

# ISID NEWSLETTER

8 September 2017 - Issue 28

## THE PROGRAMMES FOR COUNTRY PARTNERSHIP (PCPs)



### PCP ETHIOPIA EXPANDS IN SCOPE

The PCP will expand to additional priority sectors based on the request of the Government of Ethiopia. UNIDO has begun supporting the Government in formulating a comprehensive roadmap for the development of industrial clusters, textiles and garments, electronics and household appliances, renewable energy and the chemical industries.

Detailed engineering designs have been completed and reviewed for the four pilot integrated agro-industrial parks (IAIPs) being established within the framework of the PCP,

### Partnership and resource mobilization continues

UNIDO will assist the Government of Ethiopia in the implementation of a World Bank loan aimed at upgrading Ethiopia's national quality infrastructure, as part of PCP Ethiopia. Negotiations are currently ongoing with the Ministry of Science and Technology on the specifics of UNIDO's support.

The Ministry of Finance and Economic Cooperation of Ethiopia is discussing additional financing options with the Italian

with groundbreaking ceremonies already conducted in each of the four regions. Environmental and social impact assessments of the IAIPs are currently being undertaken. Based on the successful collaboration around the four initial parks, the Government has requested UNIDO's support in the development of thirteen additional IAIPs across the country.

The Joint Steering Committee adopted a new PCP management structure due to the programme's expansion. The revised management structure includes six technical task forces, each responsible for specific areas/sectors of the programme.

Agency for Development Cooperation and the European Union for large-scale industrial development projects, including the IAIPs and the Modjo Leather City, as well as value chain development and capacity-building initiatives for the Government of Ethiopia.

The African Development Bank (AfDB) has also expressed interest in supporting the development of new IAIPs, in particular its soft infrastructure components.

## PCP SENEGAL



### Government of Senegal allocates financial contribution to PCP Senegal

In June 2017, the Government of Senegal (GoS) transferred to UNIDO the first portion of its financial contribution to PCP Senegal amounting to around EUR 750,000. The Government signed an administrative arrangement with UNIDO committing

a total contribution of EUR 4.05 million over the period 2015-2018. This funding will support industrial policy development, feasibility studies for agro-poles and industrial parks, and the finalization of the reform on special economic zones.

### Diamniadio, the country's first integrated industrial park, expected to be fully operational by end of 2017

In August 2017, a Memorandum of Understanding was signed on the institutional, financial and technical arrangements to start the management of the 1st phase and the development of the 2nd phase of the Diamniadio industrial park. The agreement was signed between the three national institutions

in charge of the park's development and management (FONSIS, APROSI and APIX) and the Mauritius African Fund, a financial and technical partner in this regard. Around USD 50 million of mainly public financing has already been mobilized for the park's development and business sector operations are expected to begin by end of 2017.

### PCP implementation ahead

By end of 2017, UNIDO plans to conduct pre-feasibility studies for the planning and development of two additional integrated industrial parks. The terms of reference for the parks' feasibility studies have already been prepared by UNIDO and validated by the Government. UNIDO is also looking into possibilities of supporting the GoS with an already operational industrial park, the Sandiara industrial park, located in the central region of Senegal and in the process of installing around 30 enterprises. UNIDO's support would be in terms of sustainability of the park, such as incorporating renewable energy and energy efficiency technologies and practices.

The PCP has been incorporated in the policy paper of the Ministry of Industry and Mining for the period 2017 to 2023, the Lettre de Politique Sectorielle de Développement (LPSD).

Building on the LPSD, UNIDO is now supporting the GoS with the review of industrial policy documents to develop a long-term national industrial strategy and action plan.

The feasibility study for the establishment of the first agro-pole is also expected to commence by end of 2017, based on the Government's selection of the first agro-pole location. The AfDB has expressed interest in supporting feasibility studies for the establishment of agro-poles.

Other developments include the start of implementation of a joint UNIDO and International Fund for Agricultural Development project aimed at supporting the resilience of agricultural value chains, funded by the Global Environment Facility (GEF), and the official launch of the GEF Sustainable Cities Integrated Approach Pilot.

## PCP PERU GEARS UP FOR IMPLEMENTATION IN OCTOBER

Over the past few months, UNIDO has been working closely with the Ministry of Production and potential partners to develop a full-fledged programme for Peru, in view of starting implementation in October. Pedro Olaechea, the newly appointed Minister of Production, expressed his full commitment to working together with UNIDO and partners through the PCP. In June 2017, the National Advisory Board, the national coordination mechanism for PCP Peru, officially launched.

UNIDO, in collaboration with the Ministry of Production, the University Pacífico, and the non-governmental organization, Grupo GEA, hosted an international conference on sustainable industrial parks in Lima, on 25 May 2017. The event served as a platform to discuss barriers and opportunities for the development of sustainable industrial parks, a key component of PCP Peru. More than 150 representatives from the public, business and financial sector took part in the event.

### Next steps

Over the course of the second half of 2017, UNIDO will provide capacity-building support for the development of evidence-based industrial policies.

UNIDO is currently developing a project focused on compliance with international quality standards in the coffee and cocoa value chains in view of increasing the competitiveness of Peruvian exports. The latter is expected to receive EUR 2.5-3 million of funding from the Swiss State Secretariat for Economic Affairs (SECO). A project focused on women's

A UNIDO-led study of current manufacturing activities in Peru helped determine which manufacturing sectors should be prioritized in the development of new sustainable industrial parks. Based on these results, the Government formulated a roadmap for the development of a national strategy on sustainable industrial parks and zones. UNIDO will provide technical advice and capacity-building support to the Ministry of Production and other national counterparts to facilitate the development of this strategy.

Following an initial assessment of the Peruvian aquaculture sector, UNIDO conducted a study on potential business models for the production and processing of aquaculture products between March and May 2017. The study looked at the main opportunities and challenges within the sector, in particular related to the introduction of modern technologies, new fish species and improved culture protocols, in view of attracting investors and increasing the production capacity of existing farms.

economic empowerment through green industry will also be developed as part of the PCP.

The Government of Spain has allocated funding for a study on the mainstreaming of energy and environmental dimensions in Peru's national regulatory frameworks, as part of the PCP. To this end, UNIDO will conduct workshops to support policymakers in incorporating aspects such as sustainable industrial waste management, water and energy efficiency and the use of renewable energy, into their programmes and policies.



## SIXTH ISID FORUM TO TAKE PLACE DURING UNIDO GENERAL CONFERENCE

UNIDO will hold its Sixth ISID Forum on 27 November, at the occasion of the seventeenth session of the Organization's General Conference. The event will reflect on the experiences and lessons learned from the first three pilots and discuss the mainstreaming of the PCP approach from 2018. The Forum will

also serve to introduce three new PCP countries covering each remaining geographical region, thus completing the piloting phase. The Forum will also feature a panel discussion with key partners involved in the programmes in Ethiopia, Senegal and Peru.

## PARTNERSHIPS

### UNIDO AND THE WORLD BANK MOVE TO OPERATIONALIZE COUNTRY- AND PROJECT-LEVEL COOPERATION

Building on the two Standard Forms of Agreement signed between the WB and UNIDO in 2016, arrangements are now being developed with individual governments to support specific WB-financed projects, including within the PCPs.

UNIDO and the WB are also planning a number of joint events in the second half of 2017. In July, UNIDO, the WB, the International Telecommunication Union and representatives of Member States, discussed the role of digital connectivity and innovative financing for advancing Africa's industrialization, at a joint event on the sidelines of the World

Trade Organization's Global Review of Aid for Trade in Geneva, Switzerland. The event provided an opportunity to highlight the PCP model as an effective framework for bringing different partners and resources together to help countries achieve such transformations.

UNIDO will participate in the Annual Meetings of the International Monetary Fund and the World Bank Group, as well as related side events commemorating the 70th anniversary of the WB's status as a UN specialized agency, to be held in October 2017 in Washington, DC.

### UNIDO-GEF PARTNERSHIP CONTINUES TO EXPAND

In May 2017, the GEF Council approved a work programme of more than USD 240 million, including two UNIDO projects. With a GEF budget of USD 8.9 million, one of the projects will focus on industry-urban symbiosis and green chemistry in Thailand. The other, with a budget of USD 7.6 million, was developed in partnership with the Food and Agriculture Organization and targets integrated biodiversity management and value chain development in Colombia; the UNIDO portion of the budget being USD 1.9 million. To date, UNIDO projects approved under the GEF-6 funding cycle total over USD 180

million, or 7% of the total GEF-6 funds committed so far. While UNIDO continues to cultivate its GEF-6 project portfolio, the Organization is already looking towards the 2nd GEF-7 replenishment meeting, to be held in October 2017 in Addis Ababa, Ethiopia. This meeting will see donor countries and regional representatives negotiate the seventh replenishment of the GEF and its strategic direction for the years 2018-2022. The outcome of this meeting will allow UNIDO to begin working with its Member States and partners to define specific areas of cooperation within the GEF-7 strategic areas.

### HIGHLIGHTS OF UNIDO'S PARTNERSHIPS WITH THE BUSINESS SECTOR

UNIDO, Festo Didactic and EON Reality have partnered through a new project in Morocco. Called "H2O Maghreb", the project aims to promote sustainable water management in the Maghreb/MENA region. A training hub will be set up to

provide market-oriented training in wastewater treatment and water management through the use of aquatronics curricula and virtual reality applications. The new project is part of the Learning and Knowledge Development Facility, run by UNIDO.

### Mashrouzi Phase II to create more than 6,000 jobs for young people in Tunisia over the next five years

A joint initiative between UNIDO, the US Agency for International Development (USAID), the Italian Agency for Development Cooperation and the HP Foundation,

"Mashrouzi" ("My project" in Arabic) fosters employment opportunities for young people in Tunisia. Phase II officially launched in January 2017, with funding of nearly USD 14 million,

and aims to create more than 6,000 new jobs over the next five years. The Mashrouzi programme provides direct support to aspiring and existing entrepreneurs through training courses, business coaching and technical assistance. It also helps enhance the capacity of local business support and higher education institutions.

Over 2,300 entrepreneurs have already taken part in HP LIFE training between October 2016 (start of phase II reporting) and June 2017 and over 100 aspiring entrepreneurs are

receiving focused support and business coaching to facilitate their start-up business. Mashrouzi also provides technical assistance to existing enterprises to support them in their development.

In its first phase (2013-2016), Mashrouzi helped to create more than 1,250 jobs for youth, including over 160 start-up businesses. In its second phase, the project has expanded to a total of 14 interior regions of Tunisia.



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