



DRAFT CONCEPT NOTE

**ACP-UNIDO SYMPOSIUM ON INCLUSIVE AND SUSTAINABLE
INDUSTRIALIZATION (SDG9) THROUGH JOB CREATION, VALUE CHAINS
AND PRODUCTIVE INVESTMENTS**

ACP Secretariat, Brussels

24th October 2017

A. BACKGROUND

1. The countries from African, the Caribbean and the Pacific (ACP) account for only 3% of global trade in goods and services although they represent approximately 15% of the world population. In addition, their exports are mainly concentrated on raw materials and commodities with barely 30% of the production being currently processed.
2. Indeed, the Manufacturing Value Added (MVA), which measures the contribution of industry to the economy (MVA/Gross Domestic product), is very low in ACP countries, ranging from 0.7% to less than 20%. By comparison, industrialized countries add more than 70% of value to their products. According to UNIDO statistics, 10% increase in Manufacturing Value Added (MVA) per capita has a direct impact on the reduction of the poverty headcount by 20% in a given year.
3. Through the industrialization process, people have increasingly access to more qualified jobs and higher income, reaching progressively the middle class status. Such a progress can particularly be obtained through moving-up the value chains. Research demonstrate that there is a direct correlation between industrialization and the well-being of people measured in terms of higher access to education and health services, gender equality and life expectancy, among other human development benefits.
4. In the last 25 years, countries that have prioritized industrialization for job creation and social progress have experienced a spectacular trajectory of prosperity moving from agrarians to emerging industrial economies. As an illustration, the East Asia region has reduced the number of poor from almost 1 billion in 1990 to less than 70 million nowadays.
5. The **international community** has progressively recognized the relevance and effectiveness of Inclusive and Sustainable Industrial Development (ISID):
 - a. 5 September 2016: “**Industrialization in Africa and LDCs – Boosting growth, creating jobs, promoting inclusiveness and sustainability**”. A G20 Initiative launched at Hangzhou Zhejiang, China, based on the report prepared by UNIDO.
 - b. 25 July 2016: Resolution adopted by the UN General Assembly on “**Third Industrial Development Decade for Africa (2016–2025)**” A/RES/70/293: Para 2: Calls upon UNIDO to develop, operationalize and lead the implementation.
 - c. 25 September 2015: Resolution adopted by the UN General Assembly on “Transforming our world: the 2030 Agenda for Sustainable Development” A/RES/70/1, particularly part of **SDG9 on “Industry, Innovation and Infrastructure.”**
 - d. 16 July 2015: **Addis Ababa Action Agenda** of the third International Conference on Financing for Development, which calls upon the promotion of Inclusive and Sustainable Industrialization.
 - e. 1-4 September 2014: SIDs accelerated modalities of action, the **SAMOA Pathway** which acknowledges the importance of developing a sound and sustainable industrial sector in the Small Island Developing states.
 - f. 2 December 2013: **Lima Declaration** for “Inclusive and Sustainable Industrial Development”(ISID), UNIDO General Conference.

6. More recently, the ACP and the European Union have also included industrialization in their development strategies:

ACP

- a. 22 May 2017: The **Guiding Principles for ACP Countries' Investment Policymaking** jointly presented by UNCTAD and the ACP Secretariat aims at developing a coherent, consciously designed and consolidated approach towards investment policymaking which will benefit sustainable and inclusive economic growth in ACP Countries.
- b. 4 May 2017: 105th Session of the ACP Council of Ministers - approved the new priorities of the ACP Group after 2020: 1) Trade, **Industrialization** and Services 2) **Development cooperation, technology, innovation/research** and 3) Policy dialogue and advocacy.
- c. 3-4 May 2017: The ACP new strategy on agricultural commodities - recognizes the priority of **value addition and agro-industrialization, including Rural Transformation Centres**.
- d. November 2016: The ACP Issues Paper on the Marrakesh Climate Change Conference (COP22) welcomes the possibility from the ACP Group to support the **Climate Technology Centre and Network (CTCN)** co-hosted by UNIDO and UN Environment under the UNFCCC which promotes the accelerated transfer of environmentally sound technologies
- e. 2014: **The ACP Strategy for ACP Private Sector Development (December 2014) and the ACP-EU Joint Framework for ACP Private Sector Development (June 2014)**, highlight as core areas for intervention the improvement of the business environment, access to finance for MSMEs/SMEs and the improvement of competitiveness.
- f. 18 June 2012 ACP Fisheries Mechanism - Partnerships for Fisheries Development: outlines main challenges and priorities faced by ACP fishery sector, **including industrial fisheries and processing**.
- g. 13-15 December 2010: The Recommendations from the First **Meeting of ACP Ministers Responsible for the Development of the Mineral Resources Industry**: in this policy paper the importance of resource driven industrialization, support to local private sector and the pursuit of industrial and structural transformation strategies are put forward.

European Union

- a. 5 May 2017: The Communication of the EU External Action Service to the European Parliament and the European Council for a renewed impetus of the Africa-EU Partnership commits very clearly that “the EU will accompany Africa industrialization”.
- b. 16 May 2017: The Declaration of the European Economic and Social Committee identifies **industrialization as a priority for ACP-EU cooperation** on the basis of UNIDO G20 report on Industrialization of Africa and LDCs.
- c. 7 June 2017: The new **European Consensus on Development**: “sustainable industrialization” as a priority of EU development policy.
- d. 14 September 2016: Presented during the State of the Union 2016, the External Investment Plan calls upon three main intertwined priorities directly linked to industrialization: Mobilising Investments, Stepping up technical assistance, Business Environment.

- e. 13 May 2014 European Commission – Communication on A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries: recognition of the **private sector as an active actor** in the achievement of Sustainable Development.

B. OBJECTIVES

Founded at a similar time, UNIDO and the African, Caribbean and Pacific Group of States (79 Member States) have a long standing relationship. It recently cumulated in the signing of a Memorandum of Understanding and a Relationship Agreement in 2011, which expresses a strong will to cooperate more closely. The objective of the agreements is to reinforce capacities of the ACP countries to industrialize and build up a strong private industrial sector that is competitive, creates local jobs, and takes care of the environment. In 2017, the cooperation has increased substantially to a portfolio of 269 ongoing projects for a total budget of almost \$290 million.

On the basis of their strategic agreements¹, the ACP Secretariat and UNIDO are jointly organising a symposium with ACP countries and various stakeholders to discuss the operationalization of “inclusive and sustainable industrialization through job creation, value chains and productive investments”.

The main goal of the meeting is to facilitate the dialogue and discussions with various stakeholders on the implementation of the new ACP priorities related to industrialization and private sector development as well as climate change/ environment and energy. Specifically the meeting will help identify successful approaches in ACP countries and discuss their possible replicability and scalability to support ACP priorities and capacity in partnership with UNIDO and other stakeholders such as the Regional Economic Communities and the private sector. This dialogue will lead to joint conclusions that will serve as framework to guide subsequent industrial development interventions in ACP Countries. The symposium is scheduled to take place on 24th October 2017 at the ACP Secretariat in Brussels, Belgium (tbc).

On this occasion, UNIDO will launch a new report on **UNIDO’s partnership with ACP countries**.

C. ORGANISATION

7. Each session of the Symposium will be opened by an intervention from UNIDO and facilitated by a moderator who will guide the process and ensure that a summary with main conclusions and key insights discussed are captured and reported.
8. Stakeholders will participate in the discussion, share opinions and perspectives on critical elements that should be included in the joint conclusions including follow-up actions and possible joint activities for partnerships.
9. Based on the presentations and discussions, the joint declaration will be finalized and delivered at the end of the meeting. It should constitute a guiding document for the effective industrialization of the ACP Countries and Regions.

¹ The ACP-UNIDO Memorandum of Understanding and Relationship Agreement of 2011 provide that the two organizations will work together to: 1) Support of inclusive industries, particularly **agro-industries**, for job creation and poverty reduction in ACP countries 2) Strengthening **competitive industries** and the private sector to increase ACP participation in global trade and develop both production and trade-related capacities 3) Develop **environmentally friendly industries** for promoting sustainable industrial development in ACP countries with a view to adapting to climate change, promoting renewable energy and preserving the environment.

10. The Symposium will be open to the public.

D. PARTICIPANTS

11. The Symposium will bring all ACP countries together with various stakeholders including policy-making institutions, development partners, financial institutions (both public and private), Regional Economic Communities (RECs), the private sector and civil society.