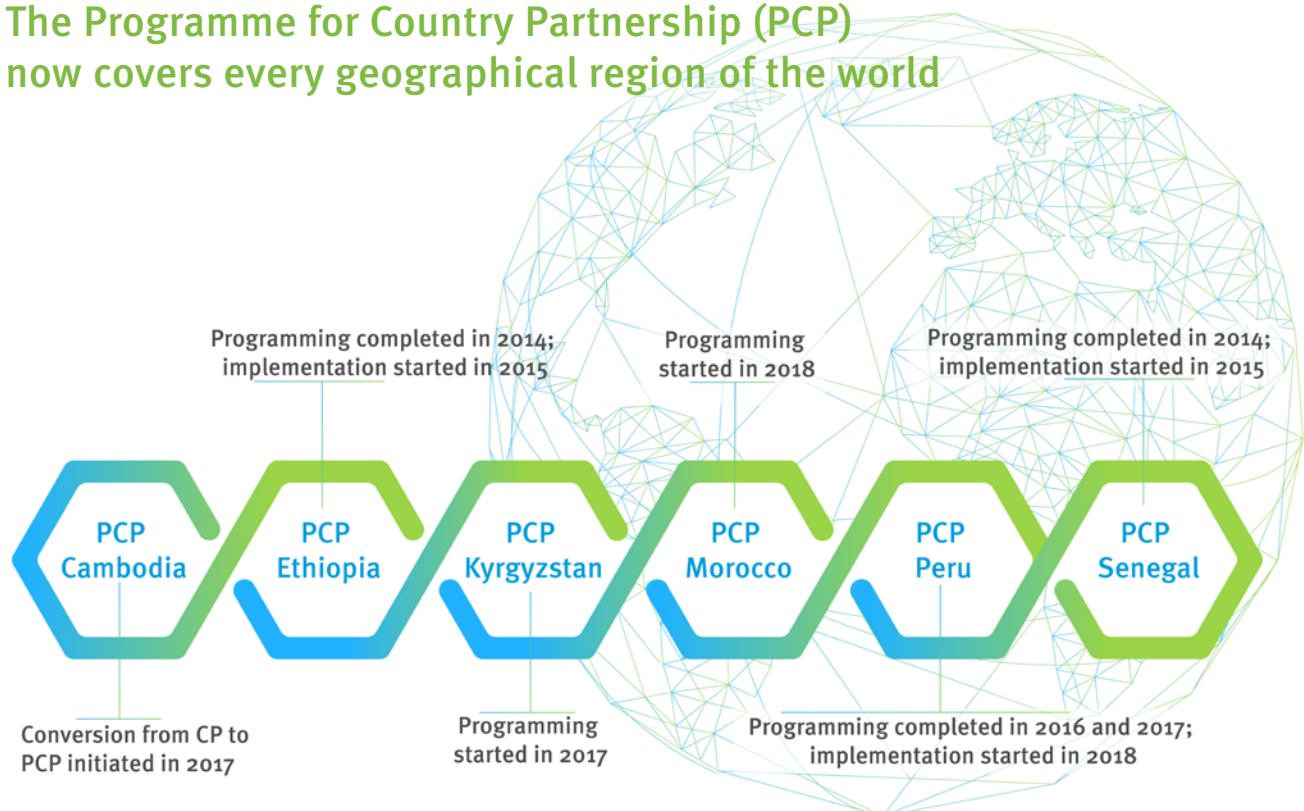


ISID NEWSLETTER: focus on the PCP

The Programme for Country Partnership (PCP) now covers every geographical region of the world



The initiation of the piloting phase is now completed, with a PCP ongoing in every geographical region of the world, namely in Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru and Senegal.

New UNIDO Policy on the PCP as a new programmatic service

23 February 2018 – a policy was promulgated to introduce the PCP as a new programmatic service for Member States, together with guidelines that outline institutional roles and responsibilities throughout the PCP cycle, including for monitoring and evaluation. Other steps have also been taken to facilitate a gradual PCP expansion and address recommendations of the 2017 independent mid-term evaluation. UNIDO introduced a standardized approach to the submission and review of official PCP requests, and has taken steps to enhance internal coordination and external communication with Member States and partners.

PCP briefing for Member States

8 June 2018 – the progress of the six PCPs as well as the work plan for the remainder of 2018 was discussed, and the Secretariat expressed its intention to expand the PCP to 2 to 3 additional countries in 2018, depending on PCP requests received and the availability of resources.

Highlights

PCP Cambodia takes shape: governance set-up and first interventions

- **Programmatic focus:** The PCP Cambodia builds on the Country Programme (CP) signed between the Government and UNIDO in 2016, and supports the implementation of the country's Industrial Development Policy (IDP 2015-2025) as well as the Government's goal of graduating to upper middle-income status by 2030. The PCP focuses on:
 - Sustainable tourism
 - Agro and creative industry value chains
 - Industrial diversification focusing on special economic zones (SEZs)
- **Governance structure established:** By approval of the Prime Minister and under the leadership of the Ministry of Economy and Finance and the Council for the Development of Cambodia (CDC), a working group to steer the PCP was established. The Council of Ministers further decided to appoint the line ministries' focal points for the IDP implementation as focal points for the PCP implementation.
- **Agro value chain component initiated:** At the request of the Fisheries Administration of the Ministry of Agriculture, Forestry and Fisheries and of the EU Delegation in Cambodia, UNIDO will participate in the formulation of a technical assistance programme for the development of fisheries (CAPFish-Capture), which is valued at approximately EUR87 million and which will directly support the Government's Strategic Planning Framework for Fisheries (2015-2024) and its planned overall investment of more than EUR120 million. The programme, which will start late 2018, is part of the agro value chain component of the PCP.
- **SEZ-related experiences shared:** To facilitate the exchange of best practices related to SEZs, the PCP Cambodia contributed to fruitful exchanges between high-level representatives from the City of Shenzhen, China, and a wide range of stakeholders, including from the Ministry of Industry and Handicraft, CDC and from the coastal province of Sihanoukville. In addition, the China Chamber of International

Commerce and the China Council for the Promotion of International Trade organized an investment exploration mission for over 40 Chinese company executives.



Photo: The Shenzhen Foundation for International Exchange and Cooperation shares its experience in the development of SEZs in Phnom Penh, Cambodia.

Cabinet reconfirms commitment to PCP Ethiopia; with major progress for integrated agro-industrial parks

- **New Ethiopian Cabinet committed to the PCP:** Ato Ambachew Mekonnen, Minister of Industry, and Ato Shiferaw Shigute, Minister of Agriculture and Livestock, reconfirmed the Government's strong commitment to the PCP when meeting with the UNIDO PCP team in June 2018 in Addis Ababa. UNIDO also met with several other new government representatives, including State Ministers, to discuss the way forward.
- **EU to further support job creation in the leather industry:** The European Union will help create many more employment opportunities, particularly for young people, through the development of the leather industry and the Modjo Leather City (MLC), with UNIDO implementing more than half of the EUR15 million project, which is an integral part of the PCP. In parallel, the European Investment Bank (EIB) is assessing the possibility of funding up to 50 per cent of the loan required for MLC construction.
- **Infrastructure well underway for integrated agro-industrial parks (IAIPs):** Four pilot IAIPs are being established within the framework of the PCP, with environmental and social impact assessments already completed. Infrastructure development is well underway, with 85 per cent of the vertical infrastructure completed (including administrative buildings, training

centres and commercial areas) and 30 per cent of the horizontal infrastructure finalized (such as internal roads, sewerage and water supply systems), as well as with the construction of industrial buildings and sheds progressing. To further support IAIPs, the Government

has requested UNIDO and the Food and Agriculture Organization (FAO) to prepare a comprehensive agricultural development programme for agricultural crop procurement zones surrounding the IAIPs.



Photos: Ongoing construction of the Yirgalem IAIP, SNNP region. Market center and administrative building (top), and administrative building (bottom).

PCP Kyrgyzstan contributes to long-term national industrial development strategy

- **Country diagnostic completed:** The following priority areas and related interventions were identified to compose the draft programme document, which is currently under final discussions with national counterparts:
 - Agro-processing value chains, with a focus on food and beverages
 - Textiles and apparel
 - Renewable energy, with a focus on hydropower
 - Strengthening linkages between tourism and productive industries

- **Formulation of long-term industrial strategy for Kyrgyzstan:** UNIDO Director General LI Yong met with a high-level delegation from Kyrgyzstan to discuss the Organization's technical and policy advisory support to the formulation of a long-term industrial strategy (until 2040), which will also feed into the finalization of the programme document for the PCP. Already, a national coordination body has been established under the stewardship of the Vice-Prime Minister.



Photo: DG LI Yong with Ekmat Baibakpaev, Member of the Parliament (left), and Ulanbek Ryskulov, Chairman of the State Committee of Industry, Energy and Subsoil of the Kyrgyz Republic (right).

PCP Morocco launches programming phase and country diagnostic

- **Programmatic focus:** The PCP Morocco will contribute to the country's overarching goal of moving from lower to upper middle-income status within a decade; increasing manufacturing's share of gross domestic product from 14 to 23 per cent; and creating an additional 500,000 new jobs by 2020.

A preliminary analysis has identified the following potential focus areas:

- Agribusiness
 - E-commerce and industry 4.0
 - Circular economy and waste management
 - Industrial zones
 - South-South cooperation
- **Launch of the country diagnostic:** A first programming mission launched the country diagnostic, and also allowed to discuss possible synergies and collaboration opportunities with the African Development Bank and the Islamic Development Bank. Concurrently, the Ministry of Industry, Investment, Trade and Digital Economy pledged to provide financial and in-kind contributions for the PCP programming and implementation phases. The draft diagnostic is expected to be ready by July 2018 and will serve as basis for programme development and the final selection of priority PCP sectors and areas.



Photo: UNIDO project on resource efficient production in Morocco.

National Industrial Parks Strategy to be an integral part of PCP Peru

- **Development of National Industrial Parks Strategy:** UNIDO will support the Ministry of Production in developing a National Industrial Parks Strategy, which will build on the results of a recent UNIDO assessment that identified several potential instruments for the strategy, including public-private industrial parks, modern special economic zones, logistic zones and tools for small and medium-sized enterprises (SMEs).
- **Quality and innovation with the National Quality Institute (INACAL):** A joint UNIDO-INACAL project will help SMEs comply with international standards for coffee and cocoa; the US\$2.5 million project will focus on quality and innovation, it is also part of the broader Global Quality and Standards Programme funded by the Swiss Cooperation, of which Peru is the first implementing country.
- **GEF project for sustainable industrial zones:** the Global Environment Facility (GEF) approved a US\$4.1 million project to enhance institutional capacity for the planning and management of sustainable industrial parks and zones, with an initial focus on the industrial zone of Callao.
- **OECD membership for Peru:** Other upcoming activities include working towards a tripartite agreement between UNIDO, the Ministry of Production and the Organisation for Economic Cooperation and Development (OECD) to support Peru's overall goal of acquiring membership to the OECD.



Photo: UNIDO and INACAL sign project document on quality and compliance in the coffee and cocoa sectors.

PCP Senegal accelerates establishment of three agro-poles

- **Simultaneous feasibility studies to be conducted for all three agro-poles:** Regional task forces are being set up for each agro-pole and preparatory activities for the three feasibility studies are underway – with the support of the African Development Bank and of the World Bank, both active members of the National Working Group for agro-poles, which will expand its membership to include more development partners such as the International Fund for Agricultural Development, the Islamic Development Bank, and the West African Development Bank as well as Canada, the European Union, France, Japan, the Republic of Korea, Spain, and the United States.
- **Senegal's development partners discuss progress in the implementation of national reform on special economic zones:** UNIDO and the Ministry of Investment Promotion, Partnerships and Development of State Teleservices met with the subgroup of the G50 (the main coordination body of technical and financial partners in the country) on business climate improvement to present progress achieved in the implementation of the national reform on SEZs and the related investor package. The reform is an essential component of the national development strategy, the Plan Senegal Emergent, and was adopted in January 2017 with UNIDO's technical support. UNIDO is currently supporting the operationalization of the SEZ governance framework, and provides capacity-building support to the SEZ

public-private joint committee and to the SEZ administrator. Already, two industrial parks – Diamniadio and Sandiara – have received SEZ status.



Photo: Lisa Franchett, USAID Director in Senegal and Chair of the thematic group (left) with Khoudia Mbaye, Minister of Investment Promotion, Partnerships and Development of State Teleservices (middle) and Victor Djemba, UNIDO Representative in Senegal (right).

- **Senegalese students benefit from specialized training in Morocco:** The first ten Senegalese graduates from Morocco’s Training Academy for Heavy Duty Equipment and Commercial Vehicles (AGEVEC) were awarded certificates at a ceremony held in Dakar, with fifteen more Senegalese students currently being trained. In addition, the selection process for the 2018-2019 in-takes will begin shortly. AGEVEC is a public-private development partnership initiated by the United States Agency for International Development (USAID), the Volvo Group, the OCP Foundation, the Moroccan Ministry of National Education and Vocational Training, OFPPT and UNIDO, which has established a hands-on training programme in heavy machinery and commercial vehicle maintenance to meet the current needs of the industrial sector. In Senegal, its activities are being implemented within the PCP framework.



Photo: Senegalese students join the training programme at AGEVEC in Settat, Morocco.

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