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UNIDO activities related to sectoral development including agribusiness, trade capacity-building and job creation

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Report by the Director General

I. Introduction

1. Agribusiness, covering all business activities from farming through processing and distribution to finally consumption, is an important source of income and employment in agriculture, manufacturing and services. The economic gains from agribusiness are transferred to other sectors through higher demand for inputs, technology, transport, communication and quality infrastructure. The sector has great potential for growth in developing and least developed countries, but it also has an impact on land use change, greenhouse gas emissions and climate change.

2. UNIDO recognizes the importance of reducing the agricultural and agro-industry sector's impact on the environment and is working to introduce environmentally friendly agricultural and processing practices, including the reduction of post-harvest losses and waste through technological improvements, process optimization, the use of digitalization and new technologies to promote smart agriculture and the utilization of by-products. This leads to increased agricultural output, while introducing a circular economy approach to achieve environmental sustainability. UNIDO recognizes the necessity to introduce a shift at the design stage and all along the value chain to capture value from waste and change from a linear economy of production and consumption to a circular model, in which agribusiness plays a key role.

3. UNIDO interventions look at the entire value chain to leverage benefits from linking agriculture, agro-industry and other economic sectors. The Organization's programmes support product, process, functional and value chain innovation and upgrading, cluster development and the strengthening of institutional quality infrastructure capacities. This helps support and verify compliance with standards and technical regulations in the targeted national, regional and global markets, thereby

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building a favourable business environment for the private sector to grow, innovate, learn and compete.

4. Partnerships with international financial institutions, the private sector, academia and civil society are a strategic priority for UNIDO to accelerate and scale up its development impact. Tangible results have been achieved in enhancing local productive and trade capacities, and enhancing competitiveness. UNIDO has also helped build social inclusion and the real economy, while reducing the impact of agribusiness on the environment in many countries and geographical regions.

II. Analytical, research, policy advisory services, and norms and standards-setting

5. In the context of globalized production and trade, as well as rapid technological progress, producers from developing countries need to meet internationally agreed-upon standards, such as those for labour, health, safety (phytosanitary) and environment, in order to maintain or enhance their competitiveness. Increasingly, privately agreed-upon standards and additional product and quality specifications, most often defined by lead firms in value chains, must also be met. Conforming to these standards, either through mutual recognition or harmonization, has become a prerequisite for participating in regional and global value chains.

6. Demand for UNIDO's services in designing national and regional quality and laboratory policies, establishing quality infrastructure systems, addressing food safety issues, enhancing innovation, ensuring industrial safety and security, and fostering the economic inclusion of vulnerable population groups is growing.

7. As a response, UNIDO has published a set of guiding documents on quality policy development: *Quality Policy Guiding Principles*, *Quality Policy Technical Guide* and *Quality Policy Practical Implementation Tool*. As a spin-off of this collection of guidance documents, the *Laboratory Policy* guidance document was also published. UNIDO has further developed the *Quality Infrastructure for Trade Facilitation Toolkit (QI4TF)* supporting the effective implementation of the Trade Facilitation Agreement, in particular through testing and inspection services. UNIDO has also published its food safety approach in five languages. Furthermore, it has issued the publication *Mainstreaming Gender in Cluster Development*, presenting the results of technical cooperation activities in Côte d'Ivoire, India, Morocco, Peru, Tajikistan, Tunisia and the United Republic of Tanzania, and providing tools to project developers.

8. Technical regulations and standards are increasingly prevalent and continuously evolving in international trade. To improve compliance of exported products, national governments and donors need to identify where the most acute compliance challenges are faced in order to allocate scarce financial and technical resources. In a trade context, this means identifying the products and markets with the highest rates of non-compliance and recording rejections. Standards Compliance Analytics is an online tool that compiles border rejection data from major global and regional markets and provides users with interactive analytical features to explore, compare and assess countries' compliance record with trade standards in major markets.

9. UNIDO created a global e-commerce index to measure the impact of e-commerce on global industrial development, as well as an online training course to catalyse e-commerce skills development. The Organization has further developed its cluster development methodology to focus on short supply chain development.

10. UNIDO supported the development of non-food value chains, including by promoting innovative learning tools for skills development. In full coordination and collaboration with the private sector, sustainability of the interventions has been sought in promoting inclusive and long-lasting training opportunities. One key example of this approach is e-learning content development within the leather value chain. The use of such content has been very efficient in recent years and was

particularly useful during the global COVID-19 pandemic. More than 450,000 users since 2014 at a current rate 50,000 users per connected to the knowledge platform www.leatherpanel.org.

11. UNIDO launched a platform in partnership with the Standards and Trade Development Facility of the World Trade Organization (WTO) on voluntary third-party assurance schemes and private standards with the aim of exchanging and sharing expertise as well as providing policy and technical advice to partners and Member States on the use and application of relevant codices and international guidelines.

12. In partnership with the Food and Agriculture Organization of the United Nations (FAO), UNIDO led a rapid assessment of the impact of COVID-19 on agro-processing small and medium-sized enterprises (SMEs) in Africa, covering 709 food SMEs in six countries. This provided data to tailor national and regional policies and programmatic reforms to strengthen the resilience and role of SMEs in food systems transformation in the aftermath of the COVID-19 pandemic.

13. UNIDO expanded the outreach of the Accelerator for Agriculture and Agro-industry Development and Innovation (3ADI+) platform, including in Nigeria and Zambia, and initiated, in partnership with FAO, an assessment for the coconut and soybean value chains.

14. In 2020, UNIDO launched its global Health Industry Initiative to support health and pharma-related industry development through contributions to global agenda-setting and the convening of public-private partnerships and respective global, regional and national programmes and projects. A first cooperation between UNIDO and WHO on personal protective equipment (PPE) has received initial funding from Germany and is being piloted in West Africa with the West African Health Organization (WAHO).

15. To support its Member States, UNIDO has developed the Quality Along the Value Chain methodology following its successful holistic approach on quality infrastructure strengthening. This methodology is a tool to perform a quality diagnosis of a value chain to gain a full understanding of the status and functioning of the sector and design project interventions that tackle targeted quality infrastructure bottlenecks to increase exports and competitiveness.

III. Technical cooperation programmes

16. UNIDO continues to implement a range of technical cooperation programmes on agro-industries and rural development, trade capacity-building and job creation. These encompass projects aimed at establishing or expanding agro-industrial parks; upgrading value chains across different levels; improving national and regional quality infrastructure systems and services for accessing international markets and fostering business innovation through the development of SMEs, clusters and entrepreneurship; advancing the digitalization of value chains and quality infrastructure services; promoting investment and the adoption of Industry 4.0 technologies; as well as developing the entrepreneurial skills of vulnerable groups, such as youth, women, migrants and ethnic minorities.

17. UNIDO supports the establishment of integrated agro-industrial parks as well as rural transformation centres in Ethiopia, Mongolia, Nigeria, Senegal and the United Republic of Tanzania, with concrete financing mobilized in the case of Senegal and Ethiopia through international financial institutions.

18. UNIDO completed a project that supported the Government of Mongolia in diversifying its economy while ensuring competitiveness and sustainable economic growth and job creation. Focusing in particular on the livestock and vegetable sectors in suburban and rural areas of the country, the project helped increase employment opportunities and reduce growing social and regional imbalances.

19. The Organization continues to develop and manage programmes that help agro-value chain upgrading, including programmes in Colombia (coffee, cocoa and cotton); Egypt (tomatoes); the Islamic Republic of Iran (dates); Lebanon (dairy and apiculture); Mongolia (dairy and meat); and Mozambique (Ibo specialty coffee).

20. Together with FAO, UNIDO is implementing a project in Sudan to upgrade the sesame seed value chain. The project increases the capacity to comply with food safety and phytosanitary requirements, to implement good agricultural practices codes, standards and regulations, and to upgrade related quality infrastructure and conformity assessment services.

21. In collaboration with members of the United Nations Inter-Agency Cluster on Trade and Productive Capacity, namely the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC), UNIDO is helping strengthen the capacity of the horticultural value chains of tea, ginger and avocado, and supporting national quality infrastructure development in the southern Shan State in Myanmar. The Organization is also fostering the development of linkages between the three value chains and the local tourism sector and international markets for increased trade, income generation and job creation.

22. Launched in collaboration with FAO, UNIDO's flagship Opportunities for Youth in Africa programme aims to promote the economic empowerment of youth in Africa by accelerating efforts in the areas of quality job creation and on- and off-farm employment and self-employment opportunities in agriculture and agribusiness for African youth, including women and men. The programme is being piloted in six countries, namely Cabo Verde, the Democratic Republic of the Congo, Ghana, Kenya, Tunisia, and Zambia.

23. The Organization continues to prioritize human security needs in crisis-affected regions, especially in the framework of the global COVID-19 pandemic, and is in this regard implementing over 30 projects in dozens of countries, including in Afghanistan, Côte d'Ivoire and Iraq.

24. Under the West Africa Competitiveness Programme, UNIDO supports Cabo Verde, the Gambia, Ghana, Guinea and Sierra Leone in value chain development for cocoa, cassava, mango, onions and palm oil.

25. As a response to the COVID-19 pandemic, UNIDO supports various countries, such as Cameroon, Ghana and the Philippines, as well as the Economic Community of West African States (ECOWAS) as a whole in the development of standards, standard operating procedures and conformity assessment services for PPE and hand sanitizers.

26. As part of its COVID-19 response to support Member States in their socioeconomic recovery, UNIDO has developed a project on digitally enhanced value chain development in Viet Nam, specifically targeting women and youth. The project is implemented in cooperation with the International Fund for Agricultural Development (IFAD) and funded under the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund.

27. Fisheries is a crucial sector for the promotion of economic growth, food security and job creation. UNIDO supports the fisheries sector in Côte d'Ivoire, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Indonesia, Mauritania, Mozambique, Senegal, and South Sudan, and improves access to international markets through standards compliance-related capacity-building and overall value chain development. The Organization also mobilized funds for developing a food safety project targeting the fisheries sector in Cambodia.

28. Further to the Global Quality and Standards Programme (GQSP) supported by the State Secretariat for Economic Affairs (SECO) of Switzerland, UNIDO has expanded its global quality and standards interventions through the Global Market Access Programme funded by the Norwegian Agency for Development Cooperation (Norad), which preliminarily covers Colombia, Ethiopia, Mozambique and Myanmar,

targeting the fisheries and honey value chains. Technical cooperation projects addressing food safety were also developed and implemented in China, Kenya, Mongolia and Nigeria, as well as in 18 countries in the Arab region.

29. UNIDO continues to promote the development of creative industries across two subregions of Africa and Asia and the Pacific, through seven projects benefiting youth and women in particular. The Organization is also supporting sustainable skills development through over 20 technical and vocational education and training projects across four subregions of Africa and Asia and the Pacific. UNIDO is progressively introducing new initiatives to increase resilience in the handicrafts sector by accelerating the use of digital solutions, such as e-commerce platforms, to promote and market products in order to offset the lack of foot traffic due to the pandemic. UNIDO supported the establishment of creative hubs in several Member States, such as in Algeria, Côte d'Ivoire, Ethiopia, the Islamic Republic of Iran, Jordan, Lebanon, Madagascar, the State of Palestine and Tunisia.

30. Under the Entrepreneurship Curriculum Programme, UNIDO completed the introduction of entrepreneurship learning in secondary schools in Afghanistan, Egypt, Iraq and Nigeria.

31. In the Central African Republic, Chad, the Democratic Republic of the Congo and Sao Tome and Principe, UNIDO improved the business environment and strengthened national institutions working on enterprise modernization. Twenty-three enterprises from these four countries were directly supported to strengthen their competitiveness and 56 young entrepreneurs were trained to start up a business.

32. A UNIDO project in Morocco created 10,000 jobs in three automotive plants in the country through the investment of the Yazaki Corporation of Japan. The project enabled a strengthening of the industrial supply chain, skills development, export expansion and wealth creation.

33. Investment and Technology Promotion Office (ITPO) Nigeria collaborated with ECOWAS on the establishment of a Nigeria-Benin Agro-Processing Zone along their common border. ITPO Italy assisted representatives of three institutions and 15 companies from Mozambique by organizing over 150 business-to-business meetings between Mozambican delegates and Italian exhibitors with the aim to promote technological transfer as well as identify potential commercial partners. ITPO Italy also organized a roundtable on investment opportunities in Côte d'Ivoire, Guinea, Mauritania and Senegal in the fishery and cold chain agro-industry sectors.

34. In Colombia, UNIDO helped micro-, small and medium-sized enterprises in the agro-industrial and cosmetics sectors in the Valle del Cauca region to form and operate export consortiums. It also enhanced their product quality to comply with export requirements.

35. UNIDO has supported WAHO with the development of a West African regional strategy for the local production of essential medicines.

IV. Convening and partnerships

36. UNIDO global forum events have convening, advocacy and normative functions and are the basis for its knowledge management activities. These events contribute to the elaboration of new norms and standards, research, technical cooperation and policy advice. By convening countries in a multilateral context, the Organization provides crucial learning opportunities for sharing knowledge and best practices, and leveraging multi-stakeholder partnerships across the international system, academia and business.

37. In the context of establishing Industry 4.0 knowledge-sharing platforms, several events have been organized to better understand opportunities and threats associated with frontier technologies driving the new industrial revolution and their impact on economic sectors and inclusive and sustainable development.

38. UNIDO joined the Global Sustainable Seafood Initiative (GSSI) in 2020 as an affiliated partner. The GSSI aims to ensure clarity, confidence and choice in the supply and promotion of certified seafood as well as to promote improvements in seafood certification schemes. UNIDO, joining FAO in this partnership with GSSI, will strengthen the global efforts to promote sustainable fisheries development and increase its long-term contribution to securing better livelihoods in producer communities and protecting the natural environment.

39. UNIDO is collaborating with, participating in, and contributing to a number of initiatives in partnership with several international organizations, including the International Training Centre of the International Labour Organization (ITC-ILO), the European Training Foundation (ETF), WorldSkills and the European Union, where megatrends in technical education and industrial skills development are analysed and strategic solutions promoted. In particular, the Learning and Knowledge Development Facility (LKDF) focuses on digitalization and inclusion of education, with emphasis on gender, youth and SMEs. The LKDF Forum 2021 will gather partners, experts, training specialists and stakeholders, among others, to foster exchanges between organizations in view of creating future partnerships.

40. The International Quality Infrastructure Forum, organized by UNIDO in cooperation with the African Union Commission in 2019, focused on the contribution of quality infrastructure to the achievement of the Sustainable Development Goals and to the implementation of the African Continental Free Trade Area (AfCFTA).

41. UNIDO is engaged with the African Development Bank in the establishment of agro-processing parks in Ethiopia, Kenya, Senegal, the United Republic of Tanzania and Zambia.

42. Under a new partnership agreement between the World Bank and UNIDO in the agribusiness sector, the Organization provided technical assistance, including on fisheries, livestock and dairy in Bangladesh and on food safety in Afghanistan and India. Recently the partnership expanded to Egypt and Viet Nam to cover food safety and private sector development.

43. As a founding member of the International Network on Quality Infrastructure (INetQI), UNIDO continues to partner with key international organizations in the field of quality infrastructure, particularly in the development of guidance documents, analytical tools and joint technical assistance. INetQI currently involves the following organizations: Bureau international des poids et mesures (BIPM), International Accreditation Forum (IAF), International Electrotechnical Commission (IEC), Independent International Organisation for Certification (IIOC), International Laboratory Accreditation Cooperation (ILAC), International Certification Network (IQNET), International Organization for Standardization (ISO), ITC, International Telecommunications Union (ITU), Organisation internationale de métrologie légale (OIML), United Nations Commission for Europe (UNECE), UNIDO, World Bank Group (WBG) and WTO.

V. Action required of the Conference

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