

ISID NEWSLETTER

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UNIDO IN 2017- THE YEAR OF FOCUSED ACTIONS

UNIDO Director General LI Yong announced that 2017 will be a year of focused actions for the Organization. “We will focus on implementing concrete activities for our strategic priorities; our Member States are facing numerous challenges, and we need to intensify our efforts to foster the industrialization process, particularly in Africa and in least developed countries”, said Li. UNIDO will work even more closely with the international community to advance the Sustainable

Development Goals (SDGs), with a special emphasis on SDG 9 on industry, infrastructure and innovation. The Organization will further expand its Programme for Country Partnership (PCP) approach, from an initial three pilot countries to other geographical regions. A newly established internal structure, the PCP Steering Group, will ensure the timely and efficient mainstreaming of the PCP approach. UNIDO will also strengthen its partnerships with international financial institutions.

THE PROGRAMMES FOR COUNTRY PARTNERSHIP (PCPs)



PCP Ethiopia marks a major milestone with the inauguration of the Yirgalem integrated agro-industrial park



Director General LI Yong with the Prime Minister of Ethiopia, Hailemariam Desalegn, leading the cornerstone laying ceremony.



Director General LI Yong receiving specialty coffee from the region (Yirgachefe) from local community leader.

On 14 March 2017, Ethiopia inaugurated the third integrated agro-industrial park (IAIP), which is being developed within the framework of the PCP Ethiopia. The new industrial park is located in Yirgalem, a town of the Southern Nations, Nationalities and People’s (SNNP) region, and will focus on agro-industries as a means to drive rural industrialization and job creation. The IAIP is expected to create around 134,000 new jobs in the region.

Speaking at the inauguration, Director General LI Yong noted that “UNIDO and the Government of Ethiopia, together with other partners, were involved in a long and thorough process to identify the best locations for the parks and their related rural transformation centres, as well as identifying the required infrastructure in each park, detailed engineering design and developing options for management structures. Today marks an important milestone, but we are only witnessing

the beginning of this exciting endeavor.” He emphasized that UNIDO will continue to work closely with the Government of Ethiopia as it brings this park and its three sister pilot parks in Amhara, Oromia and Tigray to fruition.

Prime Minister Hailemariam Desalegn led the cornerstone laying ceremony, marking the launch of the park’s construction phase. Speaking at the event, he said, “IAIPs will play a crucial role in advancing the country’s economy, reducing rural poverty and creating a better environment for investors in agro-food and allied sectors”.

The event was attended by over 3,000 participants, including cabinet ministers, regional government officials, representatives of communities surrounding the IAIP, interested investors and representatives of international organizations.

New large-scale programme for upgrading the livestock value chain in Ethiopia

UNIDO developed a new large-scale programme focused on Ethiopia's livestock sector, to be implemented within the framework of the PCP. The overall objective of the programme is to contribute to poverty reduction in Ethiopia by improving the performance of selected livestock value chains. The ULVCP will address three interrelated components: red meat, dairy, and hides and leather.

As part of the "Upgrading the Livestock Value Chain Programme" (ULVCP), two pilot projects were introduced to

the Government of China for funding consideration. UNIDO organized a two-day workshop, together with the Ministry of Commerce of China and the China International Center for Economic and Technical Exchanges, to discuss experiences and best practices related to the livestock value chain, with a particular focus on improving breeding, quarantine systems and quality infrastructure.

The workshop took place from 23 to 24 January 2017 at UNIDO's regional office in Beijing, China.



PCP Senegal National Steering Committee approves 2017 priority action plan

On 9 March 2017, the National Steering Committee held its first meeting of the year during which it discussed next steps of PCP Senegal implementation and agreed on the priority action plan for 2017, including conducting feasibility studies for the establishment of agro-poles and additional industrial

parks. The operationalization of the cooperation between the Bingtuan Group, CADFund and the Government of Senegal for the development of the rice value chain, as a follow-up to the Memorandum of Understanding signed in July 2016, is also among the the priorities for this year.

Senegalese Ministry of Economy, Finance and Planning strengthens its contribution to PCP implementation

On 8 February 2017, a working session was organized for the Ministry of Economy, Finance and Planning and its Department of Economic and Financial Cooperation to meet with representatives of UNIDO's PCP Senegal team and

discuss progress to date as well as explore the potential for further partner and resource mobilization. The Ministry will lead the PCP Partner and Donor Working Group which will be established in the second quarter of 2017.

PCP Senegal supports reform on special economic zones (SEZs)

The Government of Senegal officially adopted a new SEZ governing framework and an incentive package, both developed within the framework of PCP Senegal. President

Macky Sall signed the respective bills into laws in January 2017. The new legislation is expected to facilitate investments in large-scale industrial projects, such as the Diamniadio industrial park.



Increasing government ownership as PCP Peru moves forward

May 2017 will see the launch of the PCP Peru National Steering Committee, led by the Ministry of Production. The Government has also committed to forming a Partner and Donor Working Group to which a number of financial institutions, including the Inter-American Development Bank (IaDB), the World Bank-International Finance Corporation, the Development Bank of Latin America and COFIDE (the National Development Bank), expressed interest in joining.

UNIDO and the IaDB have aligned their interventions in the field of innovation to support the upgrading of Peru's innovation and technology centres (CITEs). Following a joint workshop with the IaDB in January 2017, UNIDO carried out a comprehensive evaluation of 20 CITEs to unlock a USD 40 million loan for CITE development, as part of the IaDB's USD 100 million public investment programme for productive innovation in Peru.

UNIDO has also partnered with the Latin American Association of Development Finance Institutions (ALIDE) to promote the sustainable industrial zone development project and attract financing for its implementation. In February 2017, an information session, hosted by ALIDE, was held for members of Peru's association of commercial banks (ASBANC) to present the initiative and engage the financial sector in the project.

Upcoming milestones for the PCP Peru include the completion of an aquaculture study, the launch of a full-sized GEF project on sustainable industrial zone development, the initiation of cooperation activities with the Organisation for Economic Co-operation and Development, and the development of a monitoring and evaluation framework. The implementation phase of PCP Peru is expected to launch in September 2017.

WORLD BANK AND UNIDO DISCUSS PRIORITY COUNTRIES FOR COOPERATION IN 2017

On 31 March 2017, a delegation from the World Bank led by Vice President of Operations Policy and Country Services, Hartwig Schafer, met with Director General Li to discuss the next steps in operationalizing cooperation and to agree on priority countries for joint programmes in 2017.

Nearly 20 countries for joint activities were identified, including in Africa and Asia. The two entities will put particular emphasis on identifying concrete opportunities for cooperation in fragile and post-conflict countries, taking into account their respective expertise in this area.

Both parties agreed to explore cooperation in PCP countries, namely Ethiopia to further support integrated agro-industrial parks, and Senegal to contribute to the operations of the Diamniadio industrial park. The Bank's country managers for Burundi and Zambia, that took part in the meeting, briefed on the status of technical level discussions.

In 2016, UNIDO and the World Bank signed two new Standard Forms of Agreement, which enable UNIDO to assist governments with the implementation of World Bank-financed projects.



World Bank delegation led by Vice President of Operations Policy and Country Services, Hartwig Schafer, meeting with Director General Li.

JOINT UNIDO-WB WORKSHOP ON COOPERATION MODALITIES

On 20 March, a joint workshop was organized at UNIDO's headquarters to familiarize UNIDO staff on engagement modalities with the World Bank and to raise awareness about the new agreements. It was attended by over 160 UNIDO headquarters staff and live streamed for those in the field.

The workshop was conducted by Maria Vannari, World Bank's head of the Global Support Team on UN Agencies Engagement, and UNIDO's Department of Partnerships and Results Monitoring. UNIDO's technical departments also presented examples of UNIDO-WB project-level collaboration.



Maria Vannari from the World Bank conducting a workshop for UNIDO staff in Vienna.



UNIDO staff at workshop on cooperation modalities with the World Bank.

UNIDO AND THE BANK OF CHINA DISCUSS JOINT ACTIVITIES IN SUPPORT OF SMEs

A delegation from the Bank of China visited UNIDO headquarters to meet with Director General LI Yong and explore joint partnership activities as a follow up to the Joint Declaration signed during the Organization's 50th anniversary celebrations in November 2016. A workshop was

organized on 10 February 2017 for both entities to gain a better understanding of their respective areas of expertise and identify concrete projects for collaboration, with a particular focus on supporting the growth of small- and medium-sized enterprises (SMEs) in developing countries.

UNIDO CONTRIBUTES TO REVIEW OF GLOBAL ENVIRONMENT FACILITY REPLENISHMENT PRIORITIES

UNIDO, along with other major stakeholders of the Global Environment Facility (GEF), including convention representatives, scientists and other GEF agencies, participated in a Technical Advisory Group meeting held in Washington D.C. from 7 to 9 February 2017. The main purpose of the meeting was to discuss and validate the substance of the first draft of the Programming Directions for the GEF-7 replenishment cycle, for the period of July 2018 to June 2022.

UNIDO contributed to this process as one of the leading GEF agencies in focal areas of climate change, chemicals and waste, and international waters. The meeting also provided UNIDO with an opportunity to explore new areas of engagement with the GEF, including under Impact Programmes (IPs) which

integrate several GEF focal areas at once. The IPs will allow for a broader involvement of UNIDO with the GEF, in particular through leadership of the circular economy programme and expansion of cooperation under the sustainable cities and food systems programmes, respectively.

The revised Programming Directions were presented at the first official GEF-7 donor meeting held in Paris, from 28 to 30 March, 2017. The replenishment process will continue with a series of meetings to evaluate progress, assess future funding needs, and finally agree on a financing framework for the next replenishment cycle (GEF-7), to be officially approved during the next GEF-Assembly to be held in Viet Nam, June 2018.

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