

EUROPE AND CENTRAL ASIA

The region covers a diverse group of countries stretching from Central Europe to the Caucasus and Central Asia. This group of upper and lower MICs masks vast differences in terms of market economy transition, and levels of industry and technology, skills, infrastructure, employment, social inclusion and environmental protection. UNIDO technical cooperation activities seek to address national and regional challenges, increasingly under the CP approach.

The Europe and Central Asia Bureau is preparing a number of CPs based on requests from member states. In 2016, the Bureau will forge ahead with CP implementation in Kazakhstan and with CP formulation for Albania, Georgia, Kyrgyzstan and Moldova following formal requests.

Kazakhstan Country Programme 2015-2017

Preparations for a CP in Kazakhstan are the most advanced in the region. In 2014, UNIDO and the Government of Kazakhstan signed a Joint Declaration to cooperate on the country's industrialization goals, as stipulated in the second five-year industrial development plan for 2015-2019 through, in particular, adoption and implementation of the UNIDO CP for 2015-2017. In July 2014, the Government submitted its feedback on the CP and signalled its intention to explore funding possibilities from the state budget to finance the main phase of the projects planned in the CP.

The CP currently under consultations with the Government is a vision and strategy for partnership for inclusive and sustainable industrial development (ISID) between Kazakhstan and UNIDO, based on dialogue with the Government, national stakeholders and development partners. UNIDO's enhanced assistance will contribute to the efforts of the Government of Kazakhstan towards industrialization of the economy.

Country Programme design

The CP is aligned with the country's development policy frameworks, the long-term socio-economic strategy *Kazakhstan's Way – 2050: Common Aim, Common Interests, Common Future*; the *State Programme of Industrial-Innovative Development of Kazakhstan for 2015-2019*, and the *Plan of the Nation 100 Concrete Steps*. It also draws on the new *Partnership Framework for Development (PFD) of Kazakhstan 2016-2020*, as well as the United Nations Development Assistance Framework 2010-2015 for Kazakhstan.

Funding

With an overall estimated indicative budget of over €15.5 million, the CP will be co-funded by the Government of Kazakhstan, the Global Environment Facility (GEF) the "Damu Fund", as well as by other potential donors and partners.

Country Programme preparations for Georgia and Moldova

The Bureau is at the initial stage of preparing CPs for several countries in the region. Preparatory phases in Georgia and Moldova will soon launch following requests from both governments for increased UNIDO project portfolios and strengthened cooperation in priority areas of sustainable industrial development.

Between 2013 and 2015, UNIDO received requests for UNIDO technical assistance from several Georgian ministries (the Ministry of Economy and Sustainable Development, the Ministry of Environment and Natural Resources Protection, and the Ministry of Energy and Natural Resources). Likewise, the Government of Moldova has on several occasions called upon UNIDO to expand its technical cooperation activities in the country, culminating in an official request to the UNIDO Director General from the Minister of Economy and Deputy Prime Minister for a comprehensive CP to assist Moldova achieve its industrial development targets.

Country Programme design

To align the CPs with national development strategy documents, as well as the UN system's collective strategic response to national development challenges and to common objectives as part of the respective UNDAFs, the Bureau has conducted in-depth analysis of both countries' national policies and strategies for industrial development and areas where UNIDO expertise can help realise development goals.

Efforts to strengthen UNIDO's presence in Georgia and Moldova coincide with implementation of the new Eastern Partnership (EaP) Agenda for 2014-2015 to consolidate the process of political association and economic integration of the countries of the Eastern Partnership, of which Georgia and Moldova are members. The Agenda envisages enhancing multilateral cooperation in the areas relevant to UNIDO's expertise: trade and economic cooperation, renewable energy and energy efficiency, environment and climate change, youth and training, business environment including SME policies, and agriculture and rural development.



Energy efficiency in the industrial sector is a priority of the Government of Moldova. Photo: an ongoing UNIDO project to increase energy efficiency and reduce energy consumption at a cheese company in Riscani, Moldova

Funding

In light of increasing harmonization of donors' development assistance strategies with the objectives of the EaP and the signing of an Association Agreement with the EU in 2014, opening up funding flows, the Bureau is grasping the momentum to develop a diversified technical assistance portfolio for Georgia and Moldova to embed ISID at the country level in line with the countries' priorities and areas of potential funding.

Regional Programmes

The Bureau coordinates intra-regional programmes integrated in respective CPs and UNDAFs. One example is ***Capacity Building for Developing Programmes for Mitigation of Global Environmental Problems in Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russian Federation and Ukraine***. The project strengthens the capacity of local experts and institutions to

develop project concepts with UNIDO and to leverage funding from bilateral and multilateral donors, particularly the Global Environmental Facility. Several regional and country training workshops have been held in participating countries tackling relevant thematic areas of respective countries.

Another programme, *Fostering inclusive and sustainable local industrial development in Europe and Central Asia –The role of science, industrial and technology parks*, facilitates platforms for representatives from governments, the private sector and other institutions from the region to share knowledge and experience, and identify common challenges and opportunities for the development of different types of parks. The programme contributes to a better understanding of the role of science, industrial and technology parks in economic diversification and job creation. So far, the programme has organized two conferences in Azerbaijan and Slovenia, both praised as mediums to share knowledge and best practices on establishing and managing parks. Several government requests for increased UNIDO cooperation – as well as for CP formulation -have resulted from countries' participation in the programme.

Two major regional initiatives that will be launched in 2015 are promoting knowledge platforms to exchange best practice and lessons learned in the areas of 1) fostering ISID through the development of industrial corridors, and 2) social inclusion of marginalized communities:

Fostering inclusive and sustainable industrial development along the New Silk Road Economic Belt in Azerbaijan, Tajikistan, Turkmenistan and Uzbekistan. The project will contribute to strengthening cooperation on regional economic integration among the countries of the New Silk Road economic belt and to provide a unique platform for mobilizing regional collective actions to eliminate poverty, address environmental issues, and raise competitiveness by pursuing the green economy. The project aims at pursuing inclusive and sustainable industrial development by facilitating flows of goods, investment, knowledge and information.

Social inclusion of marginalised communities: In cooperation with the Government of Hungary, UNIDO will implement a regional project to showcase initiatives to address social and economic exclusion of disadvantaged and marginalized communities, including ethnic minorities, youth and women. The project will facilitate the exchange of good practices and experiences, and tools to support policy makers, practitioners and other relevant actors, and will identify and support promising innovative business concepts and models for addressing social exclusion on the ground.