



Ambassadorial Retreat on the Comprehensive High-level Midterm Review on the implementation of the Vienna Programme of Action for the Decade 2014-2024



Session 3: Fostering Structural Economic Transformation of LLDCs, Enhancing means of implementation and effective monitoring, review and follow-up

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UNIDO strategic framework

- Mandate of Inclusive and Sustainable Industrial Development (ISID)
- Implementation of the Third Industrial Development Decade for Africa (IDDA III) 2016-2025
- LDC Operational Strategy and Review





Challenges

- Moderate economic growth and disparities between LLDCs
- Growth not always linked to poverty reduction and social development
- Low human development index
- Poverty, food insecurity, child and maternal mortality, lack of infrastructure
- Lack of regional integration (trade) and manufacturing value added
- Climate change related vulnerabilities





UNIDO focus in LLDCs

- Structural transformation and economic diversification to generate the emergence of an inclusive and sustainable industrial sector
- Improve the economic competitiveness of LLDCs and increase their integration in the international market, through regional and global value chains development, trade capacity building, investment promotion, renewable energy, energy efficiency projects and eco-industrial parks.
- Technical assistance and capacity building programmes in all LLDCs;
- Comprehensive country programmes in 6 out of the 32 LLDCs (Afghanistan, Bolivia, Moldova, Rwanda, Swaziland, Zambia) and the CPs under development in additional 6 LLDCs (Armenia, Botswana, Burundi, Central African Republic Malawi, Nepal).
- UNIDO is also implementing its innovative model Programme for Country Partnership (PCP) in Ethiopia and Kyrgyzstan and has recently started the formulation phase of the PCP model in Zambia and Rwanda.



UNIDO TC project examples

- Quality infrastructure development (coffee value chain) and establishment hydropower plants in Burundi;
- Rural electrification project (biofuels, renewable energy based mini grids) and development of agro-food value chains in Chad;
- Establishing a production plant for solar thermal panels in Moldova (industrial park of Balti); launching clean technology innovation programme in e-mobility sector.
- Improving competitiveness of export oriented industries in Armenia for greater market access
- Significant contribution towards meeting the major challenges of LLDCs are also projects in trade capacity building and value chain strengthening such as the
 - \$3.7m ENPARD project in Armenia,
 - the \$2m project on development of aquaculture and fisheries value chains in Ethiopia or
 - the \$2.2m project on enhanced local value addition and strengthening value chains in South Sudan.



The Programme for Country Partnership (PCP)

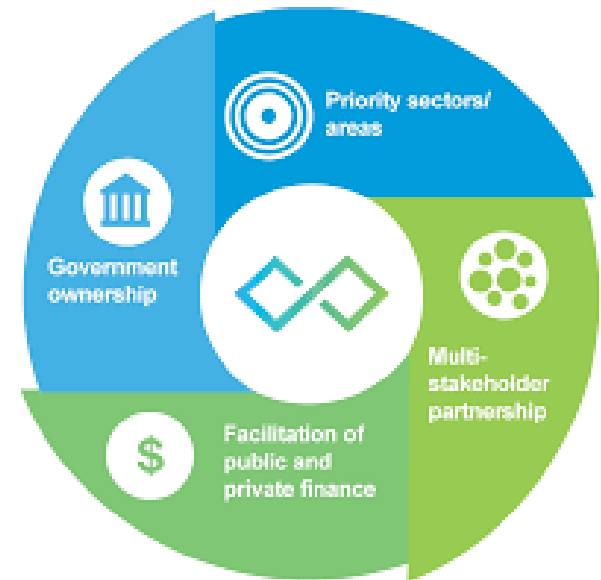
- UNIDO's newest **programmatic** service to support countries in accelerating **inclusive and sustainable industrial development**.
- Each PCP is:
 - Tailored to country needs.
 - Founded on a multi-stakeholder partnership to ensure synergy between different interventions and maximize impact.
 - Composed of complementary interventions aimed at unlocking public and private investment in priority industrial sectors.
- **Piloting phase:** Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru and Senegal
- **Extension of the PCP model:** Côte d'Ivoire, Egypt, Rwanda and Zambia



**Programme for
Country Partnership**

Key features

1. Government leadership and ownership
2. Multi-stakeholder partnership
3. Focus on a few priority sectors/areas
4. Facilitation of large-scale public and private investments



The PCP wheel



UNIDO's role within the PCP

- Facilitates the **convening** of partners and overall PCP coordination
- Designs a **holistic** programme
- Provides **advisory services** to the government on all industry-related issues
- Delivers **multidisciplinary** technical assistance
- Supports the government in **mobilizing** large-scale industrial investments from public and private partners

Through the PCP, UNIDO provides an **integrated** service package to Member States





A multi-stakeholder partnership from programme design to implementation:

- The government establishes and leads a multi-stakeholder partnership group
 - Government ministries and public institutions
 - Financial institutions
 - Business sector
 - United Nations entities
 - Bilateral partners
- Each partner contributes according to its comparative advantage
- Synergies, alignment



Examples of PCP results: Ethiopia

- **Focus:** Agro-food processing, leather and textiles
- **Status:** In implementation since 2015
- **Outcomes:**
 - **Inter-ministerial committee** co-chaired by Ministry of Finance and Ministry of Industry - Six ministries represented and several task forces established
 - **Partnerships** forged with AfDB, EIB, EU, Italy, China, FAO and others
 - UNIDO advisory services and TC projects implemented to support the establishment of **large-scale projects**: Four pilot **Integrated Agro-Industrial Parks (IAIPs)** and the **Modjo Leather City (MLC)**



Ongoing construction of Yirgalem IAIP in Ethiopia - market center and administrative building



PCP Ethiopia (cont'd)

Up-scaled impact - IAIPs:

- **Public investment:** USD 300 million from the GoE for infrastructure. Construction expected to be completed mid-2019.
- **Business sector engagement:** >300 applications for occupancy; 7 approved, 5 international enterprises.
- **Financial institutions:** AfDB discussions for USD 100 million to support infrastructure development, together with other financial institutions and partners (e.g. the South Korean Exim Bank and EU)
- **Development assistance:**
 - Discussions with Italy for EUR 15 million grant and EUR 25 million soft loan for IAIPs, agricultural value chains & vocational training centers.
 - Discussions with the EU for EUR 45 million for agri-value chain development, EUR 15 million for coffee value chain, EUR 15 million TVET development.

Up-scaled impact - MLC:

- **Investment of around USD 100 million** through blended financing - EU grant of EUR 15 million (LISEC project) and EUR 100 million under advanced discussions (EIB, Italy and others) to support the establishment of the MLC



Modjo Leather City masterplan: A modern leather district with a common waste water treatment plant



Global Forum activities

High-Level Seminar: “Accelerating Sustainable Energy for All in Landlocked Developing Countries through Innovative Partnerships”, 24 to 25 October 2016, VIC



- Organized by UN-OHRLLS & Austrian Government with support of UNIDO and SE4ALL
- Follow-up to the LLDC Vienna Program of Action, the 2030 Agenda for Sustainable Development and the Paris Climate Agreement
- Objective: review the progress towards SE4ALL in LLDCs and identification of promising multi-stakeholder partnerships to accelerate progress



Side event to the High-Level Political Forum (HLPF) “Accelerating the energy transition in LLDCs” in July 2018

- Organizers: the Government of Austria; the Government of Paraguay; UN-OHRLLS, UNIDO and Sustainable Energy for All (SEforAll)
- The event considered how to effectively utilize the multi-stakeholder environment to accelerate the energy transition in LLDCs to meet SDG7.
- This was a follow-up to the High-Level Meeting on “Accelerating Sustainable Energy for All in Landlocked Developing Countries through Innovative Partnerships” held in October 2016



Outlook

- For more details: UNIDO inputs to the report of the UN Secretary General for the 2019 General Assembly on the implementation of the Vienna Programme of Action for the landlocked developing countries LLDCs
- Review of the UNIDO LDC Operational Strategy: tools and methodologies to better track impact
- 8th UNIDO LDC Ministerial Conference on 2 November 2019





THANK YOU!

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