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UNIDO activities related to the Vienna Ministerial Declaration for the Least Developed Countries

UNIDO activities in support of least developed countries

Report by the Director General

Further to resolution GC.17/Res.5 on the Vienna Ministerial Declaration for the Least Developed Countries (LDCs), the present document provides information on the implementation of the resolution, the activities that have been undertaken and the events organized in support of the least developed countries.

I. Introduction

1. Following the classification of least developed countries (LDCs), established by the United Nations General Assembly in 1971, forty-five Member States of UNIDO are LDCs. In the elaboration of its projects and programmes, UNIDO therefore places emphasis on the specific development challenges faced by LDCs, and takes into account the critical role of the Third Industrial Development Decade for Africa 2016–2025 (IDDA III), South-South and triangular cooperation and the United Nations Development System (UNDS) reform in achieving inclusive and sustainable industrial development (ISID) and the Sustainable Development Goals (SDGs).
2. Following the adoption of the Istanbul Plan of Action (IPoA, 2011–2020) in June 2011, UNIDO was one of the first agencies to mainstream IPoA into its services. Deriving from IPoA, the UNIDO Least Developed Countries (LDC) Strategy and Operational Plan, 2012–2020, adopted by the fourth LDC Ministerial Conference convened in Vienna on 25 November 2011, is strategically designed to: (a) convert commodities into products; (b) target communities; and (c) think globally and act regionally for value chain development, with a strong focus on agri-businesses, which are seen as the engine of inclusive growth and hence are critical for many LDCs.
3. At the forty-sixth session of the Industrial Development Board, UNIDO reaffirmed its commitment to support the graduation of LDCs through its mandate of inclusive and sustainable industrial development (ISID), as adopted in the 2013 Lima Declaration (GC.15/Res.1).

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4. In July 2019, UNIDO initiated a project entitled “Review and consolidation of outcomes: UNIDO Operational Strategy for LDCs 2012–2020 in the context of the Istanbul Programme of Action 2011-2020”. This project aims to address monitoring and reporting challenges by conducting a comprehensive review and consolidation of outcomes of the implementation of the UNIDO LDC Strategy and Operational Plan, to assess UNIDO’s contribution to the implementation of IPoA. This project will also aid the formulation of the Organization’s strategic actions on LDCs beyond 2020, within the context of the fifth United Nations Conference on LDCs in 2021.

II. Contributing to the development of least developed countries through global forum activities and technical cooperation

5. UNIDO’s concrete results in LDCs are visible in stand-alone technical cooperation projects, the Programme for Country Partnership (PCP) approach and Country Programmes (CP). UNIDO also organizes global forum events and provides its advisory services supporting LDCs on their path towards structural transformation and graduation. CPs are ongoing in nine LDCs¹ and are under development in an additional 10.²

6. As of August 2019, UNIDO has a total of 167 programmes and projects under implementation in LDCs, either as stand-alone activities or as part of PCPs/CPs. The regional distribution of UNIDO’s technical cooperation portfolio in LDCs covers Africa (71.3 per cent), Asia and the Pacific (16.8 per cent) and the Arab region (12.0 per cent). UNIDO also implements global and inter-regional projects covering LDCs.

7. The PCP approach aims to trigger a long-term development process, contributing to the achievement of Goal 9 and other Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. Given the successes to date and increasing demand by Member States, and following the request included in the 2017 LDC Ministerial Declaration, UNIDO continued to expand its support to LDCs through the PCP model. Following the success of the first phase in two LDCs in Ethiopia and Senegal, UNIDO has expanded the programme to all five geographical regions, with currently 10 PCPs³ in different levels of implementation. As of 2019, UNIDO’s PCP portfolio has been extended to include Cambodia, Rwanda and Zambia.

8. On 2 November 2019, in the eighth Ministerial Conference of LDCs will convene in Abu Dhabi. The event will be organized in collaboration with the United Nations Office of the High Representative for the Least Developed Countries. Under the theme of “Accelerating industrialization in LDCs: lessons learned and innovative approaches”, it will consider best practices and case studies of industrialization for replication and upscaling. By taking into account lessons learned from best practice case studies, the outcome of the Ministerial Conference will provide an important foundation for the preparation of the next programme of action for LDCs, to be elaborated during the fifth United Nations Conference on the LDCs (LDC-V).

9. In April 2019, UNIDO contributed to the Inter-Agency Consultative Group meetings on LDCs and landlocked developing countries by reporting on progress since the last meetings in September 2018. At the meetings, preparations for the next Programme of Action, to be determined at LDC-V in 2021, were also discussed. Members of the UNIDO delegation also participated as panellists in thematic sessions, reaffirming the Organization’s continuous support for LDCs and presenting

¹ Afghanistan, Angola, Bangladesh, Mauritania, Mozambique, Myanmar, Rwanda, Vanuatu, and Zambia.

² Burundi, Central African Republic, Eritrea, the Gambia, Guinea, Guinea-Bissau, Madagascar, Malawi, Sudan, and the United Republic of Tanzania.

³ Cambodia, Côte d’Ivoire, Egypt, Ethiopia, Kyrgyzstan, Morocco, Peru, Rwanda, Senegal, and Zambia.

the LDC Operational Plan (2012–2020) as a concrete contribution to the LDC development agenda.

10. At the country level, of UNIDO's 47 field offices, 17 are in LDCs, i.e. 34 per cent. In 2018, through its field offices or as a non-resident agency, UNIDO contributed to the ongoing implementation of United Nations Development Assistance Frameworks (UNDAFs) in 43 LDCs. UNIDO has therefore positioned ISID and Goal 9-related objectives in these UNDAFs, ensuring the alignment of UNDAF pillars with UNIDO's frameworks.

11. Within the United Nations Country Teams, in 2018, UNIDO assumed the leadership/co-leadership of country teams/UNDAF thematic working groups in 22 countries, of which eight are LDCs. The respective thematic working groups are related to economic development, social inclusion and environmental safeguards. UNIDO also engaged in the ongoing implementation of 33 joint programmes with other United Nations entities in 29 countries, of which 11 programmes cover nine LDCs.

12. In Senegal, advisory services were provided through PCP for the development and management of the Diamniadio Park, including technical assistance with the development of its business model and investment incentive package, and with the finalization of legal, regulatory and institutional aspects related to the management and administration of the park. Following UNIDO's support, Diamniadio commenced operations in 2018, creating an initial 1,000 new jobs with 4,000 more expected by the end of 2019. From April 2018 to April 2019, UNIDO implemented a \$261,545 project in Ethiopia entitled "Improving Public Health by Solar-Powered Water Sanitation Systems", funded by the Government of Japan. The project set up a solar-powered slow filtration system to produce clean water, utilizing innovative technologies in rural areas.

13. On 22 November 2018, The European Investment Bank (EIB) and UNIDO co-hosted the EIB Africa Day in Ethiopia, under the theme of sustainable industrialization in Africa. The UNIDO Director General and the EIB President opened the high-level event, alongside the President of Ethiopia. Key discussion points focused on job-creating opportunities for young people and women, particularly in the field of entrepreneurship.

14. Cambodia and UNIDO are implementing PCP 2018–2023. PCP is fully aligned with the Government's vision to transform and modernize Cambodia's industrial structure from a labour-intensive to a skills-driven industry by 2025. The "CAPFISH Capture – Post Harvest Fisheries Development" project, was launched in 2019, with financial support from the European Union. Its estimated budget is \$16 million over 5 years. Further key interventions will be a project on industrial diversification, which will be supported by China, as well as a project on Sihanoukville's masterplan development, funded by the Government of Cambodia.

15. Within the framework of the Myanmar CP, there are five ongoing programmes, with a total budget of \$5,075,134. The areas of interventions are: (a) the promotion of industrial energy efficiency, focusing on enabling activities for the implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs); (b) the provision of technical cooperation on a hydrochlorofluorocarbons phase-out management plan; (c) the enhancement of trade and productive capacity; (d) the encouragement of entrepreneurship development; and (e) cooperation on the climate change mitigation of the country.

16. Together with the Food and Agriculture Organization of the United Nations, UNIDO is implementing a project in Sudan to upgrade the Sudanese sesame seed value chain, with funding from the Standards and Trade Development Facility. Implementation of the three-year project started in October 2018. It aims to increase the capacity of the Sudanese sesame seed value chain to comply with food safety and phytosanitary requirements, and to implement Good agricultural practices (GAP) codes, standards and regulations.

17. Also in Sudan, UNIDO is providing technical assistance to foster inclusive economic growth in Kassala State, by developing agro-value chains and facilitating access to financial services. To date, the project has supported 674 smallholder farmers with financing from a microfinance institution for the purchase of agricultural technical packages. Of these smallholder farmers, 42 per cent are women and 40 per cent had never accessed a financial institution before. The project also provided training for 546 persons in the target areas on sustainable agriculture practices, which enabled 200 trainees to secure jobs during the 2019 cropping season.

18. In 2019, implementation of the project “Increasing Sierra Leone’s competitiveness through enhanced productivity and trade compliance in selected value chains” began. The inception phase is based on two objectives: (a) to improve the performance, growth and contribution to industry, regional trade and exports of cassava, cocoa and palm oil value chains; and (b) to improve the climate for business at national level.

19. UNIDO is assisting 17 LDCs⁴ in their preparations for ratification and implementation of the Minamata Convention on Mercury, with funding from the Global Environment Facility and the Government of Switzerland. It is also developing a regional programme for the Economic Community of West African States region.

20. UNIDO is also currently implementing regional projects on waste management in seven LDCs⁵, by introducing best available techniques and best environmental practices (BAT/BEP) at selected priority demonstration sites, to foster the minimization of unintentional POPs released from open waste burning, thus maximizing global and local benefits for both environment and human health.

21. In 2018, UNIDO successfully completed a GEF-financed regional programme on capacity strengthening and technical assistance for the management of POPs chemicals in Africa. The programme supported the introduction of BAT/BEP in the textile, leather and plastics, and motor oil recycling sub-sectors of 22 African LDCs. The programme strengthened institutions for remediation of contaminated sites, and supported the phase-out of agricultural use of POPs pesticides through the promotion of bio-botanical alternatives.

22. From March 2018 to March 2019, a project funded by the Government of Japan was implemented in Liberia. It promoted social stability among vulnerable people by providing technical and vocational training, with a special emphasis on the unemployed youth in communities in Grand Bassa County affected by the concession projects of transnational corporations. Basic carpentry toolkits and training were provided to 123 beneficiaries, allowing them to start a productive activity in their community. 147 additional beneficiaries were trained and certified in intermediary and advanced carpentry.

23. From January 2018 to August 2019, UNIDO mobilized financial resources in LDCs through One UN funds amounting to a total of \$3,234,070, for projects in four LDCs: Guinea (\$692,718), Somalia (\$1,813,479), Sudan (\$14,057), and the United Republic of Tanzania (\$713,816).

24. In July 2018, UNIDO supported the Lao People’s Democratic Republic in preparing its Voluntary National Review (VNR). UNIDO cooperated with the Ministry of Industry and Commerce and provided technical assistance for carrying out a survey on national manufacturing relevant to implementing Goal 9. The industrial data of the survey is also included in the International Yearbook of Industrial Statistics, which is linked to UNIDO’s Industrial Analytics Platform.

⁴ Angola, Benin, Burkina Faso, Chad, Comoros, Guinea, Liberia, Mali, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Sudan, Togo, and Yemen.

⁵ Five countries in the Southern African Development Community (Lesotho, Madagascar, Mozambique, United Republic of Tanzania, and Zambia) and two countries in Asia (Cambodia and Lao People’s Democratic Republic).

III. Action required of the Conference

25. The Conference may wish to take note of the information contained in the present document.
