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## **General Conference**

### **Nineteenth session**

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**UNIDO's strategy for post-conflict/-crisis situations**

## **UNIDO's strategy for post-conflict/-crisis situations**

### **Report by the Director General**

#### **I. Introduction**

1. Over the years, UNIDO has devoted significant attention to situations of post-crisis, post-conflict and fragility, as reflected in General Conference resolution GC.10/Res.6 and the subsequent report by the Director General (IDB.28/5) on “UNIDO activities in countries emerging from crisis situations. Traditionally, UNIDO's approach to post-conflict situations has focused on developing livelihoods and productive capacities for affected populations, vulnerable groups and geographical areas, also including support to small and medium-sized enterprises (SMEs), as well as national and international networks. The need to develop “a strategy and related guidelines for its post-crisis work” had first been identified in the context of an independent thematic evaluation conducted in 2015 of UNIDO's post-crisis interventions.
2. To place UNIDO's post-conflict/-crisis work on solid strategic footing and to facilitate reporting to Member States, UNIDO developed a strategy for post-conflict/-crisis situations (henceforth referred to as ‘the Strategy’) as contained in document IDB.48/16/Rev.1, which the IDB took note of and approved for implementation during its forty-eighth session through decision IDB.48/Dec.8.
3. The rationale underlying the Strategy is that inclusive and sustainable industrial development (ISID) can make a positive difference in post-conflict/-crisis settings. Situations affected by conflict and crisis are typically characterized by disintegrating social and economic structures, thereby diminishing the productive capacity of entire populations and increasing poverty, including among women, youth and people with disabilities. ISID strengthens the ability of individuals and underprivileged groups by alleviating their risks, threats and vulnerabilities, and facilitating the reactivation of productive activities and livelihoods, which will help create favourable conditions for enduring recovery and lasting stability.

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## II. Progress towards the implementation of UNIDO's strategy for post-conflict/-crisis situations

4. Since the adoption of the Strategy, UNIDO, through its mandate of ISID, has contributed to building and/or facilitating resilient societies by addressing specific gaps and challenges in post-conflict/-crisis situations and by integrating industrial priorities into national strategies and planning processes, based on the Organization's technical expertise, normative leadership and comparative advantage.

5. To operationalize the Strategy, UNIDO developed a workplan for the period 2021–2025, which was approved by the Organization's Executive Board in 2021. Its objectives are to continuously assess the Organization's progress in supporting ISID in post-conflict/-crisis situations and to facilitate reporting on concrete results achieved in line with the Organization's integrated results and performance framework (IRPF).

6. At the output level, the workplan identifies specific UNIDO interventions to support ISID efforts in post-conflict/-crisis situations, such as for livelihood stabilization, industrial rehabilitation, resilience-building and more. These actions aim to trigger positive change in the development and adoption of sound and sustainable industrial policies in target countries. They have been designed to contribute to the strengthening of institutional capacity and skills as well as knowledge-sharing and awareness-raising related to ISID challenges, resulting from a combination of technical assistance, policy advisory activities, and normative and convening activities.

7. In terms of technical assistance, as of September 2021, UNIDO is implementing 148 projects in post-conflict/-crisis countries, at a total value of approximately \$185 million. This includes all UNIDO projects in the 39 target countries, irrespective of the projects' specific objectives.

8. UNIDO's technical assistance to post-conflict/-crisis countries aligns with the UNIDO medium-term programme framework 2018-2021 and its thematic priorities. \$32.7 million for 21 projects are allocated for the focal area of Advancing Economic Competitiveness; \$79 million across 46 projects for Creating Shared Prosperity; \$70.5 million across 76 projects for Safeguarding the Environment and an additional \$1 million across six projects for other purposes such as coordination projects.

9. In the area of livelihood stabilization, UNIDO is fostering social stabilization in the Herat province of Afghanistan with funding from Japan's Supplementary Budget by providing quick-impact entrepreneurship development and soft skills training to internally displaced people, returnees and host communities, along with business support. The project aims to empower them to create livelihood-sustaining activities and small businesses in the agribusiness sector. At the institutional level, the project also intends to capacitate selected training centres in the region, through training of trainers and equipment transfer, thus ensuring the sustainability and scalability of the project.

10. Through the project "Agro-technology development for economic growth in South and Central Somalia" implemented by UNIDO and funded by Italy and, more recently, through the "Productive Sectors Development joint-Programme" with funding from the United Nations multi-partner trust fund through an earmarked contribution from Italy, UNIDO has facilitated the establishment of a network of four Enterprise Development Units (EDUs). The EDUs offer critical business development services to Somali SMEs seeking to upgrade their operations and obtain access to concessional lending solutions through the project-funded credit facility. The joint programme is led by UNIDO and implemented with FAO and ILO.

11. In terms of industrial rehabilitation and reconstruction, UNIDO is promoting job creation for at-risk youths through vocational skills development in the leather sector in Eritrea, by revitalizing industrial vocational schools, (re)training staff and transferring up-to-date know-how and equipment. Ultimately, the project will

establish an institutional support system capable of developing human resources and delivering training to at-risk youths for increased employability.

12. In the area of resilience-building, UNIDO joined hands with UNICEF on a Japan-funded project for the Syrian Arab Republic, aimed at facilitating science, technology, engineering and mathematics (STEM) learning for trainers and vulnerable boys and girls, notably internally displaced people, with the ultimate objective of bolstering the return to formal education.

13. In terms of policy advisory and analytical support, UNIDO is supporting Mozambique through a European Union-funded project aimed at improving trade capacities, competitiveness and the business environment to ensure greater market access for Mozambique's produce. UNIDO's role is to enhance the quality infrastructure system and the related technical competences in the country.

14. UNIDO's technical assistance projects and other enabling functions in post-conflict/-crisis situations are integrated into interventions at the programme level, notably country programmes and Programmes for Country Partnership, where existent.

### **III. COVID-19 response and recovery in post-conflict/-crisis situations**

15. Considering the devastating and long-term impact of the COVID-19 pandemic upon fragile states and communities affected by crises and conflicts, the Strategy and its related activities are aligned with UNIDO's COVID-19 response framework to prepare and contain, respond and adapt, and recover and transform.

16. Since the outbreak of the COVID-19 pandemic, UNIDO has been supporting its Member States in minimizing its impact, notably on vulnerable groups. In Armenia, UNIDO joined UNICEF, UNDP and UN Women in a joint initiative aimed at building entrepreneurial skills and a conducive environment for vulnerable women, to empower them to act as agents of change during and in the aftermath of the COVID-19 pandemic.

17. In Iraq, UNIDO launched a Japan-funded project aimed to address the socio-economic impact of COVID-19 among internally displaced people and host communities in the Kurdistan Region, by providing livelihood support and job creation. The project's approach is to build self-reliance and support the resilience of the beneficiaries through economic recovery activities, which will help sustain themselves during and beyond the COVID-19 pandemic.

18. UNIDO also supports Sudan in mitigating the impact of COVID-19 on food security and safety in the dairy sector through a pilot initiative funded by the International Islamic Trade Finance Corporation. The pilot project will develop a comprehensive sector recovery plan for improving the resilience of the dairy industry in the country.

19. In Somalia, UNIDO, IFC and the Ministry of Commerce and Industry conducted a survey on the impact of the COVID-19 pandemic on firms. The survey covered approximately 500 firms in five cities in Somalia to better understand the impact and best support the private sector. In addition, UNIDO provided skills development training on how to manufacture face masks, in order to create channels of income for local SMEs and allow access to face masks for workforce protection.

### **IV. Action required of the Conference**

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