



United Nations Industrial Development Organization

Distr.: General
1 October 2021

Original: English

General Conference

Nineteenth session

Vienna, 29 November–3 December 2021

Item 15 of the provisional agenda

UNIDO response to the COVID-19 pandemic

UNIDO response to the COVID-19 pandemic

Report by the Director General

The present document provides information on the impact of the COVID-19 pandemic on industrial development and the response of UNIDO to the crisis and its socioeconomic consequences.

I. Background

1. This report complements previous documents on the subject, such as IDB.48/11, IDB.48/CRP.5, IDB.49/12, and the Industrial Development Cooperation Report 2020 (A/75/158).
2. As the crisis is not expected to abate in the near future, the impact of the COVID-19 pandemic on economies, societies, and individual lives remains fundamentally the same as previously reported: the pandemic devastated economic activities worldwide, with reported declines in output, spending, employment, foreign direct investment, remittances and global trade, resulting in the deepest recession since the Second World War.
3. At the beginning of September 2021, over 4.5 million COVID-19-related deaths have been reported to the World Health Organization (WHO). Containment measures and limitations on international travel continue to be in place in a large number of countries, even in the epidemiologically more favourable summer months and against the background of improved testing and vaccination possibilities.
4. Globally, economic growth is expected to show a robust recovery this year. The World Bank estimates a growth of 5.6 per cent in 2021, largely due to the strength of major economies, such as China and the United States of America, which are each expected to contribute about one quarter of global growth in 2021.
5. As the pandemic continues, precise predictions about the economic outlook continue to be difficult to make. While external demand may have picked up, economic recovery in many countries is restrained by resurgences of COVID-19 and

For reasons of sustainability, this document has not been printed. Delegates are kindly requested to refer to electronic versions of all documents.



partial withdrawals of governmental economic support measures in view of high debts and financial vulnerabilities.

6. In 2022, global unemployment is expected to stand at 205 million people, greatly surpassing the level of 187 million in 2019. The crisis has exacerbated pre-existing inequalities, as the employment of women and of young people declined disproportionately. The widespread lack of social protection, including access to health care and income security, particularly affected workers in the informal sector and highlighted the need for decent jobs and formal employment.

7. The decline in working hours, employment and income continues to translate into increases in poverty rates, inequalities and other development challenges. Extreme poverty is increasing for the first time in three decades, and the setback in development progress is posing challenges to the achievement of the Sustainable Development Goals within the remaining years of the Decade of Action.

8. Immunizing the global population is seen as the most effective way to bring the pandemic to an end and to lift containment measures. It is encouraging that within less than 12 months after COVID-19 was declared a pandemic, several research teams developed vaccines that protect from SARS-CoV-2, the virus that causes COVID-19.

9. The global rollout of COVID-19 vaccines is progressing, with almost 5.5 billion doses administered globally. Progress however takes place at alarmingly different speeds. The WHO reports that less than two per cent of adults are fully vaccinated in most low-income countries compared to almost 50 per cent in high-income countries. Just two per cent of the over five billion doses given globally have been administered in Africa. Vaccine delivery, manufacturing, export restrictions, trade barriers, vaccine hoarding, transparency issues, resource limitations and operational readiness are among the bottlenecks responsible for the divergence.

10. Vaccine inequity is not only unjust and jeopardizes global progress in the eradication of the virus, it also exposes a critical discrepancy in terms of survival rates and prospects for economic recovery in developing countries.

11. Over a dozen mostly advanced economies report widespread vaccinations of their populations, which will help to more effectively contain the pandemic in those countries in the short term. However, the outlook for countries where vaccination has lagged is less encouraging. Also in the longer term, the outlook for developing and middle-income countries will likely be dampened by the lasting legacies of the pandemic, including the erosion of skills from lost work, schooling and training, lower investments, business closures, higher debt burdens, and greater financial vulnerabilities.

12. Against this background, the importance of the industrial sector in the socioeconomic recovery from COVID-19 and in building resilience needs to be pointed out.

13. The Industrial Development Report 2022 that will be presented at the nineteenth session of the General Conference reviews some of the main features that characterize the COVID-19 crisis and how it affected industrial production and development. Among the factors shaping socioeconomic resilience, existing industrial capabilities are found to play a determinant role. The report further analyses the response to the pandemic by governments and the private sector, and their interplay with pre-existing global trends, which is another important factor determining resilience.

14. The current crisis is a strong reminder of the need for shared responsibility, global solidarity and multilateral solutions. To avoid a downward spiral that further deepens inequalities among and within countries, governments and the global community must take bold action to transform economies and build a better future. Inclusive and sustainable industrial development remains among the most effective tools for economic recovery and progress towards the 2030 Agenda for Sustainable Development.

II. The response of the United Nations system

15. The UNIDO response forms part of the joint United Nations comprehensive response to COVID-19, with the *United Nations framework for the immediate socio-economic response to COVID-19* guiding the actions of the system in the socioeconomic recovery.

16. The joint response is prepared and implemented by United Nations country teams (UNCT) and their member entities.

17. Each UNCT elaborates the joint country-level response in Socioeconomic response plans (SERPs). At the beginning of September 2021, 121 UNCTs have finalized their national SERPs.

18. In March 2020, the United Nations COVID-19 response and recovery multi-partner trust fund (COVID-19 MPTF) was established as an inter-agency funding mechanism to address the health emergency; focus on the social impact, and the economic response and recovery; and help countries recover better. Early projections of the financial requirements amounted to \$2 billion. In early September 2021, the fund was capitalized with contributions of \$83.3 million.¹

19. The Annual Report of the COVID-19 MPTF reviews the first year of implementation of the fund.² In the context of collective actions of UNCTs, the COVID-19 data portal monitors the progress according to indicators that emanated from the United Nations framework.³

III. UNIDO support to Member States

20. The UNIDO approach continues to be guided by the UNIDO framework *Responding to the crisis: building a better future*, as outlined in section III of document IDB.48/11–PBC.36/11.

21. In alignment with the United Nations framework, the UNIDO framework was initially foreseen to provide guidance for the 12 to 18 months after publication in May 2020.

22. In light of the continuation of the health crisis, which did not necessitate an update of the overall United Nations response framework so far, and in view of the needs expressed at the three stages of “prepare and contain”, “respond and adapt”, and “recover and transform”, the three integrated packages of the UNIDO framework continue to be valid. Pending further developments, UNIDO intends to provide an update of its service offer in the course of 2022, based on the latest research, evidence, and the experiences gained in the first two years of its COVID-19 crisis response.

23. Further to the activities described in the Annual Report 2020 (IDB.49/2), the following examples provide an insight into recent UNIDO interventions in the COVID-19 response and recovery context.

24. The emergency response assistance project in China, initiated in February 2020, provided 4,000 protective suits to health workers in Hubei province at a time when they were urgently needed but not available on the national market. The project further provided extracorporeal membrane oxygenation and autoclave sterilization equipment. Training guidebooks on safe and environmentally sound management of medical waste were prepared, and the experience was thereafter shared in other countries supported by UNIDO.

25. A project in Morocco, funded by the COVID-19 MPTF, supported three industrial sectors to avoid disruptions of essential services. A prevention charter and communication tools sensitized 5,000 employees in agroindustry, trade, and waste

¹ <http://mptf.undp.org/factsheet/fund/COV00>.

² <http://mptf.undp.org/document/download/27676>.

³ https://data.uninfo.org/Home/_SERP.

management on protective measures, while 100 companies received toolboxes to support business recovery and resilience.

26. In Armenia, Guinea, Madagascar and Senegal, UNIDO developed a contingency intervention by strengthening the capacities of universities, incubators and local private sectors in the production of face masks, hydroalcoholic gel, face shields, artificial respirators with laser cutting machines, 3D printers, plasma cutting machines, professional sewing machines and through training activities provided by UNIDO.

27. A project in Cabo Verde helps the tourism sector to recover from the impact of COVID-19 and to make it more competitive. UNIDO is implementing a certification scheme for quality assurance to remove access barriers to trade and facilitate market entry for micro-, small and medium-sized enterprises (MSMEs).

28. In Côte d'Ivoire, UNIDO and the Food and Agriculture Organization of the United Nations undertook a joint assessment of the impact of the pandemic on small and medium-sized enterprises in the agrifood manufacturing sector. The analysis underscored the fragility of these enterprises, despite their role in food security and rural development, and made recommendations for building back better and to reduce risks of enterprise closures and job losses in future disruptions.

29. In Cambodia, UNIDO and the International Labour Organization joined efforts in the conduct of an assessment that contributes to modernizing the garment sector through digital technologies and technical support to the national strategy for the garment, footwear, and travel goods sector.

30. Another project in Cambodia, which aims to contribute to the recovery of MSMEs in the agro-food and tourism sector, is based on the COVID-19 Industrial Recovery Programme (CIRP).

31. In Madagascar, a project on best environmental practices and technologies for the environmentally sound management of health-care waste was launched in April 2021 and is currently at the stage of baseline assessments. In June, the very first smoke-free incinerator in Madagascar was handed over to the Befelatanana Hospital Center.

32. In South Africa, a project continues to support waste-pickers and reclaimers, the majority of them women, in the transition to sustainable waste management and the formalization of employment.

33. In Zimbabwe, UNIDO supported the development of the Pharmaceutical Manufacturing Strategy 2021–2025, focusing on enhancing local production of essential medicines against malaria, tuberculosis, HIV/AIDS, and COVID-19.

34. An emergency response project in the Islamic Republic of Iran, approved in March 2021, ensures the safe and environmentally sound management and disposal of medical waste in hospitals. The equipment delivered so far increases the daily medical waste processing capacity at two supported hospitals to 4.3 tons per day. A guidebook on environmentally sound management of medical waste developed by UNIDO further underpins the efforts.

35. Following the approval of a project proposal by the Global Environment Facility in June 2021, a project on sound management of medical wastes in the Philippines, including mercury-containing medical devices, is being developed in the context of the Stockholm Convention on persistent organic pollutants and the Minamata Convention.

36. A global call for innovative ideas and technologies, which drew 1,100 entries from 108 countries on five continents, continued to facilitate innovative solutions and investment opportunities beyond the announcement of winners in July 2020. One of the winning proposals, recently entered a joint venture agreement that received an investment of €26 million to pioneer, demonstrate and scale up its technology. The

UNIDO Investment and Technology Promotion network will continue to promote the winners of the global call, including at the Dubai Expo 2020.

37. Similarly, the Sustainable Technology Promotion Platform (STePP) continues to promote the transfer of technologies to developing and emerging countries. In 2021, new technologies were added to the platform, while 13 leading technologies have also been selected to tackle COVID-19 and other infectious diseases in 12 African and Asian countries.

38. UNIDO will continue its efforts to respond to the crisis and build a better future, both as a contributor to joint efforts of the United Nations system, providing its expertise as the industrial development organization of the United Nations system, and through its programmes and projects.

39. Through the implementation of its mandate of inclusive and sustainable industrial development, UNIDO contributes to the socioeconomic response, the economic recovery, and to building a more sustainable and resilient future.

IV. Action required of the Conference

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