capacity, transitioned governance to the Liberia Technical and Vocational Education and Training Commission and ensured sustainable technical and vocational education and training resource management. In Sierra Leone, UNIDO implemented a project to promote youth employment through automotive maintenance skills training and establish a regional centre focused on disadvantaged young people, in particular girls. The project was funded by Japan in the amount of \$3,090,294 through trust funds. The project also received more than 80 applications for a smart factory, showcasing local engagement.

76. The International Organization for Migration provided technical training to 210 young Nigeriens, supported 80 local businesses and raised awareness among more than 15,000 people regarding self-employment and entrepreneurial activities as an alternative to irregular migration. This has resulted in the creation of more than 500

jobs. In a collaboration, IOM and the African Development Bank implemented similar projects in Mali, Burundi, Rwanda, Tunisia, Morocco and Egypt, with 500 entrepreneurial projects creating 300 employment opportunities and enabled the social and economic empowerment of young people.

77. The Arab Bank for Economic Development in Africa partnered with the Kgalema Motlanthe Foundation to initiate a \$1.5 million pilot project for the construction of a youth digital skills enhancement centre in South Africa. The centre was designed as a multipurpose hub for building and nurturing digital skills among young people. It functions as a headquarters for incubating innovative ideas, creating a conducive environment for talent development and encouraging the formation of professional networks. In addition, it facilitates the exchange of experiences between youth institutions and organizations, with the aim of unleashing the full potential of young talent in South Africa.

78. In Mali, UNDP improved industrial capabilities by implementing a product traceability barcode system, training 100 exporting companies on export financing and supporting young agribusiness entrepreneurs. Solar-powered platforms were set up to aid women in agroprocessing, and advocacy efforts reached 200 young agribusiness participants. In Sao Tome and Principe, UNDP revitalized the entrepreneurial landscape by rehabilitating the Arbitration Centre and boosting the involvement of young people and women in the blue and green economies. More than 700 participants (30 per cent women and 30 per cent young people) were engaged in the projects, benefiting 50 enterprises with productivity solutions and enhancing financial access for 50 micro-, small and medium-sized enterprises.

## IV. Conclusions and recommendations

79. Africa continues to pursue determined efforts and aspirations to accelerate the pace of industrialization on the continent, in line with continental and global frameworks, such as Agenda 2063. Notwithstanding challenges, African economies remain resilient, with GDP growth rates surpassing the global average in 2023 and 2024. Notably, countries in Northern and Western Africa contribute increasingly to global manufacturing value added, signalling gradual industrial momentum. These efforts, combined with international support, are therefore starting to bear fruit.

80. To achieve satisfactory industrialization, African countries must focus on structural transformation by diversifying and scaling up investments in sectors such as education, energy, transport and technology. Recent GDP growth and the expansion of micro-, small, and medium-sized enterprises highlight the need for policies that serve to strengthen those enterprises and develop industrial clusters, fostering employment and innovation. With the young population of Africa and the fastest-growing working-age demographic, micro-, small and medium-sized enterprises alone cannot generate enough jobs or address low productivity. Therefore, policy frameworks must attract foreign direct investment to enhance productivity and international competitiveness. Such investment is crucial for addressing challenges in education, skills development and access to finance, management and technical expertise.

81. African countries should adopt flexible policies to foster structural transformation and boost productivity in both large and small enterprises. Close collaboration between the public and private sectors is essential for effective industrialization. Green manufacturing, leveraging the unmatched solar energy potential of Africa, offers significant opportunities. The continent presents numerous investment opportunities in commodities such as lithium, bauxite and green hydrogen, attracting new foreign investment. Transitioning to green manufacturing

will enhance cost-competitiveness in renewable energy, light manufacturing and green jobs. The pharmaceutical industry, utilizing abundant natural resources and indigenous knowledge, is another viable sector for global competitiveness. The African Continental Free Trade Area facilitates access to regional markets and strengthens production chains across the continent.

82. African countries have significant potential for digitalization despite lower human capital levels and a dominant informal sector. To harness this, they must address restricted ICT access and low connectivity. Enhancing infrastructure to provide high-speed Internet and reliable electricity is essential, as is closing connectivity gaps between firms and regions. Establishing standards and regulations, supported by foreign direct investment, is crucial. Adopting digitalization and Industry 4.0 technologies, AI, automation, robotics, and big data will modernize manufacturing and industrial processes. Special economic zones have been effective in fostering industrialization, but further development of infrastructure (electricity, water and transport) and access to finance are needed. Political and macroeconomic stability are fundamental for sustainable industrial growth.

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