



Business, Investment and Technology Services Branch

*Enhancing the contribution of the private sector
to sustainable industrial development and poverty reduction*



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION
PROGRAMME DEVELOPMENT AND TECHNICAL COOPERATION DIVISION

TABLE OF CONTENTS

BUSINESS, INVESTMENT, TECHNOLOGY SERVICES BRANCH	4	CLUSTER AND BUSINESS LINKAGES UNIT	26
Main Functions	5	CBL Portfolio	27
Structure	6	Cluster Development Programme	28
Tools and Methodologies	7	Corporate Social Responsibility Programme	32
Partnerships and Networks	8	Sustainable Supplier Development Programme	35
Geographical Coverage	9	Export Consortia and Origin Consortia Programme	38
Donors	9		
COMPETITIVENESS, BUSINESS ENVIRONMENT AND UPGRADING UNIT	10	INVESTMENT AND TECHNOLOGY UNIT	42
CBU Portfolio	11	ITU Portfolio	43
Improving the Business Environment for Industry	13	Investment Promotion Programme	44
Industrial Modernization and Upgrading Programme	17	Science, Technology and Innovation	48
Strengthening Local Production of Essential Medicines in Developing and Least Developed Countries	21	Investment and Technology Promotion Offices	51
Foresight for Systemic Innovations in Governance and Technology Development	23	Subcontracting and Partnership Exchange Centres	54
Engendering Industrial Development through Mainstreaming Gender in UNIDO's Organizational Practices, Policies and Programmes	24	Productive Work for Youth through Enterprise Creation and Development	57
		Computer Model for Feasibility Analysis and Reporting	62

SELECTED SUCCESS STORIES ARE FEATURED AFTER
THE PRESENTATION OF MAIN PROGRAMMES

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Business, Investment and Technology Services Branch

- enhancing the contribution of the private sector to sustainable industrial development and poverty reduction

Business, Investment and Technology Services Branch (BIT)

The private sector is the primary driver of economic growth and job creation; the Branch therefore supports capacity-building initiatives, partnerships, and the sharing of knowledge and best practices to promote private sector development in manufacturing industries, with particular emphasis on improving the competitiveness of enterprises, mobilizing investments, and facilitating access to appropriate technologies.

BIT supports the formulation and implementation of technical cooperation and institutional capacity-building initiatives to promote private sector development and improve the competitiveness of enterprises, mobilize investments, and facilitate access to appropriate technologies for markets in developing countries.

BIT also supports the development of local productive capacities and responsible investments in a private sector-led process, and promotes the upgrading of industrial enterprises and technical support institutions that drive the economic growth process.

These support services are aimed at stimulating technological dynamism for the creation of skilled jobs, enhancing the developmental impact of private sector activities, and supporting the integration of small and medium enterprises (SMEs) into national and global value chains through the establishment of pro-poor and market-driven business linkages.

BIT's mandate is carried out by three units: the Competitiveness, Business Environment and Upgrading Unit (CBU), the Cluster and Business Linkages Unit (CBL), and the Investment and Technology Unit (BIT/ITU).

Main Functions

Support governments in improving the business environment for private sector development, investment, technology and innovation

Strengthen the capacities of developing countries and provide assistance to upgrade and develop manufacturing enterprises and support institutions, and to improve the competitiveness of industries

Support private and public institutions that promote private sector development and responsible investment, and establish mechanisms for the promotion of sustainable business alliances

Assist developing countries and economies in transition in the acquisition and adaptation of new technologies

Promote industrial cooperation by fostering linkages among enterprises, between enterprises and institutions as well as between suppliers (farms and MSMEs) and buyers (retailers and manufacturers) to achieve inclusive integration into national and global value chains with emphasis on CSR, social and environmental sustainability and productivity enhancements

Provide support services required by industrial SMEs to access financial and other resources in order to become more competitive and grow

Support and coordinate the activities of the international network of ITPOs with UNIDO programmes, projects and field operations to facilitate responsible business partnerships and scale-up the development impact

BIT STRUCTURE

PTC

BIT

CBU

Competitiveness
Business Environment
and Upgrading

Support an enabling
business environment

Support the development
and implementation of
programmes on industrial
upgrading and enterprise
competitiveness

Promote strategic
partnerships and ICT

CBL

Cluster and Business
Linkages

Promote clusters/networks/
export consortia for
collective SME efficiency

Promote responsible
enterprise development
to balance SMEs'
socio-economic and
environmental performance

Support the integration of
small-scale suppliers into
national/global value chains

ITU

Investment and
Technology Unit

Promote domestic and
foreign investment

Facilitate technology
transfer and innovation
support service

Support the development of
SMEs (EDIP and SPX)

Develop and promote
tools for investment and
technology promotion

8 ITPOs

Bridging investment and
innovation to developing
countries by establishing
partnerships with potential
investors and technology
suppliers

2 ITCs

Enhance North-South and
South-South technology
flows in order to bring
innovation results to the
marketplace

BIT TOOLS AND METHODOLOGIES

Industrial upgrading methodological guides and tools (English, French)

Business registration and licensing reforms (English)

Technical know-how of pharmaceuticals (manuals, training courses in English)

Foresight manual and training courses (English)

The Cluster Development Approach (<http://clustersfordevelopment.org/>) for self-learning (English)

Export Consortia e-learning platform (<http://unidoexportconsortia.itcilo.org/en>) (English, Spanish, French)

Agro-food supply chains and clusters e-learning platform (www.farmfork.org) (English)

The Responsible Entrepreneurs Achievement Programme (REAP) as a CSR-based management and reporting tool (English)

Enterprise Creation and Development training kit (classroom and online training in English, French)

Web-based platform for youth on entrepreneurship (www.dep.tn, <http://my.mruiyouthplatform.org>, www.life-global.org, www.dep-youth.org) (English, French)

Subcontracting Partnership Exchange – SPX, manual and classroom training for enterprise profiling, enterprise benchmarking and B2B match-making (in French and English)

Computer Model for Feasibility Analysis and Reporting – COMFAR (in 19 languages) and company Project Profile (CPP) for project identification, formulation, appraisal and pre-investment studies (manual and classroom trainings)

IPA Diagnostics Tool for Capacity Building, manual and e-learning platform (<http://investment.unido.org/imp/>) (English)

Investment Monitoring Platform covering 22 countries and 7,000 enterprises (e-learning and manual)



BIT PARTNERSHIPS AND NETWORKS

INVESTMENT AND TECHNOLOGY PROMOTION OFFICES, a special network that opens up opportunities for investors and technology suppliers to find potential partners and offers unique services to both entrepreneurs and business institutions

SPX NETWORK (SUBCONTRACTING PARTNERSHIP EXCHANGE NETWORK) of more than 20 Centres in different parts of the world

AFRICA INVESTMENT PROMOTION AGENCY NETWORK (AFRIPANET), 43 IPA members design common programmes, share experiences and disseminate best practices in investment promotion for both entrepreneurs and business institutions

INTERNATIONAL TECHNOLOGIES CENTRES (ITCS), a network that links technology development with investment opportunities and creation of new industries through international cooperation, establishment of business relationships and forming strategic partnerships

CORPORATE SOCIAL RESPONSIBILITY NETWORK member of the Interagency Roundtable on CSR

PARTNERSHIP ON IT AND YOUTH ENTREPRENEURSHIP with HP, Microsoft, USAID and International Society

LATIN-AMERICAN SME CONSORTIA NETWORK for the promotion of export and origin consortia

MEMBER OF DONOR COMMITTEE ON ENTERPRISE DEVELOPMENT (DCED)

MEMBER OF INTER AGENCY NETWORK ON WOMEN AND GENDER EQUALITY (IANWGE)

PARTNERSHIP WITH LOCAL FINANCIAL INSTITUTIONS such as Afrique Emergence et Investissements, Small and Medium Entrepreneurship Development National Center, Banque du Développement des Petites et Moyennes Entreprises in Tunisia, Armenia, Côte d'Ivoire and Senegal

PARTNERSHIP WITH THE GLOBAL SOCIAL COMPLIANCE PROGRAMME (GSCP), one the most influential group of private sector manufacturers and retailers that address Social and Environmental Sustainability of their supply chains

THEMATIC COOPERATION WITH UNODC ON CORRUPTION PREVENTION to foster SME development within the context of the MoU between the two Organizations

TCI
The global practitioners network for competitiveness, clusters and innovation

EURASIAN VIRTUAL CENTER ON TECHNOLOGY FORESIGHT FOR CENTRAL EASTERN EUROPE AND NEWLY INDEPENDENT STATES (CEE/NIS), a network of 18 institutions and over 3,500 professionals applying foresight at the national and regional levels

A CONSORTIUM with GIZ (Germany) and SNV Development Organization (Netherlands) integrating the EU Programme COLEACP/ PIP for ACP-EU sustainable horticultural trade

MEMBER OF INTER AGENCY NETWORK ON YOUTH (IANY)

BIT geographical coverage

In 2012, BIT developed and implemented 118 national and regional projects covering 70 countries (including 28 Least Developed Countries and 35 Middle Income Countries) in industrial upgrading and enterprise competitiveness; investment and technology promotion; technology transfer; SME development, business environment; strategic partnerships and ICT; local production of essential medicines; pro-poor clusters; corporate social responsibility; sustainable supplier development; export- and origin consortia; youth entrepreneurship; and gender mainstreaming.

BIT donors

- ♦ Governments: Austria, China (MDG/ Government funding partner), Republic of Congo, Finland, France, Gambia, Germany, Italy, Japan, Kuwait, Kazakhstan, Luxemburg, New Partnership for African Development (NEPAD), Nigeria, USA, South Africa, Turkey, and West African Economic and Monetary Union (UEMOA)
- ♦ Private Sector: Citi Foundation, Chartered Institute of Purchase and Supply (CIPS), Chevron, and HP
- ♦ International Organizations: African Development Bank, Agence Française de Développement, DFID, EU, Islamic Development Bank, NORAD, ONE UN Fund, SECO, and USAID

Competitiveness, Business Environment and Upgrading Unit (BIT/CBU)

CBU assists and advises Member States to build capacities for industrial upgrading and conducive business environments for equitable and sustainable growth.

CBU provides advisory and capacity-building services to create and/or strengthen the institutional, operational, legal, and regulatory infrastructures required for the formulation and implementation of strategies for industrial upgrading to enhance productivity and competitiveness of industries. CBU is also the seat of UNIDO's Gender Mainstreaming Steering Committee (GMSC).

CBU's portfolio includes:

Upgrading and restructuring services and policy advice to improve the business environment for enhanced productivity and competitiveness of industries at regional, national and local levels

Promotion, in cooperation with numerous public and private partners, of local manufacturing of pharmaceutical products in Africa and beyond

Promotion of public-private and business partnerships between global and national public and private institutions with the aim of integrating domestic industries into global value chains

Assistance and advice to governments and enterprises on deployment of foresight methodologies as a decision-making tool in strategy formulation and implementation of long-term industrial development strategies

Global forum activities to facilitate an exchange of experiences and to disseminate information on good practices related to enabling business strategies for the private sector, for instance, by representing UNIDO at the Donor Committee on Enterprise Development (DCED)

Capacity building services for UNIDO on gender mainstreaming in programming and throughout its organization

build capacities
and conducive
business environments





Impact/Business Registration Reforms

In its Socio-economic Development Plan 2006-2010, the Vietnamese Government announced that it wanted to raise the number of enterprises to 500,000 by year 2010, including 320,000 new establishments as foreseen in the SME Development Plan 2006-2010 and identified business registration reform as a priority.

With UNIDO's assistance, enterprises are presently applying at a single-point for registration in all 63 provinces in the country. A consolidated registration form is used for business, tax, customs, statistics and enterprise seals.

Institutional collaboration between Ministries of Planning and Investment, Finance, Public Security and the General Statistics Office resulted in each registered enterprise being given a unique ID recognized nationwide.

The registration processes are fully computerized at the 65 provincial Business Registration Offices as well as through on-line registration with e-signature and e-payment facilities.

There is also full public access to all registered information about enterprises, including annual financial statements of shareholding companies.

The National Business Registration System (NBRS) currently contains information of over 780,000 enterprises and can be accessed through the NBRS Portal at <http://businessregistration.gov.vn> in Vietnamese and English.

According to IFC estimates, every year about 80,000 newly registering enterprises in Viet Nam save about US\$4 million per annum since 2010, as a result of simplified registration procedures.

Improving the Business Environment for Industry

Context

According to the Donor Committee on Enterprise Development (DCED), the definition of business environment covers the policy, legal, institutional, and regulatory conditions that govern business activities; it is a sub-set of the investment climate and includes the administration and enforcement mechanisms established to implement government policy, as well as the institutional arrangements that influence the way key actors operate.

UNIDO is a DCED member and active contributor to its Working Groups on Business Environment Reform, Green Growth and Women Entrepreneurship.

For more information on business environment reforms: bit@unido.org

Strategy

The business environment affects the performance of both formal and informal enterprises and is a major factor that encourages competition and enhances the effectiveness and sustainability of other development interventions.

A conducive business environment is widely considered as one of the prerequisites for economic growth and poverty reduction by a large number of development partners.

UNIDO's private sector development initiatives typically involve support to business environment reforms at various levels and concentrate on capacity building.

For example, in SME development programmes, UNIDO concentrates on simplifying the business environment for market entry (e.g. through business registration reform) or to ease business operations (e.g. through support to licensing reforms) at national, provincial or local levels.

Selected Results

UNIDO assists national and local stakeholders to develop and implement policies for improving the business environment. Selected examples include:

Viet Nam: Formulation of the first "SME Development Action Plan 2006-2010", including business registration reforms

Lao PDR: Formulation of the first "SME Development Policy" that triggered the revision and streamlining of "Company Law" and its implementation

United Republic of Tanzania: the 10 year review of the "Tanzania SME Development Policy 2003" revealed that most policy recommendations were implemented, which helped strengthen the national dialogue

Ghana and Kenya: Formulation of pharmaceutical industry development strategies and ensuing implementation plans that are geared at increasing the volumes of quality essential medicines manufactured locally

Rwanda: Conduct of value chain analyses (on essential oils and maize), resulting in sector-level policy recommendations

Reducing costs and risks of doing business through business registration reforms in Viet Nam



At a Glance

GOAL:	Technical assistance to business environment reforms
MDGs:	Eradicating poverty; gender equality and women's empowerment
THEME:	Poverty reduction through productive activities
DONOR:	NORAD, SECO, ONE UN Fund, and UNIDO
PARTNERS:	Ministry of Planning and Investment, Agency for Business Registration, Ministry of Finance, Ministry of Public Security, General Statistics Office, 65 provincial Business Registration Offices
BUDGET:	USD 14.7 million, including USD 2.2 million in-kind contribution of the Government of Viet Nam
STATUS:	Ongoing
DURATION:	November 2008-December 2013, present phase

Context

Viet Nam is one of the success stories in South East Asia in terms of economic growth and development and the country is expected to have achieved almost all the Millennium Development Goals by 2015. The country's growth and development process has benefited significantly from business environment reforms embarked on since mid 1990's. In its Socio-economic Development Plan (SEDP) 2006-2010, the Vietnamese Government announced that it aimed to increase the number of enterprises to 500,000 by year 2010 from around 180,000 in 2006. The Government expected that the newly established enterprises would create 2.7 million new jobs and increase the quantity and quality of exports by the SME sector. SEDP 2006-2010 also indicated that the Government would use a single code for three purposes of business registration, taxation and customs for all types of enterprises; the decision central to the launch of business registration reforms.

Strategy

Building on prior policy advice delivered in 2006-2007, UNIDO assistance aimed to reduce the costs and risks of doing business by simplifying market entry and easing access to legally valid enterprise information. UNIDO assistance included:

- ♦ Advice to policy makers in the implementation of the Enterprise Law 2005
- ♦ Inputs towards the preparation of subsequent policy decisions, legislation and regulations to simplify and standardize registration procedures and steps
- ♦ Capacity building in the computerization of standardized processes and procedures and their implementation in all 63 provinces of Viet Nam
- ♦ Enabling public access to all legally valid enterprise information consolidated in the national registry through the Internet

Impact/Outlook

According to IFC estimates, every year, about 80,000 newly registering enterprises, including those by women entrepreneurs, in Viet Nam save about USD 4 million per annum since 2010, as a result of simplified registration procedures. The Agency for Business Registration is providing an "enterprise status" report to Cabinet meetings, where the new registrations and dissolutions are regularly reviewed and used in policy decision-making. This first, inter-ministerial e-government initiative is showcased as a model for new administrative reforms by the leadership.

Current Results:

- ♦ Institutional collaboration between MPI, MOF, MPS and GSO resulted in each registered enterprise being given a unique ID, as well as first time electronic linkages for data sharing between the MPI and MOF
- ♦ Single-point registration is conducted using a consolidated form for business, tax, customs, statistics and enterprise seal registration, where over 500 staff of 65 provincial Business Registration Offices (BRO) use the same computerized work flow that increased their efficiency; time gained by elimination of tax registration at 63 provincial tax offices have been deployed into other tasks
- ♦ In 2012, 47 percent of registrations were conducted in 1-2 days and 39 percent of registration were conducted in 3-5 days and these statistics improving
- ♦ On-line registration and information services, with e-signature and e-payment facilities, was launched in April 2013 through the National Business Registration System (NBRS) Portal and some banks have already signed information procurement agreements with the Agency for Business Registration
- ♦ As of July 2013, registered information of over 780,000 enterprises, including over 150,000 annual financial statements of shareholding companies are publicly accessible through the NBRS Portal at <http://businessregistration.gov.vn> in Vietnamese and English

Industrial Upgrading and Modernization Programme (IUMP)

Context

SMEs often lack managerial capacities and have insufficient knowledge of business processes and productive technology cycles; their performance also suffers from weak capability to access finance which makes it difficult to compete on domestic and international markets.

UNIDO advocates that competitiveness and innovation are the key dynamics to take advantage of liberalization and to drive economic development and growth; the global objective of UNIDO's IUMP is thus to contribute to economic growth and facilitate regional integration by increasing the capacities of local industries for value-added generation, economic diversification, exports and employment creation.

Strategy

IUMP's technical assistance focuses on improving regulatory frameworks and the business environment to enable manufacturing firms to emerge, grow and expand production in their markets; reinforcing capacities of technical and business support institutions to multiply upgrading support; and enabling manufacturing firms to upgrade their managerial, technological and innovative capabilities on a demonstration basis. IUMP aims to produce the following:

- Improved domestic technical expertise on industrial upgrading via strengthened capacities of local consultants, technical and business support service providers
- Improved productivity, reactivity and flexibility and strengthened managerial capacities and marketing skills of manufacturing enterprises
- Strengthened product quality and reduced factor costs
- Growth of industrial output and increased in manufacturing value-added
- Increased domestic market share and stronger linkages across priority value chains
- Enhanced export capacities and compliance with international requirements and standards
- Increased investment and employment at beneficiary enterprises

Impact/Way Forward

A number of upgrading projects were successfully implemented at the national and regional levels in North Africa, the Middle East, and West, Central and East Africa.

Currently, IUMP is expanding its regional coverage to Asia and Eastern Europe, the Caucasus and Central Asian countries.

UNIDO's industrial upgrading programmes have had immediate impacts on the acceleration of growth of industrial sectors, thereby contributing to overall economic growth and employment creation.

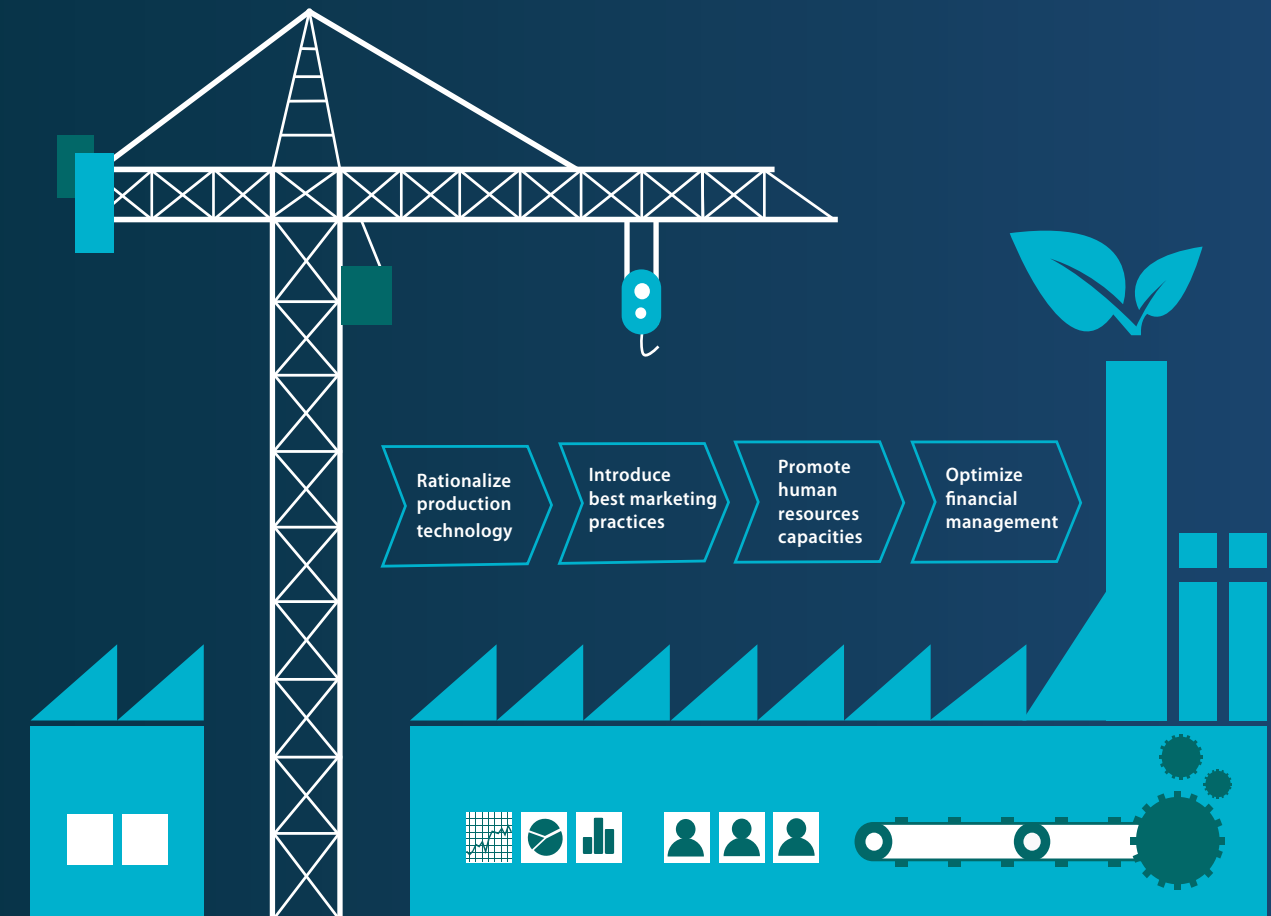
Industrial upgrading is often at the core of national and regional action plans that Member States adopt for economic growth and industrialization.

For more information on this programme, please contact: bit@unido.org



INDUSTRIAL UPGRADING AND MODERNIZATION PROGRAMME

Improve Efficiency • Innovate • Unlimit Your Potential • UPGRADE YOUR BUSINESS!



Industrial upgrading and modernization programme in Senegal



At a Glance

GOAL:	Improve the competitiveness of local private sector producers and promote of new corporate culture among local businesses
MDGs:	Ensure environmental sustainability and develop a global partnership for development
THEME:	Trade capacity building
DONOR:	French Development Agency (AFD)
PARTNERS:	National Upgrading Bureau, National Steering Committee, Ministry of Mines and Industry
BUDGET:	EUR 11.9 million
STATUS:	Pilot phase completed in 2009 (with a second phase started in 2010)
DURATION:	September 2004 – December 2009

Context

Several factors affected the Senegalese economy during the last decades, consisting mainly in the abolition of the Generalized System of Preferences (GSP) and the progressive loss of traditional trading privileges established by the Lomé Convention (ACP-EU) between 2008 and 2020; insufficient support from the Government to promotion of the manufacturing sector, resulting in a less than expected contribution of the sector to economic growth, employment and foreign trade compared to the existing potentials.

The institutional capacities supporting industrial development were weak. Several reforms initiated by the Government to promote the role of private sector in the economy such as the simplification of formalities for enterprise creation and the improvement of business climate had not resulted in enhanced competitiveness of the private sector and required additional efforts from the Government and a stronger involvement to develop Senegalese enterprises.

Strategy

The programme aimed to improve the competitiveness of local private sector producers through industrial upgrading, the promotion of a new corporate culture among local businesses and fine-tuned support in order to cope with national and international market requirements. Based on success stories and experience gained in North Africa, particularly, Tunisia, Algeria and Egypt, the industrial upgrading programme targeted the Senegalese enterprises and has provided technical assistance and financial incentives to enterprises to support adoption of new technologies and introduction of best management practices.

In addition, the Senegalese upgrading programme strengthened the institutional environment related to enterprise development through building the capacities of national institutions and support structures, including the consultancy sector. The project was the result of cooperation between the Government and the Private Sector in Senegal, with UNIDO assistance financed by the French Development Agency (AFD).

Current Results:

Phase I of the programme demonstrated upgrading activities at enterprise level and created domestic technical expertise and infrastructure necessary for a nationally owned upgrading process.

The Pilot Phase generated the following benefits for beneficiary enterprises:

Improved competitiveness in agro-food, metal-work, wood processing and furniture, printing, and laundry sectors due to:

- ◇ Cost reduction and reduced production cycles
- ◇ Increases in capacity utilization
- ◇ Improved resource efficiency and reduced industrial waste generation
- ◇ Improved labor productivity
- ◇ ISO, HACCP and TICs (Microsoft-Oracle-Cisco certification)
- ◇ Increase in export operations

Improved financial transparency and quality of applications submitted to banks for funding resulting in €13.4 million provided by the financial sector, supplementing a total of €34.8 million of investments.

Impact/Outlook

The programme supported the establishment of autonomous national management and monitoring bodies with appropriate tools for the implementation of the National Upgrading Programme. This assistance enabled the national bodies to acquire the required competency to assist 54 local enterprises to improve their performance and implement development/upgrading plans.

The National Upgrading Bureau is the key player for the promotion and implementation of the programme. Capacity building delivered enabled the Bureau to transfer its know-how to several countries in West and Central Africa. The success of the pilot phase of the programme encouraged UNIDO and AFD to continue their cooperation with Senegalese counterparts in order to implement Phase II of the National Upgrading Programme with a focus on environmental upgrading and promoting energy efficiency for Senegalese enterprises.

Way Forward

The PMPA Business Plan represents a historic opportunity: the topic is now a top priority for many donors and multilateral organizations; UNIDO is well positioned to play a lead role in this high profile area and will continue to build strong relationships, further develop technical solutions and seek to expand its focus to include other life science products. An estimated US\$50 million is required for the first five years of the PMPA BP implementation. The AUC has invited UNIDO to take the lead on raising resources and for managing those funds.

Strengthening Local Production of Essential Medicines in Developing and Least Developed Countries

Context

UNIDO's interventions in the pharmaceutical sector have a number of dimensions: UNIDO has been working in Ghana, Kenya and Viet Nam to assist in the formulation of strategies to develop the local pharmaceutical industries and has conducted technical work to develop solutions that support the implementation of such strategies.

UNIDO has also been involved in many global forum activities, including the 19th session of the Conference of African Ministers of Industry, and is an active member of the United Nations Interagency Pharmaceutical Committee.

In 2011, the AUC Commissioner for Social Affairs invited UNIDO to form a partnership to accelerate the implementation of the Pharmaceutical Manufacturing Plan for Africa (PMPA) – an initiative initially endorsed by AU Heads of State and Government of the AU at the 2007 Accra summit.

Strategy

UNIDO's assistance is positioned at the interface between industrial development and public health; it recognizes that these two agendas are mutually reinforcing and that the industry is very complex and requires a number of different dimensions to be addressed in a coordinated fashion for sustainable progress to be achieved.

There is therefore the need for a holistic approach in terms of the work that UNIDO does individually and also through its work with partners that have complementary skills and mandates.

Through the work with the AUC on the PMPA Business Plan, UNIDO has demonstrated that it is a thought leader in the realm of local pharmaceutical production; furthermore, through its recommendations and follow-up activities, it has displayed a willingness to work with partner organizations both within the UN system as well as other actors.

Impact and Results

- ♦ The AUC's PMPA Business Plan, which was developed with UNIDO assistance, was endorsed by AU Heads of State and Government at their 2012 summit and was formally launched at the Abuja +12 heads of State summit
- ♦ The AUC has invited UNIDO to take the lead in developing the PMPA Business Plan consortium; UNAIDS and WHO leaders are strongly behind the plan and UNIDO is now collaborating closely with these organizations and the African Development Bank
- ♦ UNIDO has supported the formation and development of private sector trade associations such as the Federation of African Pharmaceutical Manufacturers Associations (FAPMA)

For more information on this project, please contact: bit@unido.org

Impact/Outlook

Continued deployment of foresight exercises as a holistic tool for enhanced strategic planning, consensus building, networking and coordination at industrial sector, regional, national and local levels look very promising, as evidenced by recent technical assistance requests received by UNIDO from its Member States. The potential for South-South Cooperation between the Eurasian Virtual Foresight Center (EVC) member institutions and associated foresight experts and developing countries in Africa, South America, the Caribbean, South and South East Asia and the Pacific is substantial.



Foresight for systemic innovations in governance and technology development

Context

Foresight is regarded as the most upstream element of the technology development process which provides inputs for the formulation of policies and strategies that guide the development of the technological infrastructure. In addition, foresight provides support to innovation, and creation of incentives and assistance to enterprises in the domain of management, including of technologies and upgrading, leading to enhanced competitiveness and growth.

In the course of the policy making process, foresight introduces a number of benefits, which include bringing together key agents of change and sources of knowledge to develop strategic future visions (anticipatory intelligence). Results of the process help policy-making and priority setting, relating strategic future visions to present-day decisions. Additional outputs of foresight consist of establishment of networks and creation of environments conducive to collective learning, resulting in improved governance outcomes through coordination. Foresight and related tools enable governments and other actors to become more adaptive and capable of enacting systemic change.

Strategy

UNIDO has developed reference materials on foresight and on technology foresight in particular; built capacity of a significant number of institutions in Europe, CIS, Latin America and Asia; and created a network of foresight institutions and professionals.

UNIDO continues to promote foresight and to provide technical assistance to its Member States on emerging challenges such as greening of industries; strategic development planning; governance of innovations and technological upgrading at sector, regional, national and local levels.

For more information on this policy, please contact: bit@unido.org



Selected Results

- ♦ The 2005 UNIDO Foresight Manual is a highly respected reference resource among foresight practitioners
- ♦ The Eurasian Virtual Foresight Center (EVC), technically supported by UNIDO, currently consists of 18 core members and over 3,500 professionals
- ♦ UNIDO is a globally well-recognized training provider in the area of Foresight
- ♦ Multi-country foresight studies conducted with the assistance from UNIDO are unique in the foresight landscape and have assisted groups of countries to develop shared visions
- ♦ UNIDO's current pipeline of foresight projects involves "Green Industrial Growth in Ukraine", a joint initiative of the Business, Investment and Technology, Environmental Management and Energy and Climate Change Branches of UNIDO and "Development of the National Technology Foresight System in the Republic of Belarus"

Engendering Industrial Development through Mainstreaming Gender in UNIDO's Organizational Practices, Policies and Programmes

Context

Gender equality and the empowerment of women have a significant positive impact on economic growth and sustainable industrial development.

When men and women are more equal, economies tend to grow faster and growth periods are more sustained; fewer people remain in poverty and overall well-being is increased. For more than a decade, gender mainstreaming has been the globally-accepted strategy for achieving gender equality and the empowerment of women. Following this approach, UNIDO adopted a comprehensive Gender Equality and the Empowerment of Women Policy in 2009.

For more information on this policy, please contact: bit@unido.org

Strategy

The overarching goal of the Gender Policy is to enhance gender equality and the empowerment of women in the productive sectors of developing countries.

Through ensuring that a gender perspective is reflected in all of the Organization's programmes, policies and organizational practices, including strengthening its own efforts to achieve gender balance, UNIDO can effectively improve its overall performance and development impact.

In order to achieve this goal, UNIDO's Gender Policy addresses six priority action areas: accountability; results based management; oversight through monitoring, evaluation and reporting; human and financial resources; staff capacity and competency; coherence, coordination and knowledge management.

A Gender Mainstreaming Steering Committee (GMSC) was created to oversee the implementation of the policy.

Selected Results

In 2010, 243 staff were trained, and in 2012 a gender mainstreaming project assisted all technical branches resulting in 75 one-to-one consultations, 6 Gender Mainstreaming Workshops for over 120 project managers, and 6 Gender Analysis Frameworks.

A GMSC member was appointed as the Gender Adviser to UNIDO's Appraisal Group (AG) to ensure that all UNIDO projects/programmes adequately integrate gender dimensions.

A side event on women's leadership in the energy sector was organized at the Vienna Energy Forum 2013. At the event, UNIDO launched a joint UN Women-UNIDO guidance note on the gender dimensions of energy.

In 2013, UNIDO's Executive Board made a number of landmark decisions including staffing arrangements for gender mainstreaming; the inclusion of gender analysis in the formulation of all new projects; and the incorporation of gender responsive goals in the directors' work plans.

UNIDO participates in the post 2015 agenda consultations to ensure that women's economic empowerment is set as a priority.

Way Forward

In recent years, UNIDO's leadership has expressed strong support to gender issues and women's economic empowerment as an organization-wide priority. While many milestones have been achieved, gaps and challenges remain and need to be addressed for UNIDO to fully incorporate gender mainstreaming activities within its work.

UNIDO reports annually to the UN System-wide Action Plan on Gender Equality and the Empowerment of Women (UN SWAP) and actively engages with other international entities and donors to coordinate its activities with UN wide policies and processes on promoting gender equality and women's empowerment.

Through such partnerships, UNIDO is able to share its expertise as well as strengthen and expand its efforts, influence, and response towards gender equality goals.





working with, and
for the private
sector to trigger
employment
and productivity
growth

Clusters and Business Linkages Unit (BIT/CBL)

CBL fosters national and international industrial cooperation by promoting resilient business alliances and reliable institutional networks that allow companies to achieve economies of scale and scope; complement capabilities; and gain access to additional resources and markets.

CBL promotes broad-based participation, skills development and equality of opportunities in terms of access to markets, resources and partnerships; this enables local industries and economic actors, including disadvantaged and vulnerable groups, to contribute to, and benefit from economic growth.

CBL's technical cooperation portfolio includes:

Design strategies and implement projects that promote industrial cooperation through the development of industrial clusters, networks and export/origin consortia based on a collective efficiency approach, including cluster-to-cluster cooperation and value chain development

Provide related policy advice and training programmes for policy-makers, government institutions, the business community and SME support providers

Support the establishment of business linkages to facilitate the integration of small-scale suppliers into national and global value chains, and promote public-private partnerships to enhance the developmental impact of private sector activities on local communities

Provide policy advice on responsible enterprise development, disseminate Corporate Social Responsibility (CSR) strategies for SMEs to balance their economic, social and environmental performance, and mainstream CSR principles into cluster development and enterprise upgrading initiatives

Engage in global forum and knowledge management activities by developing and disseminating knowledge resources to increase the efficiency, effectiveness and scale of initiatives to develop and promote clusters and business linkages

Cluster Development Programme (CDP)

Context

SMEs are often unable to reach economies of scale to take advantage of new market opportunities and frequently operate in institutional environments that are not responsive to their needs.

UNIDO therefore initiated a Cluster Development Programme – a cluster refers to a sectoral and geographical concentration of enterprises and/or individual producers that supply a similar range of goods or services and face comparable threats and opportunities – to foster the growth of competitive industries in developing countries and economies in transition.

Within clusters, enterprises can pool their resources and efforts to achieve shared economic goals for collective efficiency. They can also establish linkages with public and private institutions that provide services, training or financing. This, in turn, upgrades their production capacities, an increase access to local and international markets, and generates positive spill-over effects for the local economic development. Clusters can spark inclusive growth and innovation, fostering a dynamic private sector as well as effective and inclusive supply chains.

Strategy

UNIDO has developed a modular approach for the formulation and implementation of industrial clusters that is adaptable to the specific needs of each country, which includes:

Cluster mapping and selection, which entails the identification of the cluster(s) to be assisted

Governance and Cluster Development Agent (CDA), the latter is appointed to facilitate the process of cluster development and helps establish a governance structure

Diagnostic study, which is an action-oriented analysis of strengths, weaknesses, opportunities and threats of the cluster(s)

Vision building and action planning, which refers to the formulation of a vision and corresponding development strategy shared by the entire cluster

Implementation, i.e. the management and coordination of the activities outlined in the action plan, including the establishment of horizontal and vertical networks as well as consortia

Monitoring and evaluation of the qualitative and quantitative outcomes of the project

Impact/Way Forward

For over 20 years, UNIDO has been providing technical assistance in the development of industrial clusters in Asia, Latin America and Africa that cover a wide range of sectors. It focuses on formal industrial sectors where the main objectives are competitiveness and market access but also cover micro and livelihood-drive conglomeration of micro enterprises as a pro-poor income generating approach.

Success stories from developing and transition countries show that clustered firms can achieve high and sustained rates of growth and competitiveness. In addition, clusters, when focus on micro enterprises and farms, serve as valuable tools for tackling many dimensions of poverty as cluster initiatives generate economic opportunities for the poor and often integrate other developmental aspects, such as women empowerment increasing income and job opportunities.

In addition to direct technical assistance, UNIDO also covers applied research / networking and offers a comprehensive online platform to support the implementation of cluster development initiatives worldwide.

UNIDO offers a range of services to private and public sector institutions engaged in cluster development.

Projects cover applied research and offer technical assistance in cluster mapping, training, study tours, cluster twinning and the implementation of Corporate Social Responsibility (CSR) practices.

For more information on this programme, please contact:
bit@unido.org





Automotive Sector: Industrial cooperation through Cluster-to-Cluster and Supplier



At a Glance

- GOAL: To facilitating International Market Access for Manufacturing Suppliers in the Automotive Component Industry in the Samara region of Russia
- MDGs: MDG7 Environmental sustainability, MDG8, Develop a global partnership for development
- THEME: Trade Capacity Building
- DONOR: Government of Slovenia
- PARTNERS: Automotive Cluster Slovenia
- BUDGET: EUR 680,000
- STATUS: Ongoing
- DURATION: 2009-2012

Context

Approximately 40% of industrial production and 35% of labour force in the Samara region are concentrated in the automotive industry. This sector provides employment for 200,000 people and makes up for about 20% of the total regional exports. AvtoVAZ, the largest Russian automobile manufacturer, which is located in Samara, has long been the main driving force for component manufacturers, but with investments from Renault-Nissan, new supply chain requirements are emerging. During the financial crisis in 2008/09, many component manufacturers in Samara also experienced a significant reduction in production volumes, earnings and staff. As lucrative as the automotive sector may be for the region, the industry is still characterized by a lack of specialized staff to improve quality and productivity, underdeveloped scientific and technological infrastructure to develop new products, and a dearth of strategic partnerships with universities and research institutions.

Strategy

The UNIDO project aimed at strengthening automotive component suppliers, optimizing the local supply chain, providing the region with an industry-specific and institutional development concept, and creating access to international markets, in particular the European Union. Local experts were trained in lean manufacturing concepts and ISO/TS-16949 to extend technical counseling services to local component manufacturers and to liaise closely with relevant car manufacturers, the capacity of support institutions and local organizations were built, and linkages to other automotive clusters in Russia and Europe were facilitated through cluster twinning. In addition, a number of initiatives were implemented, such as formation of the Association of Automotive Suppliers in the Samara Region, establishment of an internship scheme with the Association through collaboration with academia and offering young graduates hands-on experience in the automotive component industry, initiation of and technical support to joint project undertakings between local component manufacturers and support institutions (research, academia), and facilitation of direct contact and technical exchange between Slovenian and Russian component manufacturers and counterparts.

Impact/Outlook

When provided with the necessary training, access to technical support and relevant institutional and business partnerships, the Samara automotive component manufacturers have the potential to be strong catalysts of change and to actively contribute to skills and technology development, income generation and employment opportunities and to secure the overall competitive advantage of the region. The main challenge remains to set up a sustainable development mechanism that will continue to support networking between institutions, firms and most importantly, between suppliers and car manufacturers. To further strengthen and maintain the competitiveness of Samara automotive component manufacturers and the supplier network, further improvements in advanced methods of productivity enhancement and quality management, new product development, CAD/CAM techniques, tool and die development, green technologies and products and efficient use of resources will be required to attain the strategic goals of the whole Samara automotive supplier network.

Current Results:

Establishment of the Association of Automotive Suppliers of Samara with 17 members to:

- Support component manufactures to integrate into global supply chains
- Enhance public-private dialogue through acting as the industry's communication centre
- Promote the effective use of scientific, technological and innovative capacities of the Samara region through active collaboration

Increased productivity of 33 local component manufacturers through training 600 CEOs, experts, managers and employees (40% female) in waste reduction and Lean techniques, TQM, and SMED which resulted in:

- 20-45% reduction in changeover time
- 10% reduction in the lead time
- 15% reduction in downtime

Establishment of joint cluster level support service institutions such as:

- Measuring Laboratory for Collective Use
- Center of Lean Manufacturing and Quality
- Lean Production Laboratory in Togliatti

Cluster twinning

In September 2010, a study tour was organized to Automotive Cluster of Slovenia, the University of Ljubljana and the Renault car factory, which resulted in a number of business partnerships and enhanced the communication between the two clusters through establishment of the Russian-Slovenian Business Club with 43 members that successfully explores business cooperation in automotive, energy efficiency and tourism sectors. Furthermore, 3 joint ventures (Russia-Slovenia) have been established.

Corporate Social Responsibility (CSR) Programme

Context

CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with stakeholders.

Adopting CSR strategies can bring along a variety of competitive advantages for companies: enhanced access to capital and markets; increased sales and profits; operational cost savings; improved productivity and product quality; better risk management; more efficient human resource base; improved brand image and reputation; and enhanced customer loyalty.

At the same time, the implementation of CSR improves the working conditions in enterprises and thus contributes to sustainable economic development. UNIDO's approach integrates also productivity gains to social and environmental sustainability.

Strategy

UNIDO's CSR programme offers a range of support services: at the micro-level, technical assistance provides direct support to a group of companies from the same sector, region, cluster or supply chain; at the meso-level, UNIDO helps public and private intermediary business support institutions foster CSR concepts in their respective spheres of influence; finally, at the macro-level, support is provided to public institutions in assessing general government strategies and determining which public policies best support the application of CSR principles in the private sector.

In order to translate CSR principles into a perspective that supports, and does not undermine the development of SMEs in developing countries, UNIDO established the Responsible Entrepreneurs Achievement Programme (REAP), a CSR-based management and reporting tool.

REAP was designed to help SMEs implement CSR concepts to facilitate their integration into global value chains.

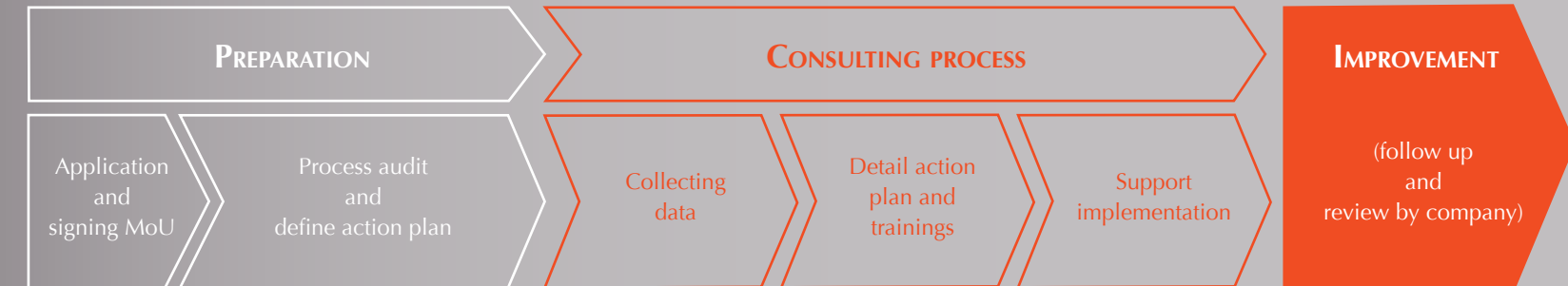
Impact/Way Forward

UNIDO's CSR projects have been successfully implemented in Asia as well as in Central, Southern and Eastern Europe. REAP has proved to be an important tool for SMEs in developing countries, helping them meet social and environmental standards without compromising their competitiveness.

Moreover, as a result of the cooperation between UNIDO and the Global Social Compliance Programme (GSCP), REAP has recently evolved into REAP+, a capacity building framework aligned with the GSCP Reference Requirements. REAP+ brings together multinational corporations (MNCs), clusters of SMEs and other key actors along the supply chains to facilitate inclusive and sustainable supplier development and responsible sourcing.

For more information on this programme, please contact: bit@unido.org

REAP COUNSELLING PROCESS





Selected Results

The SSDP builds on the successes of initial pilot projects conducted through the UNIDO/METRO cooperation in Egypt (which was expanded to cover numerous other countries, including Russia and India).

To date, 90 suppliers have been upgraded in Egypt, 10 in India and 22 in Russia. Upgraded SMEs showed significant improvements in compliance with basic food safety standards (45% increase) as well as in their individual competencies (14% increase in performance). In addition, over 90% of the trained and upgraded suppliers entered into METRO's supply chain.

Sustainable Supplier Development Programme (SSDP)

Context

In developing countries and economies in transition, small-scale suppliers, including farmers and MSMEs, often face difficulties seizing new market opportunities as they lack the technical and financial means to produce cost-effective goods, of sufficient quantity and/or required quality. As a result, they are unable to be accepted as reliable suppliers for large-scale retailers and manufacturers, losing out on potential sources of income.

UNIDO has established a Sustainable Supplier Development Programme (SSDP) in order to help small-scale suppliers overcome these challenges.

Strategy

The goal of the SSDP is to enable clusters of suppliers in developing countries, through training and upgrading, to improve their productive capacities and compliance with market requirements.

This, in turn, allows them to gain access to profitable new market opportunities at the national and global levels; establish long-lasting business linkages with buyers; generate employment and income opportunities; and increase the availability of safer, higher quality, more sustainable and affordable products for consumers worldwide.

Impact/Way Forward

The initial programme, which has expanded its scope from food safety and quality to other industrial sectors and includes sustainability aspects – the CSR principles (social, ethical and environmental standards) and productivity – is being extended to South-East Asian countries and the Newly Independent States (NIS). It is also being further expanded to other retailers/brands and to non-food goods based on the successful implementation in the automotive, textile and furniture industries in a number of countries, notably in India, Serbia, South Africa, Turkey and Viet Nam.

For more information on this programme, please contact: bit@unido.org



Sustainable Supplier Development: Food value chains and clusters linkages



At a Glance

GOAL:	Partnerships, CSR and market access
MDGs:	Eradicating extreme poverty and hunger, Promoting gender equality and empowering women, Ensuring environmental sustainability, and Developing a global partnership for development
THEME:	Poverty Reduction through Productive Activities
DONOR:	Italy, Japan, Russia
BUDGET:	US\$ 800,000 for both PPP with METRO and AEON
STATUS:	Ongoing
DURATION:	2009 – 2014 with possibility of extension

Context

Small-scale suppliers (farms and SMEs) have difficulties to adequately respond to market requirements, especially in terms of quality, quantity, productivity and sustainability, which prevent them from seizing business opportunities with local, regional and global buyers (retailers and manufacturers). By developing the supply-side through SME clustering and upgrading, there will be an overall improvement of management, quality, safety, productivity and sustainability practices within the SMEs that, in turn, will positively impact their overall business, environmental and social performance. In addition, special attention needs to be paid to the integration of Corporate Social Responsibility (CSR) objectives with business objectives at enterprise, cluster and country level. Great opportunities for farms and SMEs to access domestic and export markets are represented by becoming supplier of major retailers and manufacturers and both challenges and opportunities are shared by companies like METRO Group or AEON, who are committed to making their supply chains not only more efficient but also more inclusive and sustainable, especially as they expand their operations in emerging markets and source locally up to 90% of the products.

Strategy

The Sustainable Supplier Development Programme SSDP was developed and successfully implemented as a PPP in 2009 with the METRO Group one of the world top retailers for their suppliers in Egypt, India and the Russian Federation. As of January 2013 SSDP is being implemented also in Malaysia on a cost-sharing from the retailer and the Government of Japan and Malaysia. It aims at upgrading clusters of suppliers, focusing on food safety, quality, productivity, corporate social responsibility and social and environmental sustainability. For the first time the programme covers product safety, CSR/sustainability and productivity.

Impact/Outlook

40 current and potential AEON food and non-food suppliers will be upgraded in terms of food safety and quality through the application of the GFSI GMP, and in terms of social, ethical and environmental sustainability through the application of the REAP+ capacity building programme and will achieve an increase in productivity. By upgrading the supply capacity of local producers in partnership with a global retailer such as AEON, UNIDO will ensure that clusters of local suppliers establish sustainable business linkages with potential buyers and gain access to national and, at a later stage, international markets. The programme has established strong partnership with national counterpart institutions and in particular with UNIQEQ, which has been strengthened and has positioned itself as a main centre for building the capacity of suppliers in Malaysia, which will support the establishment of the country as a regional hub for supplier development. SME Corp., partnering with UNIDO and AEON, will be able to share knowledge and know-how and will benefit from UNIDO's supplier development and upgrading tools, resulting in the upgrading of local suppliers through the application of capacity building programmes, in whose development UNIDO has been actively involved. Ultimately, the programme will benefit Malaysian SMEs and farmers as well as local communities and consumers.

→ Current Results:

- ◇ SSDP cost-sharing business model developed and implemented
- ◇ 90 food manufacturers and 800 farmers upgraded in Egypt, as well as 10 food processors in India and 22 food manufacturers in Russia; they achieved high compliance for food safety requirements (+45%) and individual competencies (+14%) and 2/3 of them signed contracts with buyers
- ◇ In Malaysia, 32 experts trained on the Basic Level of the GFSI Global Markets Programme and are now enabled to deliver related training, provide assessment and mentoring
- ◇ An e-learning/classroom training module developed that will also cover primary production
- ◇ A cluster of 25 food processors including AEON suppliers received a series of training and mentoring sessions to effectively implement food safety systems (the training modules incorporate Halal requirements)
- ◇ An initial CSR workshop is planned, and a cluster of 15 current/potential AEON suppliers will undergo a programme to improve their sustainability/productivity -- based on an upgraded version of UNIDO's Responsible Entrepreneurs Achievement Programme (REAP), including its monitoring software, done in partnership with the Global Social Compliance Programme (GSCP)

Export Consortia (EC) and Origin Consortia (OC) Programme

Context

SMEs commonly face difficulties exporting to foreign markets; this is primarily due to their lack of knowledge, limited financial means and dedicated human resources as well as the inability to comply with quality and/or quantity requirements. Isolated firms also encounter low bargaining power with service providers and buyers; they also lack the critical mass to enter export markets.

However, these problems can often be overcome by cooperation among SMEs, namely through export or origin consortia: export consortia are voluntary alliances of firms focused on promoting the export of goods and services of its members, and origin consortia are alliances of individual producers, firms or cooperatives in the same value chain focused on promoting value addition to products that have a strong local or regional identity (food or handicraft).

By combining their knowledge, financial resources and contacts within a consortium, members can significantly improve their export potential and reduce the costs and risks involved with penetrating foreign markets; through joint actions, they are able to increase their productivity, upgrade their product quality and improve their managerial capacity.

Strategy

The UNIDO EC/OC programme fosters the establishment of consortia in different sectors, trains consortia promoters, promotes a favorable institutional and regulatory environment for the development of consortia and supports benchmarking and the dissemination of good practices, as well as supports the development of branding and its promotion.

Consortia development activities are undertaken within cluster programmes or as specific projects targeting dynamic SMEs in growth-oriented sectors. Particular emphasis is placed on linking SMEs with other small-scale economic partners to encourage pro-poor growth.

Corporate Social Responsibility (CSR) principles are also integrated into consortia development initiatives in order to facilitate SMEs' insertion into regional and global value chains.

Impact/Way Forward

UNIDO is currently implementing export consortia projects in North Africa, Latin America and Asia. The success of these projects has demonstrated that export consortia are an effective tool for market access and for SME upgrading and modernization.

To date, origin consortia initiatives have been conducted in Peru, Ecuador, Morocco and Egypt. Improving the reputation and, in turn, the market prices of selected traditional products has led to an increase in producers' incomes and contributed to rural development. Traditional products can also become flagships for the region, thus encouraging local tourism.

For more information on this programme: bit@unido.org





Industrial clusters and consortia: exporting typical products to fight poverty in Peru



At a Glance

GOAL:	Poverty reduction through the promotion of Origin Consortia and collective marks for the valorization of typical regional products
MDGs:	Eradicate Extreme Poverty and Hunger
THEME:	Poverty Reduction through Productive Activities
DONOR:	Italian Cooperation
PARTNERS:	INDECOPI (national institute for the defense of competition and intellectual property) and the Ministry of Agriculture through AgroRural (rural agrarian productive development program)
BUDGET:	EUR 1,000,000 for a regional project of which Peru is a beneficiary country
STATUS:	Ongoing
DURATION:	2010 – 2013 with possibility of extension

Context

The high growth rate experienced over the last decade allowed Peru to become a middle-income country. Despite the progress, the increase in wealth has not generated enough jobs to reduce poverty to desired levels. In remote rural areas, thousands of Peruvians still strive to earn a living from traditional small-scale agro-food and handicrafts production. In order to unleash the potential of these small producers, UNIDO jointly with national partners has been promoting the use of collective marks through Origin Consortia, which are voluntary alliances including micro enterprises and cooperatives within the same value chain, seeking to improve the quality and reputation of typical regional products.

Strategy

Funded by the Italian Cooperation, UNIDO in partnership with INDECOPI (National Institute for the Defense of Competition and Intellectual Property) and the Ministry of Agriculture through AgroRural (Rural Agrarian Productive Development Programme) have established a partnership for the promotion of origin consortia and collective marks as tools for sustainable rural development. To improve the reputation of a typical regional product and thus its value in the markets, the producers organized within an Origin consortium must perform four types of activities:

- ♦ Develop a marketing strategy around the typical product at a regional level to be able to "sell it" as a niche item
- ♦ Increase the visibility of the typical regional product with various partners such as municipalities, NGOs, hotels and shops, agencies to promote rural tourism, to enable consumers to "live and experience" the product in the territory of origin;
- ♦ Improve typical regional/local products to meet the expectations the market and regulators
- ♦ Ensure through the registration of a collective label (collective mark, geographical indication, etc.) that only those producers complying with the jointly agreed product's specification can use the label

The UNIDO intervention jointly with INDECOPI, Agro rural and other local authorities covers eight of the poorest regions in Peru. The project assists producers of typical products to set-up an origin consortium, define the product specifications, register a collective mark, improve product quality and implement a joint marketing strategy.

→ Current Results:

- ♦ The Partnership including UNIDO-INDECOPI-AgroRural has been active in eight of the poorest regions in Peru by assisting rural producers of typical food products in the development and registration of rural collective marks, in the process of product upgrading and marketing and in the creation of origin consortia
- ♦ 5 origin consortia (honey, native cotton, golden berry, traditional pasta, native potato) integrating 748 rural producers have officially registered their collective marks and five more including 700 producers (Trout, Berry, Mushrooms, White Cheese and Quinoa) are in the process of registering their marks
- ♦ Participation of the origin consortia in the country's most important food fairs
- ♦ Country ownership of the collective marks and Origin Consortia approach and its recognition as "good governmental practice 2013" awarded
- ♦ 2000 families have improved their living conditions in extreme poverty areas in the Peruvian Andean highlands

Impact/Outlook

The aim of this project is to support the Government of Peru in its efforts to fostering inclusive and sustainable rural development through the valorization of typical regional products. The promotion and development of Origin Consortia and collective marks produces impacts in several areas. Adding value to the traditional processing methods leads to higher employment rates as it involves production systems that are based on local knowledge and skills thus preventing rural exodus. Promoting collective marks has a great potential, not only for increasing income opportunities of small-scale rural producers but for the revitalization of the historical, cultural and ecological legacy of the Peruvian regions becoming the starting point for boosting local economic development.



promote
quality investments
and technology

Investment and Technology Unit (BIT/ITU)

ITU implements its technical assistance programmes together with national and international partner networks such as the Investment and Technology Promotion Offices (ITPOs), the Subcontracting and Partnership Exchanges (SPXs), the International Technology Centres (ITCs) and the Investment Promotion Agencies (IPAs).

Substantively, ITU's programmes focus on institutional capacity-building, the provision of innovative tools and methodologies, and the sharing of investment and technology related knowledge and expertise to close global gaps and enhance productivity performance.

ITU's Investment Promotion portfolio includes:

Capacity-building of partner organizations and establishment of business support institutions such as subcontracting and partnership platforms as well as business incubators and industrial zones

Transfer of investment expertise and technology knowledge through the organization of investment and technology forums, including business-to-business interactions, as well as through the establishment of company databases for investment monitoring and evidence-based analysis

Provision of training on access to financial and non-financial services for start-ups and small and medium enterprises (SMEs) and on project appraisal through the application, in the public and private sector, of COMFAR (Computer Model for Feasibility Analysis and reporting)

Development of entrepreneurship programmes with a focus on youth and women

ITU's Technology portfolio includes:

Capacity-building of partner organizations for technology adoption and application

Effectively transfer technology through North-South, South-South and triangular diffusion schemes and fostering the application of emerging technologies for local development challenges

Strengthen UNIDO's global forum function by organizing conferences and preparing reports on Science, Technology and Innovation (STI)

Develop programmes to measure innovation, national systems of innovation (NSI) and productivity performance to provide evidence-based recommendations to policy-makers

Investment Promotion Programme

Context

Investment promotion is critical for industrialization and by extension for development; governments, and in particular their Investment Promotion Agencies (IPAs), therefore need to review their policies and strategies to attract and encourage investments.

In particular, innovative strategies to reach out both nationally and internationally are required, to ascertain the view of the private sector on the impact of government policies on their operations and on their performance; this information then needs to be shared between public and private operators.

UNIDO's engagement in investment promotion thus provides empirical evidence for driving the needed changes in the macro-economic and investment regulatory frameworks.

Strategy

Establishment of a formal Network of 43 African Investment Promotion Agencies (AFRIPANET) for consultations and the development of technical assistance programmes.

Establishment of governance structures to ensure ownership/sustainability and to facilitate the building of multi-level cooperation between like-minded partners.

Implementation of enterprise-level surveys of foreign and domestic enterprises in programme countries.

Consolidation of the survey data on the online Investment Monitoring Platform to enable stakeholder interactions for investment policies, strategies and decision-making/planning.

Data-focused capacity building of IPAs and of intermediary organizations to generate operational changes, including investor enquiry handling, after care services delivery, and policy advocacy.

Preparation and dissemination of the Investor Survey Report to highlight critical issues, specific findings and their implications for Africa; so far, three reports have been generated (2003, 2005 and 2011) with the most recent survey report under preparation.

Impact and Results

A platform for collaboration is implemented, which could facilitate the development and implementation of other UNIDO programmes and interventions as it provides useful linkages with other UNIDO programmes such as EDP, SPX, ITPOs and IPPAs.

The programme has been embraced by African governments and national institutions and its potential contribution to enrich the Public-Private Sector dialogue is recognized.

The programme has generated interest beyond Africa and has already been replicated in Viet Nam; discussions are ongoing to extend its coverage to Central Asia, the Caribbean and the Pacific.

The Programme has highlighted the emerging role of investment in industrialization as well as the need for a transformation of the investment promotion culture. In particular, it shifts the emphasis from the reactive approaches by repositioning IPAs as government partners in the development process.

Data gives insights into the profile of private sector in Africa and their issues.

For more information on this project, please contact: bit@unido.org





Network of African Investment Promotion Agencies

At a Glance



GOAL:	Improve the effectiveness of investment promotion and leverage foreign investment as a more effective tool for development by mainstreaming it into national private sector development/ domestic investment promotion efforts
MDGs:	Eradicate extreme poverty and hunger (MDG 1) Develop a global partnership for development (MDG 8)
THEME:	Poverty Reduction
DONOR:	European Union, Finland, Italy, Turkey, Austria
PARTNERS:	International Partners: African Investment Promotion Agencies Network (AfrIPANet), European Union, ACP Secretariat, Africa Union Commission, Regional Economic Communities (COMESA, ECOWAS, EAC) Partners at National level: Investment Promotion Agencies, Ministries of Industry, Ministries of Planning, Central Banks, National Statistics Offices, Private Sector Associations, Chambers of Commerce and Industry, Universities, Research Institutions, Private Sector Companies
BUDGET:	Approx. EUR 5m
STATUS:	Pilot phase completed
DURATION:	January 2010 until May 2013

Context

In view of the ongoing liberalization of developing economies, particularly the new role of the private sector as a partner in the development process, investment promotion has become critical in the industrialization and the development processes. This poses a challenge to both governments and Investment Promotion Agencies (IPAs) to review their policies and strategies to attract and encourage investments with positive impact on their economies. In particular, it underscores the need for innovative strategies to strategically improve the ongoing discussions between the public and the private sector operators. This engagement provides empirical evidence for driving the needed changes in the macro-economic and investment regulatory frameworks.

Strategy

The strategy includes the following:

- Establishment of a formal Network of African Investment Promotion Agencies (AFRIPANET) comprising of 43 IPAs to provide a platform for the development of technical assistance programmes
- Establishment of Programme governance structures to ensure ownership, sustainability and to facilitate the building of partnerships
- Implementation of an enterprise level surveys of both FDI and domestic sector enterprises in the Programme countries
- Consolidation of the survey data on an interactive web-based tool (Investment Monitoring Platform) to enable stakeholders' use of data
- Capacity building of IPAs and intermediary organizations to employ the empirical evidence to generate needed changes in the critical areas of their operations such as investor enquiry handling, after care services delivery, and policy advocacy
- Preparation and dissemination of the Investor Survey Report to highlight emerging issues and specific findings and their implications for investment promotion in Africa. Three reports have been generated so far (2003, 2005, and 2011). A report on the current survey is under preparation

→ Current Results:

- The Programme has covered 22 Sub-Saharan African Countries (Burkina Faso, Burundi, Cameroun, Cape Verde, Congo Brazzaville, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Niger, Nigeria, Rwanda, Senegal, Tanzania, The Gambia, Uganda and Zambia) and Viet Nam
- The Investment Monitoring Platform (IMP) hosts a data base of 7000 Foreign and Domestic companies operating in Africa as a result of the Investor Surveys with more than 300 variables per company (investor characteristics, investor performance, investment motivations and perceptions)
- The IMP host a Business Directory of 5000 Foreign and Domestic companies to promote business partnerships
- There has been a diagnostic study of 18 Investment Promotion Agencies
- The Programme related capacity building of IPAs and other national institutions have resulted in the training of some 481 key officials from the relevant private and public sector institutions



Science, Technology and Innovation (STI)

Context

Evidence shows that access to, and application of technologies is a major factor to break out of poverty. When measured and understood, technology gaps can be systematically addressed, especially through dedicated programmes and funds. Indeed, technological upgrading allows enterprises to enhance their productivity and their competitiveness, which in turn leads to faster economic growth and development.

UNIDO has established a programme that focuses on Science, Technology and Innovation (STI), which initially covers China, India, Iran, South Africa and Turkey; the programme is rapidly increasing its geographical coverage and is to also include cross-country approaches such as projects on BRICS.

Strategy

The STI programme acts as a global forum for related information and knowledge, where information on innovation and national system of innovation (NSI) as well as on productivity performance is collected, analyzed and shared through reports and journal articles and conferences.

The STI programme also offers technical assistance to equip and upgrade enterprises by transferring the appropriate technology through UNIDO's International Technology Centres (ITCs).

The STI programme also makes advanced technologies (e.g. bio and nano technologies) available for consumer purposes even if these cannot be produced in developing countries.

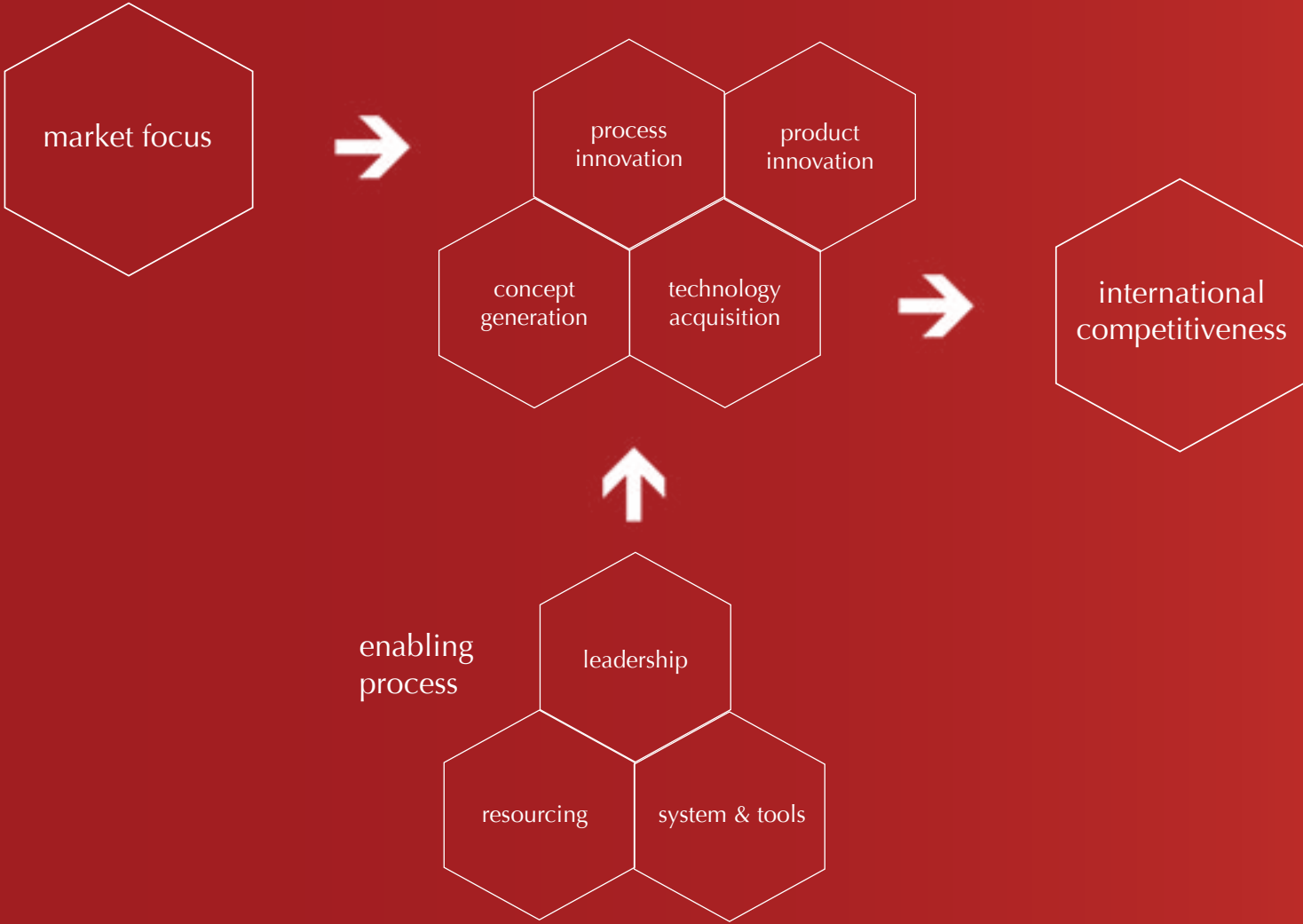
Impact and Results

While still in its inception phase, the STI programme has already registered remarkable success, for example in India where SMEs in the foundry, machine tools and plastics sectors have experienced great improvements in productivity as well as in exports and employment generation.

These first results have generated interest from several countries that are being followed up.

For more information on the programme, please contact: bit@unido.org

Innovation Diagram



8 offices
throughout the world



Investment and Technology Promotion Offices (ITPOs)

Context

The private sector is a primary driver of economic growth and job creation; accordingly, global progress also depends on cooperation between enterprises from developed countries and their partners in developing countries and economies in transition.

To foster mutually-beneficiary business opportunities and thereby bridge the investment gap and technology divide, UNIDO established its first Investment Promotion Services in 1980, which would become the UNIDO Network of Investment and Technology Promotion Offices (ITPOs).

Located in both hemispheres, the ITPOs open up partnership opportunities for investors and technology suppliers while also offering unique services to entrepreneurs and business organizations. Currently, eight offices operate throughout the world.

Strategy

ITPOs promote international industrial partnerships through foreign direct investment and institutional capacity building; they guide potential investors from their host countries and from developing countries throughout the entire investment and technology promotion cycle -- from the project identification and appraisal to the effective negotiations.

In doing so, ITPOs offer a full package of up-to-date information on screened investment opportunities, technology suppliers and on how to do business in developing countries. And, while ITPO services cover the entire range of manufacturing activities, they tend to focus on green industry.

In addition, ITPOs operate the Delegate Programme through which they host officials from developing countries, provide them with hands-on training in investment promotion techniques and the opportunity to promote a portfolio of investment and technology opportunities from their country of origin.

Impact and Results

Over the last 30 years, ITPOs have promoted strategic partnerships between potential business associates and organizations, therefore contributing to bridging the investment and technology gap.

ITPOs continuously adapt to changing circumstances in order to provide first class services to its clients and partners along the entire investment and technology promotion cycle.

For more information on the ITPOs programme, please contact:
bit@unido.org



Enterprise creation, access to finance and investment promotion in Iraq



At a Glance

GOAL:	Private sector development through investment promotion and improved access to finance
MDGs:	Eradicate extreme poverty and hunger, promote gender equality and empower women
THEME:	Poverty Reduction
DONOR:	UNDG, Government of Italy
PARTNERS:	Ministry of Industry and Minerals, KRG Prime Ministry office, KRG Ministry of Trade and Industry, Erbil Chamber of Commerce and Industry, Thi Qar Provincial Council, Thi Qar Chamber of Commerce, Iraqi Federation of Industries, Thi qar Engineering Union, Iraqi Company for Bank Guarantee
BUDGET:	Approx. 10m USD
STATUS:	Started in 2007, composed of three inter-related projects
DURATION:	2007 until June 2014

Context

Despite consistent economic growth, relatively contained inflation and a positive fiscal balance, Iraq's overall economy has not yet stimulated sufficient employment and wealth creation. In the post-2003 Iraqi economy the state has still a dominant role to play.

The current National Development Plan for 2010-2014 underscores the urgent need to promote private sector investments and calls for US\$186 billion in investment - US\$100 billion from the Iraqi Government while domestic and international private companies are urged to mobilize the rest.

The challenge to mobilize such sizable amounts of new private investments provides the context for this UNIDO Programme.

Strategy

The programme, designed to support the development of a sound private sector in Iraq, is composed of three inter-linked projects, spanning a time period of 2007 until 2014, with an overall project volume of more than US\$10million.

The programme draws on relevant UNIDO methodologies, particularly those related to enterprise creation and development; in particular the programme has applied the following methodologies:

- ♦ Enterprise Development and Investment Promotion (EDIP)
- ♦ Subcontracting and Partnership Exchange Programme (SPX)
- ♦ Computer Model for Feasibility Analysis and Reporting (COMFAR)

The programme builds its success on a strategic partnership with four Enterprise Development Centers (EDCs), established in Baghdad, Thi Qar, Basra and Erbil. These EDCs are the main implementing bodies and are deeply embedded in the local institutional context. To this extend, the government of Iraq, having recognized the effectiveness and the importance of the EDCs in assisting the creation and development of SMEs, has allocated the necessary funding to ensure the financial sustainability of the centres. Currently, the centres are capacitated to assist SMEs in investment promotion, business plan development, counseling support, access to finance, facilitation of linkages, and others.

Current Results:

The Programme produced multiple positive effects on the project beneficiaries i.e. the Iraqi private sector:

- ♦ Four Enterprise Development Centers (EDCs) provided capacity building to more than 600 Iraqi entrepreneurs
- ♦ Investment promotion services provided to 128 Iraqi companies, which have resulted 35 partnership agreements (LoI and/or MoUs) signed
- ♦ An estimated value US\$7 million investment has been generated through Investment promotion services
- ♦ Five Iraqi delegations were organized to attend international fairs and exhibitions, consisting of 105 Iraqi private sector companies. This resulted in 739 B2B meeting between Iraqi and international companies
- ♦ 189 Iraqi SMEs have been created (111) or expanded (78). The estimated cumulative employment impact of these projects is at least 1,040 jobs
- ♦ 68 investment opportunity profiles prepared and promoted

The results from a feedback survey showed a satisfaction rate of 97 per cent by companies that have benefited from EDCs' business advisory services.

Subcontracting and Partnership Exchange Centres (SPXs)

Context

More and more, developing countries realize that already-established foreign investors in the manufacturing sector could be used to spur improvements in the products and services of domestic suppliers as well as help them become more integrated in international markets.

To this end, UNIDO has established a Network of Subcontracting and Partnership Exchange Centres (SPX). With premises in over 20 countries, these SPX Centres aim to maximize investment promotion opportunities by generating positive spillovers for local supply chains from the increased local procurement by transnational corporations (TNCs) and large domestic enterprises which, in turn, fosters a development impact.

Strategy

Each SPX aims at extending the local supplier base of major buyers, including large multinationals and state-owned enterprises, by capturing their procurement needs and plans, benchmark the capabilities of domestic enterprises in relation to these needs and assess their upgrading and investment requirements.

SPXs employ the extensive SPX methodologies and are increasingly becoming major service providers to both large buyers (to identify potential local suppliers and develop local supply chains) and local suppliers (to identify their development needs and assist them in realizing their development plans).

In general, SPXs are integrated within intermediary organizations, such as Chambers of Commerce and Investment Promotion Agencies.

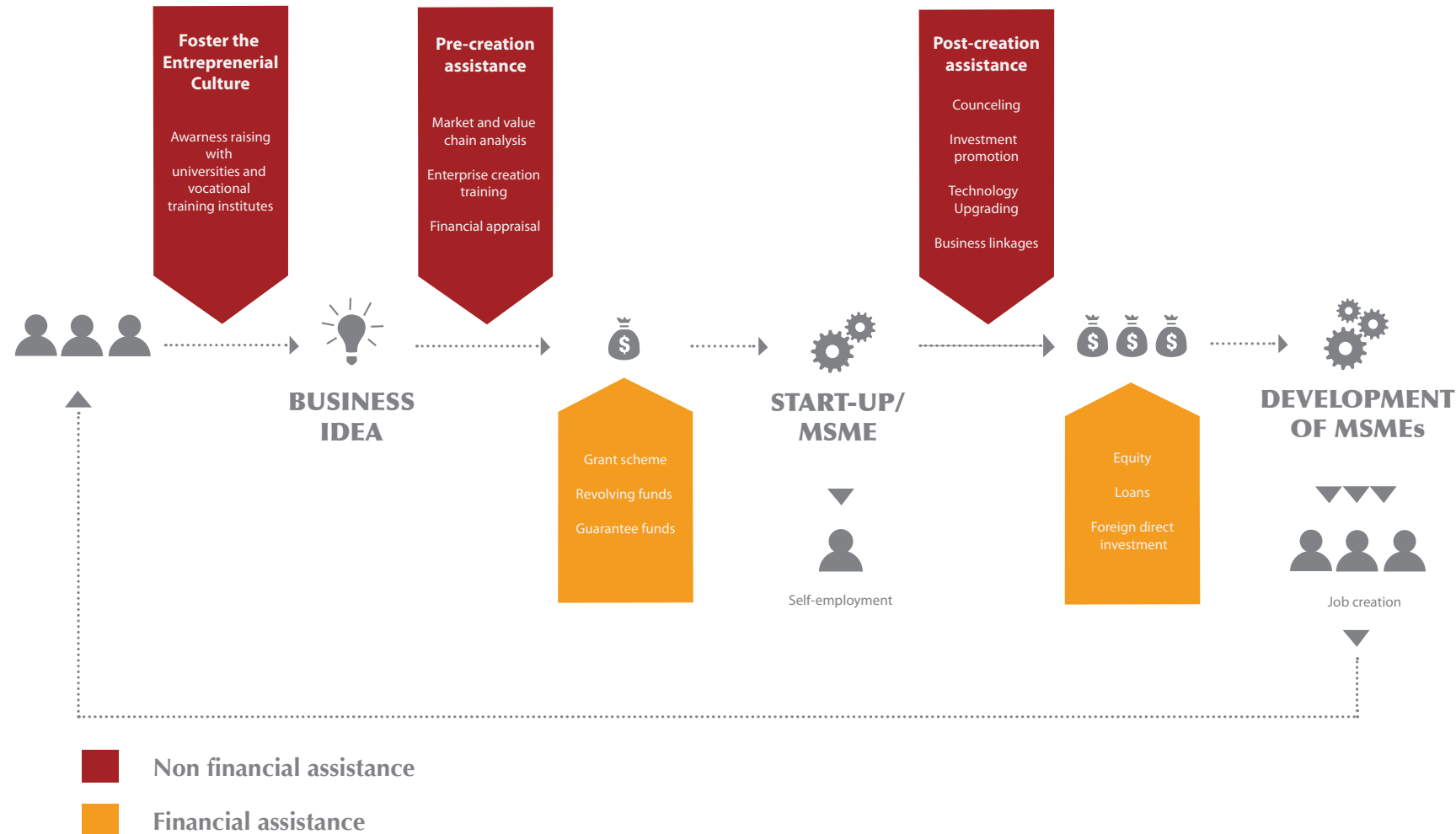
Impact and Results

Almost 5,000 enterprises have been profiled and more than 450 companies were provided with SPX Benchmarking services. In a great number of cases, suppliers have been matched with major buyers; this led to the exchanges of request for quotations (RFQs) and to new business for local suppliers and subcontractors.

For more information on this project, please contact: bit@unido.org and www.unido.org/spx



Switch On Your Future!



Productive work for youth through enterprise creation and development

Context

Young people represent 17% of the world's population and over 40% of the global unemployed labor force; they cannot contribute to society, and are left both economically and socially excluded. Many governments have therefore deemed the creation of long-term, decent and productive work for youth a priority.

Globally, the private sector is a primary driver of economic growth and employment creation, and thus plays a central role in reducing poverty. However, in many countries the population faces obstacles in starting or expanding productive activities.

The development of micro, small and medium enterprises (MSMEs) is a proven and effective mechanism to facilitate economic development, and entrepreneurship requires significant support, guidance and investment.

Strategy

To boost employment and inclusive growth, UNIDO has developed an integrated approach, which applies the following service modules according to the specific needs of each country:

Enterprise creation and growth: UNIDO's entrepreneurship training modules helps train trainers as well as entrepreneurs and aspiring entrepreneurs to formulate their business ideas/expansion plans and develop bankable business plans after a thorough market analysis

Coaching and mentoring: post-creation assistance in form of coaching and mentoring is provided directly to young entrepreneurs through assisted local institutions; this ensures the sustainability of the newly-created businesses and supports young entrepreneurs in successfully overcoming the most challenging first years

Access to finance: by providing assistance in the development of bankable business plans and by building the capacities of financial institutions, UNIDO facilitates the access to finance for young entrepreneurs and MSMEs. In environments where MSMEs and youth are unable to access credit, UNIDO assists in setting-up tailored funding schemes to encourage local providers to expand into the targeted segment

Impact and Results

UNIDO has successfully engaged in the creation of youth employment opportunities through entrepreneurship and MSME growth in over 15 countries, and achieved the following:

- Long-term, productive and decent employment opportunities for youth created
- Entrepreneurship promoted as a viable solution to employment creation
- Self-employment and entrepreneurship amongst youth promoted
- Access to finance for MSMEs and start-ups facilitated through linkages with local financial institutions or the setting-up of dedicated funds to fill market gaps and facilitate a systematic change where needed
- Capacities of local service providers enhanced and quality of services improved
- Matching of labor skills demand and available trainings enhanced

For more information on this project, please contact: bit@unido.org

Productive work for youth: Engaging Tunisian Youth to Achieve the MDGs



At a Glance

GOAL:	Employment creation through the creation and development of youth-led enterprises
MDGs:	Eradicate extreme poverty and hunger, promote gender equality and empower women, Develop a global partnership for development
THEME:	Poverty Reduction
DONOR:	MDG-F (Spanish Government)
PARTNERS:	International Partners: FAO, ILO, IOM, UNDP National Partners: Ministry of Employment and Vocational Training (main counterpart), Ministry of Industry, Ministry of Agriculture, Ministry of Secondary Education and Scientific Research, National Youth Observatory, Governorates of Gafsa, Kef, Grand Tunis, Investment Promotion Agency, ANETI, CSOs Private Sector: CONECT, UTICA, UGTT, AfDB, Internet Society Tunisia
BUDGET:	Total US\$3.115,000, UNIDO budget US\$658,799 (including support costs)
STATUS:	Operationally completed in May 2013
DURATION:	2009 until May 2013

Context

The beginning of 2011 has been marked by a series of changes in the Middle East and North Africa Region, which started in Tunisia. These are believed to be, *inter alia*, the result of unequal access to economic opportunities and social welfare as well as high unemployment rates mainly among the young. In Tunisia, the rate of unemployment has reached an average of 46% amongst qualified youth.

After the Revolution employment creation with a special focus on youth in the lagging regions has become the first development priority for the new Tunisian government.

Strategy

As part of a project funded by the Spanish government and the MDG fund, UNIDO in partnership with four other UN agencies (FAO, IOM, ILO, UNDP), implemented a joint programme to support the Tunisian Government in its efforts to create jobs and prevent migration.

Taking into account the limited absorptive capacity of the public sector and formal labour markets, youth entrepreneurship is a viable option to create employment, in particular in selected high growth and employment potential value-chains. Entrepreneurship and self-sustainable businesses creation along selected value-chains is proven to generate economic growth and jobs for young women and men; moreover, empirical evidences demonstrate that enterprises are the main economic sources for bottom-up economic growth, structural changes and innovation.

Against this backdrop, UNIDO intervention focused on a threefold approach that aimed at reinforcing local support structures (public, private and CSOs), assisting young entrepreneurs to create and develop their enterprises in selected value chains (e.g. handicraft and carpet value-chain), and finally enhancing youth participation and information sharing through a web-based platform.

Impact/Outlook

The PMPA Business Plan represents a historic opportunity and the topic is now a top priority for many donors and multilateral organizations. UNIDO is well positioned to play a lead role in this high profile area and will continue to build strong relationships, further develop technical solutions and seek to expand its focus to include other life science products.

An estimated US\$50 million is required for the first five years of the PMPA BP implementation. The AUC has invited UNIDO to take the lead on raising resources and for managing those funds.

→ Current Results:

UNIDO interventions was amply recognized by the MDG-F independent evaluation to be punctual and effective in the three areas of its intervention, namely the strengthening of local capacities in the regions of El Kef, Gafsa and Grand Tunis, assisting young entrepreneurs in identifying viable businesses, obtain adequate forms of funding and finally grow sustainable businesses, and finally, supporting the exchange of successful cases, innovative ideas, and youth-generated solutions through the establishment a web-based platform (Digital Entrepreneurship Platform, www.dep.tn). Concretely, UNIDO achieved the following results contributing to the overall objective of the project.

- 31 support structures (public, private, and CSOs) trained in enterprise creation and development as well as in “counseling” young people
- 200 youth trained in enterprise creation and development, of which 16 youth in the carpet industry
- 3,000 youth trained and actively engaged on the Digital Entrepreneurship Platform (www.dep.tn)
- Over 100 enterprises created by youth
- 900 productive jobs created
- 3 studies on “Investment opportunities in the selected regions”, on “Handicraft and carpet value-chain in Gafsa”, as well as a feasibility study on “Access to finance for youth”
- 2 exhibitions of Gafsa carpets in Tunis and Amsterdam



Financial and Non Financial Services for SMEs Creation and Development

Context

For young entrepreneurs and MSMEs, access to finance is limited; such financing constraints hinder their growth and limit their active participation in their country's economic and social development.

UNIDO has therefore developed a number of business services to facilitate access to adequate finance, by focusing in particular on the “missing middle”:

UNIDO provides advisory services to governments in the area of access to finance and supports the establishment of adequate financial instrument, including kick-start grants, credit/revolving funds, and/or equity/guarantee schemes for MSMEs.

For more information on this project, please contact: bit@unido.org

Strategy

- Within the framework of enterprise creation and business partnership programmes, UNIDO has addressed the existing MSME financial gap by strengthening the enterprises' capacities and by developing linkages with partner financial institutions. The various initiatives include advisory and development services as well as the implementation of credit, equity and guarantee schemes
- The strategy also seeks to leverage SME support schemes within UNIDO technical assistance programmes and UNIDO networks, which will allow the provision of highly valuable data as well as of screened and validated financing opportunities to partnering institutions

Impact and Results

UNIDO has mobilized finance for MSMEs in Armenia, Iraq, Ivory Coast, Manu River Union, Senegal and Tunisia, in the form of revolving credit and grant facilities, private equity funds for exporting SMEs, and mutual credit guarantee schemes to address the needs of SME Clusters.

In Iraq, the Enterprise creation, access to finance and investment promotion programme resulted in:

- US\$7 million (est.) has been generated in investment
- 189 Iraqi SMEs have been created (111) or expanded (78), leading to a cumulative employment impact of at least 1,040 jobs
- Investment promotion services were provided to 128 Iraqi companies, with four Enterprise Development Centers (EDCs) provided capacity building to more than 600 Iraqi entrepreneurs
- Five Iraqi delegations were organized to attend international fairs and exhibitions, consisting of 105 Iraqi private sector companies; this resulted in 739 B2B meetings



Computer Model for Feasibility Analysis and Reporting (COMFAR)

Context

Based on the fact that high-quality pre-investment advice leads to better projects, thus contributes to increasing local and foreign investments, UNIDO has equipped public and private stakeholders with tools and methodologies for project appraisal and feasibility analysis – including UNIDO's Computer Model for Feasibility Analysis and Reporting (COMFAR).

COMFAR facilitates short and long term analysis of financial and economic consequences for industrial and non-industrial projects. COMFAR is accompanied by manuals, teaching materials and interlinked software for project identification and preparation. COMFAR also offers specialized modules, for example on Clean Development Mechanism (CDM) and on Environmental Management Accounting.

Strategy

COMFAR, which is already available in 19 languages, will expand its product offer to include more specialized versions that are compliant with the latest International Accounting Standards (IAS) and the International Financial Reporting standards (IFRS), the development of a trainers' certification scheme and the establishment of national and regional training hubs.

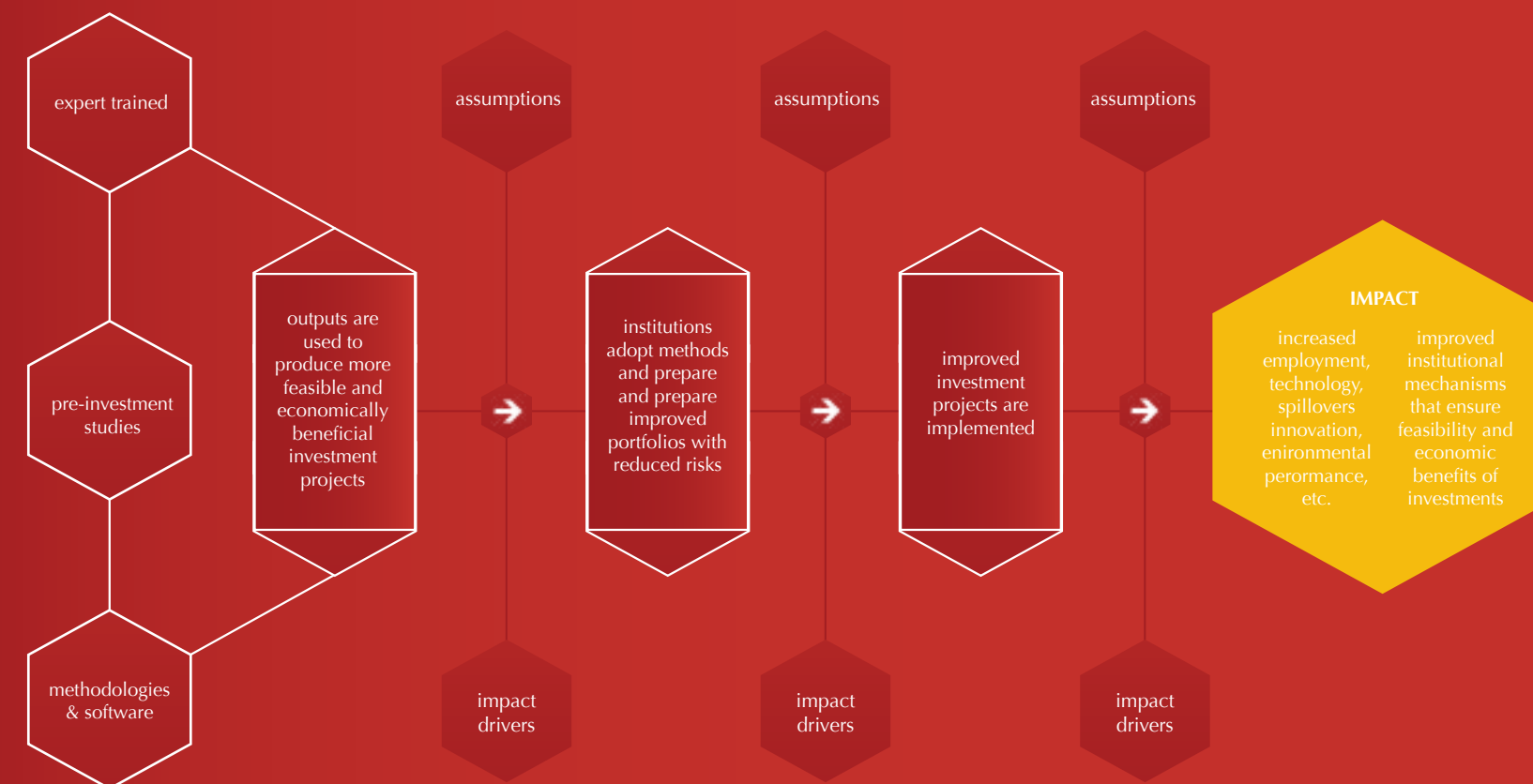
In addition, online training via an e-learning platform is to be developed.

Impact and Results

There are currently over 8,000 COMFAR users in 160 countries. In over 30 years of COMFAR development, two main development impacts were recorded: classic investment benefits, such as increased employment, technology spillovers/innovation and better environmental performance, and improved institutional capabilities to ensure the feasibility and economic benefits of investments in developing countries.

For more information on the COMFAR, please contact: bit@unido.org

COMFAR Theory of Change





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