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UNIDO activities related to the Abu Dhabi**Ministerial Declaration for the Least Developed
Countries****UNIDO activities in support of least developed countries****Report by the Director General**

In compliance with resolution GC.18/Res.8 on the Abu Dhabi 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 LDCs.

I. Introduction

1. Following the graduation of Vanuatu, on 4 December 2020, from the classification of LDCs, as established by the United Nations General Assembly, 46 States are considered LDCs.¹ Since the genesis of the LDC group in 1971, UNIDO has continuously supported the industrialization efforts of LDCs, as requested by the General Assembly resolution A/RES/2768 (XXVI), by tailoring its technical and advisory services to their specific development challenges. The Organization's medium-term programme framework (MTPF) 2018-2021 introduced a dual objective of programmatic integration and scale-up grounded in the organizational theory of change. While maintaining this dual objective, the MPTF 2022–2025 further promotes a focused approach on LDCs' specific needs (IDB.49/8-PBC.37/8).

2. Considering that 33 LDCs are on the African continent and 12 LDCs are in the Asia-Pacific region, UNIDO's portfolio of activities in LDCs takes into account the critical role of regional frameworks such as the Third Industrial Development Decade for Africa (IDDA III), the South-South and triangular industrial cooperation (SSTIC) and the global role of the United Nations development system reform in achieving

¹ United Nations Committee for Development Policy, List of Least Developed Countries (as of 11 February 2021), available at:
www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/lcd_list.pdf.

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inclusive and sustainable industrial development (ISID) under the Decade of Action. For instance, as of October 2020, 22 national projects out of 130 ongoing SSTIC projects at UNIDO are implemented in LDCs.

3. In light of resolution GC.18/Res.8 where UNIDO was invited, within existing and extra budgetary resources, to contribute to the formulation of the Fifth United Nations Conference on LDCs (LDC5) programme of action and its subsequent implementation, the UNIDO Executive Board approved a project in July 2021, supporting the Organization's effective link between its technical assistance and policy and normative dimension, serving LDCs at the national, regional and global levels. The project supports the Organization's participation in the LDC5 preparatory process and conference, including via the organization of UNIDO's ninth Ministerial Conference of the LDCs co-organized with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) and the Organisation of African, Caribbean and Pacific States (OACPS), in November 2021, prior to the nineteenth session of the General Conference of UNIDO, as the last high-level pre-event of the LDC5 preparatory process.

4. UNIDO takes note of the end of its Operational Strategy for LDCs 2012–2020, in alignment with the Istanbul Programme of Action (IPoA) for the decade 2011–2020,² and the recommendations and findings of the Organization's comprehensive review³ of the implementation of its strategy for upscaled monitoring, reporting and evaluation methods. In this context, in July 2021, the UNIDO Executive Board approved a project supporting the formulation of the Organization's next LDCs Strategy and Implementation Plan 2022–2031, to be developed in close alignment with the Doha Programme of Action for LDCs covering the same period, which will stem from LDC5 in 2022.⁴

5. During 2020–2021, UNIDO identified lessons learned, best practices and innovative approaches in promoting ISID in LDCs and included the dissemination of those practices in the preparation processes of LDC5 at the national, regional and global levels. In cooperation with UN-OHRLLS, UNIDO contributed to this process as follows: (i) with the Ministerial Declaration on accelerating industrialization in LDCs deriving from UNIDO's eighth Ministerial Conference of LDCs in 2019 and serving as a document session to the LDC5's Intergovernmental Preparatory Committee; (ii) with a written statement from the UNIDO Director General at the Intergovernmental Preparatory Committee; (iii) as panellist, speaker and lead discussant in the regional review meetings for Africa and Haiti, and Asia-Pacific; (iv) with inputs to the Doha Programme of Action and further exchanges within the meetings of the Inter-Agency Consultative Group on LDCs; (v) as panellist, organizer and co-organizer of side events together with development partners and other United Nations agencies on the margins of several intergovernmental, regional and global meetings building up to LDC5; and (vi) with advocacy materials and outreach efforts to disseminate best practices to a wide range of audiences.

II. Contribution to the development of least developed countries

6. UNIDO supports LDCs through technical and advisory services. The cooperation modalities with LDCs include stand-alone projects, Programmes for

² The implementation of the UNIDO Operational Strategy for LDCs was extended until 2021, in alignment with the extension of the IPoA due to the pandemic.

³ Project ID: 180251, "Review and consolidation of outcomes: UNIDO Operational Strategy for LDCs 2012–2020 in the context of the Istanbul Programme of Action 2011–2020", available on the UNIDO Open Data Platform (<https://open.unido.org/projects/M0/projects/180251>).

⁴ The Conference was initially foreseen to take place from 21 to 25 March 2021 in Doha, Qatar (UNGA Resolution: A/RES/74/232), but was rescheduled from 23 to 27 January 2022 (UNGA Resolution: A/RES/74/232 B) due to COVID-19 challenges.

Country Partnership (PCP), country programmes (CP), and other regional, inter-regional and global projects, including global fora to strengthen the dissemination of best practices in industrialization for replication and upscaling. As of August 2021, eight⁵ CPs are under implementation while another nine⁶ are under development. Furthermore, all UNIDO projects in LDCs address cross-cutting issues, including gender equality and the empowerment of women. Several projects in LDCs have a significant expected contribution to gender equality, such as in Afghanistan, Cambodia, Ethiopia, Madagascar, Niger, Sudan, and Zambia, while a project in Mozambique is mainly focused on women's empowerment in selected agro-value chains development.

7. Given the success to date of UNIDO's enhanced multi-stakeholder partnership business model – the PCP – and the increasing demand by Member States following the 2017 and 2019 Ministerial Declarations for LDCs, UNIDO continued to expand its support to LDCs through the PCP model. At the request of its Member States, UNIDO is currently operationalizing more than half of the PCPs in LDCs, such as in Cambodia, Ethiopia, Rwanda, Senegal, the United Republic of Tanzania, and Zambia. The strong government ownership of the PCPs in Cambodia, Ethiopia and Senegal has led to total cumulative investments exceeding \$2.5 billion since the start of their implementation, while the PCPs in Rwanda, the United Republic of Tanzania and Zambia are in their programming phase.

8. In the context of IDDA III, Niger hosted the first African Union (AU) Summit on Industrialization and Economic Diversification for Africa, co-organized with UNIDO, the African Union Commission, the United Nations Economic Commission for Africa (UNECA), the African Union Development Agency (AUDA-NEPAD) and the AfroChampions Initiative, in November 2021, which is expected to mobilize government participants from the highest level. A key outcome of the summit was a decision on a renewed continental industrialization framework taking into account new developments such as the COVID-19 pandemic and the launch of trading under the African Continental Free Trade Area. A collaboration between UNECA and UNIDO is also in progress to prepare a joint publication on Niger's industrialization path.

9. From 1 September 2019 to 31 August 2021, UNIDO mobilized financial resources in LDCs through multi-partner trust funds amounting to \$2,867,950. Specifically, through the Peacebuilding Fund, the One UN Fund and the Somalia Multi Window Trust Fund, financial resources mobilized amounted to a total of \$1,829,361 for projects in four LDCs, namely: Guinea (\$207,815), Mali (\$401,946), Somalia (\$945,206) and the United Republic of Tanzania (\$274,394). To address the challenges caused by the COVID-19 pandemic, UNIDO also mobilized financial resources amounting to \$1,038,589 through the United Nations COVID-19 Response and Recovery Fund for projects in four LDCs, namely: Ethiopia (\$419,440), Guinea (\$249,019), Madagascar (\$170,130) and the United Republic of Tanzania (\$200,000).

10. UNIDO supported programmatic activities in LDCs, such as in Burkina Faso, Ethiopia, Guinea, Madagascar, Senegal, the United Republic of Tanzania, and Zambia to respond to socioeconomic challenges caused by the COVID-19 pandemic through tailored cooperation, including joint programming, to prepare and contain, respond and adapt, and recover and transform, among others via the COVID-19 Industrial Recovery Programme. UNIDO also assisted governments through the United Nations Country Teams with the formulation and implementation of the United Nations Socioeconomic Response Plans to COVID-19.

11. Through government counterparts, UNIDO also rolled out a series of surveys to assess the impact of COVID-19 in LDCs. Surveys were conducted to assess: (i) small

⁵ Afghanistan, Angola, Bangladesh, Guinea, Madagascar, Mauritania, Myanmar, and Zambia. UNIDO also implements CPs in countries that have graduated from the LDC group and are in a smooth transition period, such as Cabo Verde and Vanuatu.

⁶ Benin, Burundi, the Democratic Republic of Congo, the Gambia, Guinea-Bissau, Niger, Sierra Leone, Sudan, and Uganda.

and medium-sized enterprises (SMEs) and the manufacturing sector in sub-Saharan Africa; (ii) SMEs in the food-processing sector (survey conducted by UNIDO, the Food and Agriculture Organization of the United Nations and AUDA-NEPAD); (iii) governmental policy responses to mitigate the impact of COVID-19 on industry; and (iv) the enterprise-level impact of the pandemic (survey conducted by UNIDO and the African Development Bank).

12. UNIDO is also an active contributor to the United Nations' common country analysis and a signatory of United Nations Sustainable Development Cooperation Frameworks (UNSDCFs) while also chairing relevant results groups. Recent UNSDCFs signed by UNIDO in LDCs include: Angola (2020–2022), Ethiopia (2022–2025), Madagascar (2021–2023), Timor-Leste (2021–2025) and Uganda (2021–2025).

13. In 2020, UNIDO obtained accreditation to the Green Climate Fund (GCF) and has planned, as part of the indicative entity work programme for 2021, to develop and implement GCF-funded projects in support of LDCs. Through the GCF, it is expected that UNIDO projects will make impactful contributions to the clean energy transition, decarbonization and circular economy-based business practices for climate action in cooperation with several national institutions.

14. In 2020, the Renewable Energy and Energy Efficiency Capability for the Hindu Kush Himalaya (REEECH) has become fully operational under the Global Network of Regional Sustainable Energy Centres. Hosted by the International Centre for Integrated Mountain Development, the REEECH aims to improve access to sustainable energy services in the Hindu Kush Himalaya region, including in Afghanistan, Bhutan and Nepal. This also responds to the urgent need for enhanced South-South and triangular cooperation on green energy in mountain regions.

15. With funding from the European Union, UNIDO continued the implementation of several projects in LDCs aiming at boosting industrial competitiveness through strengthened value chains compliance standards in order to improve food safety and quality towards enhanced trade and market access. The regional projects cover multiple LDCs, including Benin, Burkina Faso, the Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Senegal, Sierra Leone and Togo. In Mozambique, a project launched in March 2020 to build competitiveness for exports aims to improve trade and the business environment for priority value chains with strong potential for regional and global trade.

16. In 2020, UNIDO further supported LDCs to accomplish the targets of the Minamata Convention on Mercury, especially through artisanal and small-scale gold mining projects, including in Burkina Faso, Nepal and Rwanda. The Organization also supported the fulfilment of requirements outlined in the Stockholm Convention on Persistent Organic Pollutants in LDCs, including in the Lao People's Democratic Republic, Mali, Myanmar, and Senegal.

17. UNIDO launched the Industrial Development Report (IDR) 2020 which was designed to explain the emergence and diffusion of advanced digital production (ADP) technologies of the fourth industrial revolution and their role in the future of industrialization. The IDR indicates that while countries like Bangladesh, Ethiopia, Malawi, Uganda, and Zambia are considered users of ADP technologies, most LDCs do not use and/or produce such technologies in manufacturing sectors. Appropriate digital infrastructure and skills should therefore be developed to avoid the risk of lagging further behind.

18. UNIDO continued to support LDCs in the formulation of national policies and strategies for structural economic transformation. In Ethiopia, a National Entrepreneurship Strategy 2020–2025 has been endorsed by the Government, through the Ministry of Trade and Industry, to support private and public sector businesses, including businesses for youth and women, and start-ups. The development of the Strategy is a joint collaboration between the United Nations Conference on Trade and

Development and UNIDO, which was financially supported through UNIDO's PCP for Ethiopia.

19. Most of the LDCs experience gaps in collecting industrial data, a prerequisite to effectively monitor progress towards ISID. To this end, in October 2020, UNIDO launched a new online tool, the SDG 9 Industry Tracker⁷, aimed at helping Member States and notably LDCs in such process.

III. Action required of the Conference

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

⁷ <https://iap.unido.org/data>.