

# UNDP Africa Regional Initiative

United Nations Development Programme



## Promoting Structural Economic Transformation

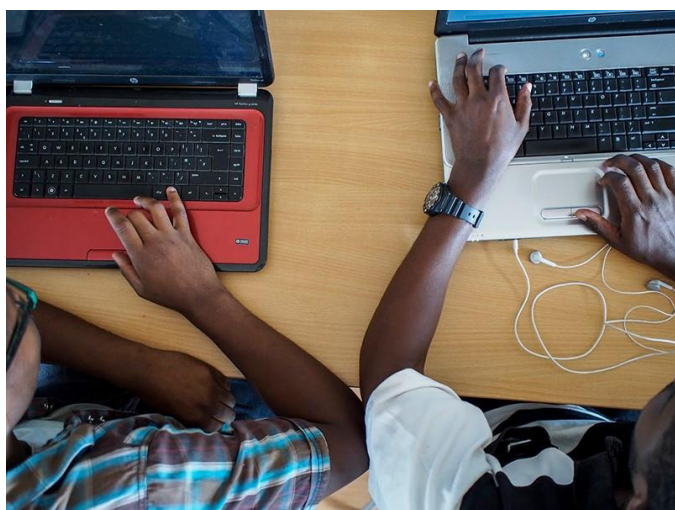


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### 1. Context

Africa is experiencing steady economic growth and macroeconomic stability has resurged. The private sector has flourished in telecommunications, finance, retail trade, housing and construction. Discoveries of oil, gas, and other mineral resources have accelerated growth and created new job opportunities.

However, growth has not been inclusive and benefited the poorest. Agriculture employs 60 per cent of the total workforce, yet the sector contributes to only 25 per cent of GDP. The manufacturing sector is still very small in most African countries and contributes, on average, only around 10 per cent to GDP.

To lift the vast majority of its people out of poverty, Africa needs diversify its economy and to undertake structural transformation. For Africa to reach its desired goal of prosperous and integrated economies that reduce poverty, vulnerabilities and inequalities, it must

invest in traditionally employment-heavy sectors, such as agriculture and manufacturing.

### 2. Approach

UNDP supports interventions which integrate and address economic, social, and environmental aspects for inclusive growth.

UNDP contributes to the continent's structural economic transformation agenda by 1) improving access to sustainable energy, 2) boosting the capacity of small and medium sized enterprises, 3) promoting sustainable natural resources management, and 4) reducing vulnerabilities through social safety nets.

UNDP's approach is anchored in strong partnerships with the African Union, the Regional Economic Communities, parliaments and political parties, civil society organisations, and think tanks, as well as South-South and Triangular cooperation.

### 3. Areas of work

#### Sustainable energy

- UNDP is working in partnership with the Bill and Melinda Gates Foundation, the New Partnership for Africa's Development, the African Union Commission and the Economic Community of West African States to support countries to achieve universal access to clean energy and increased energy efficiency. This includes the development of policies and plans and the scaling-up of investment programmes on decentralized sustainable energy solutions such as solar, geothermal and wind power.
- UNDP is facilitating various fora where public and private partners and communities come together

to address challenges related to attracting private finance for sustainable energy.

### **Sustainable natural resource management**

- Guided by the Africa Mining Vision, UNDP advocates with governments, civil society and private sector on the use of natural resources for economic structural transformation and social development.
- UNDP advocates with governments for the transparent management of revenues obtained from the sale of natural resources, through open budgets and publishing what they earn.
- UNDP provides fora for civil society engagement and community participation in the decision-making processes related to the natural resources' sector.
- UNDP fosters linkages between local suppliers and large international companies for contracting and procuring of goods and services.
- UNDP, with the support of the European Union, is also working with artisanal and small-scale mining, ensuring that the different actors operate in an environmentally and socially responsible way and in a conflict-free environment.

### **Private sector**

- Given the importance of the agricultural sector, UNDP is providing policy guidance and advisory services to continental institutions, to develop regional agri-food value chains to improve productive capacities and sustainable food production systems.
- UNDP will support the transformation of productive capacities in Africa through policies and programmes to link smallholder farmers (especially youth and women) to the larger private sector in Africa, and to promote and develop inclusive businesses.

### **Social protection**

- UNDP is working with governments and regional institutions to put in place social protection mechanisms that 1) protect people from sudden loss of income, 2) address the root causes of multidimensional poverty and inequalities, 3) make

investments in human capital, and 4) are financed in a sustainable manner.

- In the context of South-South Cooperation, UNDP has forged a mutually beneficial partnership agreement with the Lula Institute of Brazil. The partnership focuses on sharing technical expertise and experiences to move forward a comprehensive social protection agenda in Africa, framed by the pillars of sustainable development and human rights.

### **Project Details:**

Project Period: 2014-2017

Executing Entity: UNDP Regional Service Centre

Implementing Partners: African Union Commission, Regional Economic Commissions, Regional Technical Institutions, Private Sector, Think Tanks, and Civil Society Organisations

Total resources required: USD 37,180,000

Total UNDP allocated resources: USD 18,000,000

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