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NEWSLETTER:

PCP focus

New Programmes for Country Partnership (PCPs) in Côte d'Ivoire, Egypt, Rwanda and Zambia

New PCPs are being developed to support the industrialization goals of Côte d'Ivoire, Egypt, Rwanda and Zambia. UNIDO is engaged in consultations with the respective governments and development partners to initiate the formulation of the new programmes. This follows the UNIDO Executive Board's approval, in November 2018, of the four new PCP countries.

Director General LI Yong met with President Abdel Fattah El-Sisi and other key stakeholders during an official visit to Egypt, at which occasion the government reaffirmed its full commitment to this new phase of collaboration with UNIDO.



DG Li meets with President Abdel Fattah El-Sisi of Egypt to discuss the PCP

Similarly, in Côte d'Ivoire, President Alassane Ouattara and DG Li discussed the next steps for the realization of the PCP. The national

private sector is already on board to support the programming and implementation of PCP Côte d'Ivoire; partnership agreements were signed between UNIDO, the Chamber of Industry and Commerce and two industry associations on 28 March 2019 in Abidjan.



DG Li with President of Côte d'Ivoire, Alassane Ouattara

UNIDO is also engaged in consultations with various levels of government in Rwanda and Zambia. Respective PCP Programme Managers have been appointed and preparatory work has been initiated to launch the programming phase.

The Secretariat will hold a briefing for UNIDO Member States on 26 June 2019 to present progress of the new and ongoing PCPs.

Highlights

PCP contributes to update of trade integration strategy; preliminary study on masterplan development for Cambodia's coastal province

PCP helps update the Cambodia trade integration strategy (CTIS): UNIDO's policy advice and technical expertise supported the government in designing the next phase of the CTIS covering the period 2019 to 2023, with a particular focus on quality infrastructure, e-commerce, light manufacturing and skills. This will further support the implementation of other socio-economic policy frameworks, including the new phase of the Rectangular Strategy and the National Strategic Development Plan for 2019-2023.

Initial study on masterplan to establish a special economic zone (SEZ) in Sihanoukville: A team of experts from the Urban Planning and Design Institute from the City of Shenzhen visited Sihanoukville province to conduct a preliminary study on masterplan development and inform future PCP interventions in this area. The results of the study suggest a timeframe of 10 to 12 months to complete the masterplan and an estimated cost of \$4.8 million. Building on the findings, the government and UNIDO are working together to mobilize the resources needed to fund the masterplan. Transforming Sihanoukville into a model multi-purpose SEZ is one of the priorities of the government's Industrial Development Policy 2015-2025.



Shenzhen's experts conduct study in Sihanoukville

PCP promotes investment opportunities in Cambodia: A Chinese business delegation led by the Council for Promotion of International Trade (CCPIT) visited Cambodia to look into investment opportunities in waste management. The visit was organized by the Ministry of Industry and Handicraft, the Council for the Development of

Cambodia, and UNIDO, and is a follow-up to the first CCPIT exploration mission of December 2018, which focused on investment opportunities in light manufacturing, agriculture and food processing.



CCPIT explores investment opportunities in Cambodia

PCP Ethiopia leverages significant resources to up-scale technical cooperation results

Investments towards PCP initiatives are estimated at \$800 million: In addition to UNIDO's PCP technical cooperation portfolio of around \$46 million, over \$790 million has been earmarked so far towards PCP Ethiopia initiatives through parallel funding. This includes funding and investment from the Government of Ethiopia, the African Development Bank, the European Union, the European Investment Bank, Italy and other development partners, primarily geared towards prioritized large-scale industrial projects such as the development of integrated agro-industrial parks (IAIPs) and the Modjo Leather City. Out of this, the Government of Ethiopia allocated around \$500 million for IAIP infrastructure. Led by Ethiopia's Ministry of Finance and Economic Cooperation, the PCP resource mobilization and partnership management task force is negotiating an additional investment of \$100 million from the Korean EximBank and finalizing discussions on a \$100 million loan from the Government of Poland to support infrastructure related to the parks. Discussions for additional resources from financial institutions and other partners are ongoing.

Public-private partnerships support job creation in PCP textile component: Over 90% of graduates from a training programme focused on skills for the textile and garment industry are now employed at the Mekelle Industrial Park, a few months after graduation. Starting mid-2019, at

least 200 people per month are expected to benefit from such tailored trainings delivered by UNIDO and partners. The curriculum was designed together with private sector companies, including DBL, H&M and Velocity, and the Ethiopian Textile Industry Development Institute, as part of a PCP project focused on creating job opportunities for young people in migration-prone areas.

Increasing the competitiveness of Ethiopia's leather industry through a cluster approach:

Five footwear and leather goods clusters in the Addis Ababa region have been supported through the PCP so far. Among these, the Ethio-International Footwear Cluster Cooperative Society Ltd. (EIFCCOS), composed of 173 footwear manufacturing small- and medium-sized enterprises (SMEs) and 56 raw material suppliers, installed a common footwear production line expected to increase production and sales six fold within three years. UNIDO will continue playing a key role in assessing the clusters' performance and supporting member SMEs to further develop their business, together with the national Leather Industry Development Institute.



Common footwear production line machinery arrives at EIFCCOS premises, Ethiopia



Training of Trainers at the Mekelle Garment College, Ethiopia



Osh, Kyrgyzstan

New Action Plan for Kyrgyz Industrial Development Strategy; PCP Kyrgyzstan Programme Document in final stages

PCP supports the government in developing an Action Plan to operationalize the Kyrgyz Industrial Development Strategy: The Action Plan focuses on seven strategic priority areas identified by the Kyrgyz Government and outlines a set of objectives, actions and expected outputs for the comprehensive implementation of the national Industrial Development Strategy for 2019-2024. Both documents were developed with UNIDO's support within the framework of the PCP. The Action Plan complements the Strategy, which is currently under final government review. The PCP team is now working with national stakeholders to finalize the PCP Programme Document.

Ongoing activities contribute to PCP component on linking tourism to productive industries: A series of workshops were organized by UNIDO in the region of Issyk-Kul to increase knowledge of environmentally-sustainable practices in tourist establishments and marketing tools to raise public awareness, with the goal of attracting more tourism. Over 170 participants attended the workshops, including government officials,

representatives from different accommodation establishments and regional tour operators. The workshops were conducted as part of a UNIDO project funded by the Russian Federation.



Workshop aims to boost tourism industry in Kyrgyzstan

PCP Morocco concludes programming and gears up for implementation

Government of Morocco and UNIDO sign the PCP Programme Document: DG Li and Morocco's Minister of Industry, Investment, Trade and Digital Economy, Moulay Hafid Elalamy, signed the finalized PCP Morocco Programme Document during an official ceremony held in Rabat on 26 March. This marks the completion of the programming phase and paves the way for starting implementation of technical components.



UNIDO and the Government of Morocco sign the PCP Programme Document

Six priority industrial areas in line with the government's Industrial Acceleration Plan 2014-2020: Industrial zones, agro-industry, energy efficiency, circular economy, industry 4.0, and e-commerce form the bedrock of the final PCP Morocco Programme Document. These will be supported by cross-cutting interventions in South-South and triangular industrial cooperation, partnerships, gender mainstreaming, and statistics.

Collaboration with financial institutions and the business sector already initiated as part of PCP Morocco: Several meetings have taken place to identify partnership opportunities. The African Development Bank has expressed interest in collaborating on industrial zones, South-South cooperation, energy and gender mainstreaming. The Islamic Development Bank has shown interest in partnering with the Government of Morocco and UNIDO on energy, South-South cooperation and statistics, and has already approved its sponsorship of the Morocco Investment Forum, expected to be organized later in 2019 as part of the PCP. Discussions were also initiated with the European Investment Bank and the European Bank for Reconstruction and Development, as well as the international private sector, in particular AB Volvo, ABB Ltd., Apple Inc. and HP Inc.

PCP Peru works towards strategic implementation at the government level and focuses on sustainable industrial parks

Government reconfirms high-level commitment to PCP Peru: The new Vice-President of Peru, Mercedes Aráoz, reconfirmed the Government's strong commitment to the PCP when meeting with

the UNIDO PCP team in March 2019 in Lima. The meetings served as an opportunity to present PCP Peru's achievements to date and discuss future collaboration, in particular in relation to the new National Policy on Competitiveness and Productivity, published on 31 December 2018 by the Ministry of Economy and Finance.



Left to right: PCP National Coordinator, César Llona; Vice-President of Peru, Mercedes Aráoz; and UNIDO's Programme Manager for PCP Peru, Petra Schwager

PCP Peru promotes the importance of eco-industrial parks for sustainable development:

International and national experiences on strategies for eco-industrial parks and their importance for industrialization were discussed at a high-level seminar organized by PCP Peru on 7 March 2019 in Lima. The seminar, which took place at the headquarters of the National Society of Industries (SNI), was attended by representatives of the public and private sector and academia. Javier Dávila Quevedo, Peru's Vice-Minister of Industry and Small and Medium Enterprises at the Ministry of Production, opened the seminar by underlining the importance of industrial parks for the implementation of the new Policy on Competitiveness and Productivity.

Preparations are underway for Peru's first international industrial park conference 11-12 June in Lima:

Different aspects of industrial park development and management will be discussed, including government policies, financing tools, private sector initiatives, eco-industrial parks, social inclusion, circular economy business practices, and industry 4.0 applications. The conference, titled "Industrial Parks for Inclusive and Sustainable Industrial Development", is jointly organized by UNIDO, the Ministry of Production and Peru's National Association of Industries (SNI), within the framework of the PCP. 300 international and national participants are expected to attend.

Industrialization features high on Senegal's development agenda for 2019 to 2023; agro-poles attract investment from development partners

The PCP is integrated in the second phase of the Plan Sénégal Emergent (PSE) and its Priority Action Plan for 2019-2023: The new Action Plan recognizes "Inclusive and Sustainable Industrialization" as a strategic priority and recommends the strengthening of partnerships with UNIDO through the development of competitive, diversified and green industries. The government has allocated over US\$ 6.2 million to the PCP over this next period, while development partners earmarked US\$ 14 billion to support the implementation of Senegal's new PSE Priority Action Plan, at the occasion of the high-level meeting of the Consultative Group in December 2018.

Government and development partners earmark around \$200 million for the establishment of three agro-poles as part of PCP Senegal: Modernizing Senegal's agricultural sector through the setting up of integrated agro-poles is a major objective of the government due to its potential for increasing jobs and export revenues. The Government of Senegal is funding the feasibility study for the establishment of an agro-pole in the South; it was already launched in December 2018 and is being conducted by UNIDO. The African Development Bank has earmarked financing for the feasibility study of the northern agro-pole, while Belgium's Development Agency (Enabel) has earmarked financing for the Centre agro-pole in its recently approved cooperation programme with Senegal. The studies will be conducted by UNIDO; the related financing agreements are expected to be finalized in 2019.



Supporting the development of agricultural value chains in Senegal

Nearly 30,000 new jobs expected by 2021 through industrial park operations: Three industrial parks, Diamniadio, Sandiara and Diass, are supported through the PCP. Diamniadio commenced operations in 2018, creating an initial 1,000 new jobs with 4,000 more expected by the end of 2019. An additional 17,000 jobs will be created through the expansion of Diamniadio, the financing of which is under discussion with the China EximBank. The Sandiara industrial park is also operating already and foresees 5,000 new jobs as more companies move in. A third industrial park is under development in the area of Diass and is expected to create 2,000 jobs in 2019-2020.

UNIDO expands collaboration with environmental partners

UNIDO is already engaged with the Global Environment Facility (GEF) in PCP Cambodia, PCP Senegal and PCP Peru, and will look to further expand collaboration with the GEF in more PCP countries going forward. The Organization also recently formalized its partnership with the Green Climate Fund (GCF). The two entities signed a Readiness Framework Agreement in December 2018 to enable developing countries to partner with UNIDO on activities enhancing their access to the Fund.



DG Li with GCF Executive Director ad interim, Javier Manzanares, and Coordinator of Support Programme in the Division of Country Programming, Lifeng LI

UNIDO, now a GCF Readiness delivery partner, is engaging with national stakeholders to develop projects in a number of sustainable energy and climate change areas. The first such project under this new agreement has already received funding and focuses on the Bahamas. UNIDO is now developing a pipeline of projects, including in one of the PCP countries, Senegal, but also in Chile, South Africa, Tanzania, Thailand and Zimbabwe, with projects for Nigeria and Georgia already submitted to the GCF Secretariat for approval.

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