



The 2030 Agenda for Sustainable Development and Industrialization of Africa



UNIDO presentation during the Conference on
*the Belt and Road Initiative and the
Industrialization Cooperation between China and
Tanzania*, held 28th November, 2018
By Gerald Runyoro, National Programme Officer





Contents

- The 2030 agenda for Sustainable Development
- Industrialization - a broad definition
- Some benefits of industrialization and its relevance to realizing SDGs
- Why Africa needs to industrialize
- Challenges towards African industrialization
- Efforts towards supporting African Industrialization
- Contribution of UNIDO to Africa Industrialization
- Recommendations



The 2030 agenda for Sustainable Development

- This is a universal agenda whose overarching goal is to achieve poverty eradication and sustainable development.
- The 15 years agenda, adopted by the international community on 25 September 2015, has 17 goals and 169 targets.
- The SDGs builds on the MDGs and aim at completing what they did not achieve.
- The SDGs are highly interlinked, often with individual activities contributing to more than one SDG.
- They all contribute to the three dimensions of sustainable development: which are economic, social and environmental



Industrialization - a broad definition

- It is as a process by which a society, country or region transforms from a primarily agricultural economy to one depending on manufacturing of goods and services
- It mainly involves adding value to raw products e.g. from agriculture and mining or manufacturing new products altogether
- The process may increase a product's shelf life, present it in a form desired by consumers on domestic and export markets or in a usable form for delivering services.



Some benefits of industrialization and its relevance to realizing SDGs

- Industrialization raises GDP - a monetary measure of the market value of all the final goods and services produced in a period of time, often a year.
- It increases supply of locally produced goods on domestic markets (import substitution), or exports, both of which have immense potential to improve a country's trade balance.
- Industrialization facilitates creation of jobs (with high chances of being decent in terms of working environment and pay), often with higher productivity.
- Carefully planned and implemented, industrialization contributes to environmental sustainability.

Why Africa needs to industrialize

- Sub-Saharan Africa is where most of the world's poorest countries are found, with poverty rates above 30 percent.
- Growing gap of GDP per capita (PPP constant 2011 international \$) between SSA and the rest of the world. Between 1990 and 2015 it increased globally from \$ 8,926 to \$ 15,469 but only from \$ 2,514 to \$ 3,467 in SSA.
- Millions of young people enter the labour market in Africa (and LDCs) every year. Africa's workforce is expected to double to almost 2 billion by 2050.
- While it is being increasingly recognized that the world is more interdependent than ever, Africa (and LDCs) remain the weakest link in global economic development.
- Without industrializing, it is unlikely that Africa (and LDCs) can meet the Sustainable Development Goals by 2030.

Challenges towards Africa industrialization

- Low levels of socio-economic development
- Weak human and institutional capacities.
- Wide inequalities among countries and within population groups in a country.
- Dependence on agriculture – excessively on primary commodity exports – has made Africa and LDCs vulnerable to external trade shocks.
- Too few development opportunities for small and medium sized enterprises (SMEs), the majority of which are operated by women.
- Insufficient trade and low participation in worldwide exports (LDCs account for only around 1 per cent of worldwide exports)
- Poor business environments which discourage both domestic and foreign investment
- Persistent environmental problems
- Low investments in infrastructure (roads, ports, power, water). For example, the amount of electricity per person in Sub-Saharan Africa - excluding South Africa - is lower today than it was 30 years ago.



Efforts towards supporting African industrialization

- The African Union has put industrialization at the front and center of its Agenda 2063, particular in the aspiration: *A prosperous Africa based on inclusive growth and sustainable development*.
- Increasing Development Partners' commitment e.g. the *Industrialization Strategy for Africa 2016-2025* of the African Development Bank (AfDB) launched in 2016 .
- Incorporation of *industrialization in Africa (and LDCs)* on the G20 agenda in 2016 (the move will also benefit advanced countries).
- Establishment the Continental Free Trade Area launched in March 2018 is expected to contribute towards Africa's industrial transformation



Contribution of UNIDO to industrialization (General)

- UNIDO's vision to address today's economic, social and environmental challenges is enshrined in the Lima Declaration - ISID - which was adopted by UNIDO Member States in December 2013.
- Through ISID, UNIDO's programmatic approach is guided by three interrelated thematic priorities: ***Creating shared prosperity, Advancing economic competitiveness and Safeguarding the environment.***
- UNIDO strives to link its ISID priorities with all the 17 SDGs in order to ensure that the Organization's programmes, projects and initiatives have positive synergetic effects in supporting the achievement of all the objectives of the 2030 Agenda for Sustainable Development.
- UNIDO implements interventions which contribute to skills development, job creation, gender equality, technology transfer, investment flows, globalization of markets and economic growth.



Contribution of UNIDO to industrialization (Africa)

- Africa Industrialization Day, declared in July 1989 by Heads of State and Government of OAU, commemorated annually on 20th November with purposes which include: (i) providing *governments and other organizations in many African countries time to examine ways to stimulate Africa's industrialization process and (ii) drawing worldwide media attention to the problems and challenges of industrialization in Africa*
- Collaborating with several partners on African Industrialization, for example with AfDB and UNECA to formulate the Bank's *Industrialization Strategy for Africa 2016-2025*.
- UNIDO has been tasked to lead implementation of the *Third Industrial Development Decade for Africa* (IDDA III, 2016-2025) adopted by, the United Nations General Assembly on 25 July 2016 .

Recommendations

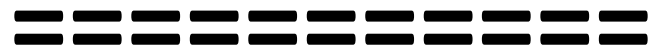
- Africa and LDCs should move away from the “generalized” industrial policies that have proved ineffective over the last three decades.
- They need to build strong institutions and viable investment climates.
- They need to realize the full potential of public-private partnerships (PPPs) and the opportunities for collaboration among industry, governments and other stakeholders.
- Strengthening regional and global collaborations including in trade.
- Building stronger backward and forward linkages for example agriculture-industry-tourism.
- Increasing investments in education (skills), infrastructure (roads, ports, power, water) and institutions.

Selected reference materials

- Landry Signe, September 2018: The potential of manufacturing and industrialization in Africa - Trends, opportunities and strategies
- World Bank Group: Poverty and Shared Prosperity 2018 – Piecing Together the Poverty Puzzle
- <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.KD>
- UNIDO: The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets
- UNIDO - G20, 2016 (China): Industrialization in Africa and Least Developed Countries - Boosting growth, creating jobs, promoting inclusiveness and sustainability; A Report to the G20 Development Working Group
- African Development Bank Group: Industrialize Africa – Strategies, Policies, Institutions and Financing.
- UNECA: Urbanization and Industrialization for Africa's Transformation - Economic Report on Africa 2017



Thank You



Asante Sana

