PROGRAMME FOR COUNTRY PARTNERSHIP
ACCELERATING INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT
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Programme for Country Partnership

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The universal, comprehensive and transformative goals that the global community set in the 2030 Agenda for Sustainable Development cannot be attained in isolation, or by a single organization or country alone. Achieving the 2030 Agenda requires the pooling of resources and expertise from various actors. With this recognition, the United Nations Industrial Development Organization (UNIDO) developed a programmatic service to support countries in advancing inclusive and sustainable industrial development: the Programme for Country Partnership (PCP).

The PCP is a multi-stakeholder partnership at the country-level, which links efforts of the respective government, United Nations agencies, the business sector, global environmental financing mechanisms and financial institutions. Each PCP is tailored to the specific country needs, and mobilizes different partners and resources to maximize development impact. By focusing on sectors with high growth potential, the PCP helps countries achieve their industrialization goals, while being aligned with the national development agenda.

Through the PCP, UNIDO provides advisory services to the government on industry-related issues, designs a programme composed of complementary interventions to accelerate inclusive and sustainable industrial development in the country, and delivers multidisciplinary technical assistance. UNIDO also facilitates the convening of partners and the overall coordination of the programme.

UNIDO’s PCP provides an innovative model for advancing not only Sustainable Development Goal (SDG) 9—“Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”, but also other SDGs. As the PCP builds synergies with partner interventions, it contributes, for example, also to the achievement of SDG 17, which calls on the global community to revitalize the global partnership for sustainable development. Partnerships with financial institutions and the business sector allow UNIDO to augment the impact of its operations by leveraging the funding and investments needed for large-scale industrial projects.

The PCP was first introduced in 2014. The piloting phase comprised Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru, and Senegal, thus covering each geographical region of the globe. In 2019, UNIDO initiated the formulation of new PCPs for Côte d’Ivoire, Egypt, Rwanda, and Zambia.

This brochure provides an introduction to UNIDO’s PCP portfolio. Part I introduces the PCP and its key features. Part II presents a snapshot of the ongoing portfolio, highlighting the priorities of each PCP country.

Going forward, UNIDO will gradually expand the PCP to additional countries and will continue working with partners to achieve an inclusive and sustainable future for all. I am convinced that only by working together through partnerships can we attain the SDGs.

LI Yong
Director General
ABOUT UNIDO

The mission of the United Nations Industrial Development Organization (UNIDO), as described in the Lima Declaration adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in Member States.

ISID addresses all three dimensions of sustainable development: social equity, economic growth, and environmental protection. UNIDO meets the industrial development needs of its Member States through a variety of programmes, projects and services that promote social inclusion, economic competitiveness and environmental sustainability, as well as cross-cutting activities in the fields of industrial statistics, research and policy, and the promotion of knowledge networks and institutional partnerships.

UNIDO delivers its mandate through four interlinked core functions: (i) technical cooperation; (ii) analytical and research functions, and policy advisory services; (iii) normative functions and standards and quality-related activities; and (iv) convening and partnerships for knowledge transfer, networking and industrial cooperation.

Inclusive and sustainable industrial development is guided by four overarching principles.

1. No one is left behind in benefiting from industrial growth, and prosperity is shared among all parts of society in all countries as industry creates the wealth needed to address critical social and humanitarian needs.

2. Every country is able to achieve a higher level of industrialization in their economies, and benefits from the globalization of markets for industrial goods and services.

3. Broader economic and social progress is supported within an environmentally sustainable framework.

4. The unique knowledge and resources of all relevant development actors are combined to maximize the development impact of ISID.
UNIDO’s mission is echoed in the 2030 Agenda for Sustainable Development, which recognizes inclusive and sustainable industrialization as a major driver of sustainable development, particularly through Sustainable Development Goal (SDG) 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”. 

SDG 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” is especially relevant to UNIDO’s work. 

In addition to Goal 9, UNIDO’s mandate aligns with many other SDGs, including those related to poverty eradication (SDG 1), gender equality (SDG 5), access to clean and affordable energy (SDG 7), and job creation (SDG 8), among others. 

Through the 2030 Agenda, the international community also highlighted the necessity of working in partnerships to mobilize the knowledge, expertise, technology, and financial resources to fulfil the SDGs. Goal 17 is dedicated to that exact purpose, calling on the international community to “Strengthen the means of implementation and revitalize the global partnership for sustainable development”. 

Partnerships are not only key to successfully tackling the global development challenges that lie ahead, but also essential to UNIDO’s mandate of promoting and accelerating ISID. Achieving ISID requires a broader range of resources than any individual entity can provide. 

The PCP is UNIDO’s newest programme to support countries in accelerating inclusive and sustainable industrial development. It is founded on a multi-stakeholder partnership to ensure synergies between different interventions and maximize impact. 

Each programme is tailored to country needs, aligned with the national development agenda and owned by the host government. The PCP focuses on priority industrial sectors and areas essential to the national development agenda. PCP interventions aim to unlock public and private investment for the realization of large-scale industrial projects. 

The overall objective of the PCP is to accelerate ISID in UNIDO Member States by facilitating the mobilization of partners, expertise and resources.
The Programme for Country Partnership (PCP) is founded on a multi-stakeholder partnership from programme design to implementation. It links the efforts of the respective national government, United Nations entities, development partners, financial institutions, the business sector, academia and civil society.

The PCP is characterized by strong government ownership at the highest political level. This entails guidance and leadership of the programme, the setting up of an inter-ministerial national coordination body, and a leading role in partner and resource mobilization.

The PCP facilitates the mobilization and coordination of three streams of financial resources − development assistance, public finance and business sector investment − under the leadership of the host government. Interventions aim to unlock funding towards large-scale industrial projects and prioritized industrial sectors.

The PCP focuses on a select number of priority sectors and areas essential to the national industrial development agenda. These are typically selected based on their potential for job creation, availability of raw materials, export potential and ability to attract investment. A country diagnostic is conducted by UNIDO as part of the initial development of the programme to help identify targeted industrial sectors/areas.

Each programme is tailored to specific country needs and aligned with the national development strategy, while maintaining several key features.

**Key Features**

- **National Ownership**
- **Multi-stakeholder Partnership**
- **Priority Industrial Sectors and Areas**
- **Facilitation of Public and Private Investment**

The PCP is characterized by strong government ownership at the highest political level. This entails guidance and leadership of the programme, the setting up of an inter-ministerial national coordination body, and a leading role in partner and resource mobilization.
The PCP was first introduced in 2014. The piloting phase of the programme comprised Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru and Senegal, thus covering each geographical region of the globe. In 2019, UNIDO initiated the formulation of new PCPs for Côte d'Ivoire, Egypt, Rwanda and Zambia. Going forward, the programme will gradually expand to additional countries.

The PCP portfolio consists of ten countries across different regions of the globe. Each PCP is at a different stage of development.
ETHIOPIA

The PCP for Ethiopia is rooted in the country's national development strategy for the period 2015 to 2020, the Growth and Transformation Plan II (GTP II). The GTP II aims to bring about the structural transformation of the Ethiopian economy from one based on agriculture to one driven primarily by industries. The overall objective of the GTP II is for Ethiopia to become a middle-income country by 2025.

Main development partners
- Financial institutions: African Development Bank, European Investment Bank, World Bank
- Bilateral/multilateral partners: Austrian Development Agency, China, European Union, Japan, OPEC Fund for International Development, Russian Federation, Swiss International Development Cooperation Agency
- UN entities: Food and Agriculture Organization, United Nations Development Programme, United Nations Conference on Trade and Development
- Business sector: Illycaffè, Volvo, Calzedonia, Velocity, DBL and H&M

The PCP Ethiopia was instrumental in the development of the master plans, feasibility studies, engineering designs, and environmental and social impact assessment studies for the establishment of the four pilot parks, a process spanning several years. The construction of the four IAIPs and accompanying RTCs is expected to be completed in 2020.

The development of IAIPs is aligned with several major ongoing agro-related programmes in the country, namely the Ethiopia Agricultural Growth Program, the Agricultural Commercialization Clusters Initiative and the National Livestock Master Plan. In addition, the Food and Agriculture Organization, the European Union and UNIDO have developed a comprehensive US$ 315 million investment plan to support the Government in mobilizing resources to upgrade the agricultural and livestock production and supply systems in the agro-industrial corridors where the four IAIPs are being established. Based on this assessment, the PCP’s Resource Mobilization and Partnership Management Taskforce, led by Ethiopia’s Ministry of Finance and Economic Cooperation, will coordinate fundraising efforts.
The Modjo Leather City (MLC) is a US$ 100 million mega project aimed at developing an eco-friendly leather district on the basis of an existing concentration of tanneries in the town of Modjo. The MLC will feature modern facilities, one-stop-shop services, and a common effluent treatment plant. The MLC will boost economic, trade and service activities in the area, creating additional job opportunities. UNIDO, in collaboration with the Addis Ababa University and the Leather Industry Development Institute, developed the project proposal and conducted the feasibility study. The project is now entering its implementation phase, with an initial programme of €15 million funded by the European Union to develop the leather value chain and the eco-system around the City of Modjo. The European Investment Bank has pledged US$ 50 million as a loan to cover half of the investment needed to build the City. The PCP’s Resource Mobilization and Partnership Management Task Force, led by Ethiopia’s Ministry of Finance and Economic Cooperation, is working with development partners to mobilize the remaining funds required for the establishment of the MLC.
National Goals
- An annual GDP growth rate of 7-8%.
- Increasing industry’s contribution to GDP from 12 to 25% by 2035.
- Increasing manufacturing contribution to GDP from 9 to 20% by 2035.

Flagship Initiatives
- The establishment of a new generation of industrial parks.
- The establishment of three agro-poles: North, South, and Centre regions of Senegal.

Status
Implementation started in 2015.

Focus
Industrial policy development
Agro-poles
Integrated industrial platforms
Regional mining hub
Special economic zones and incentive package reforms

Main Development Partners
- Financial institutions: African Development Bank, European Investment Bank, Islamic Development Bank, World Bank
- Bilateral/multilateral partners: AFD (France), BMZ (Germany), China, ERDF (Belgium), European Union, Global Environment Facility, JICA (Japan), Luxembourg
- Business sector: Chamber of European Investors in Senegal (CIES), National Confederation of Senegalese Workers (CNES), Union of Industrial Providers and Traders of Senegal (UPIC)

SENEGAL

PCP Senegal is being implemented within the framework of the Plan Sénégal Emergent (PSE), the country’s national development strategy. The overall objective of the PSE is to transform Senegal into an emerging country by 2035 with social solidarity and a state of law. PCP Senegal is supporting the implementation of the industrial component of the PSE, with a focus on selected priority industrial projects aimed at speeding up the structural transformation of the economy.

Three industrial parks, Diamniadio, Sandiara, and Diass, are supported through the PCP. The PCP has been instrumental in the operationalization of the first phase of Diamniadio, Senegal’s first integrated industrial park. UNIDO’s technical support and advisory services included the development of a master plan for the park, a business model and an incentive package, and the finalization of legal, regulatory and institutional aspects related to the management and administration of the park.

The Government of Senegal has invested over US$ 40 million in the establishment of this park; the private sector has invested more than US$ 60 million. Diamniadio commenced operations in 2018 with several national and international companies installed. The park has created an initial 1,100 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 (second phase), the financing of which is under discussion with the China EximBank.

The Sandiara industrial park is also operational 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 the course of 2019-2020.

In total, nearly 30,000 new jobs are expected by 2021 through industrial park operations.

A new reform on special economic zones (SEZs) and the related investment package was adopted by the Government of Senegal in January 2017, based on technical support provided by UNIDO. Three industrial parks – Diamniadio, Sandiara and Diass – have been granted SEZ status. The development of two additional parks is under negotiation between the Government and private sector promoters-developers of industrial parks.

SENEGAL

PCP Senegal - Focus

Implementation Phase

A new generation of industrial parks

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The PCP is supporting the Government of Senegal in establishing three agro-poles for high potential value chains in selected regions of Senegal (North, Centre and South). On the basis of pre-feasibility studies conducted by UNIDO, the Government has mobilized development partners to support this initiative.

The agro-poles will serve as geographical clusters of infrastructure and support services for small and medium-sized enterprises operating in the agro-industrial sector.

The Government of Senegal is funding the feasibility study for the establishment of an agro-pole in the South, which was 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. Other bilateral, multilateral and private sector partners have expressed interest in further supporting this initiative through their respective programmes. The studies will be conducted by UNIDO; the related financing agreements are expected to be finalized in 2019-2020. A national working group and regional tasks forces have already been established.

The Government and development partners have earmarked around $200 million for the establishment of three agro-poles as part of PCP Senegal.
As part of the Strategy’s development, UNIDO, the Ministry of Production and the National Association of Industries (SNI), organized Peru’s first international conference on “Industrial Parks for Inclusive and Sustainable Industrial Development” in June 2019 in Lima. The event served to share international experiences and know-how on different aspects of industrial parks, including government policies, financial tools, private sector initiatives, eco-industrial parks, circular economy business practices, and applications of Industry 4.0. The Strategy is integrated in Peru’s new national development programme for 2019-2030, Política y Plan Nacional de Competitividad y Productividad.

A NATIONAL STRATEGY FOR THE DEVELOPMENT OF INDUSTRIAL PARKS

Developing sustainable industrial parks, in close alignment with the private sector, to boost productivity, competitiveness, and job creation is one of the priority areas of the PCP Peru. In order to provide the enabling framework for the establishment of such parks, UNIDO delivered policy advice and technical support to the Peruvian Ministry of Production (PRODUCES) in the formulation of a National Strategy for the Development of Industrial Parks. In the course of 2018, UNIDO conducted an in-depth sector and regional analysis, the results of which helped to define a road map for the Strategy. The outlines of this road map were presented to key public and private sector stakeholders, including representatives of the World Bank and the Inter-American Development Bank, in view of mobilizing support for the Strategy’s implementation.

PCP Peru seeks to facilitate the mobilization of partners, expertise and resources to help advance modern, competitive and inclusive industry in Peru, in line with the national development strategy, the Plan 2021, and the National Policy and Plan on Competitiveness and Productivity 2019-2020.

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The PCP supports the implementation of the national Industrial Acceleration Plan 2014-2020, which aims to make industry a major lever of economic growth.

**Main Development Partners**
- Bilateral/Multilateral partners: China, European Union, Global Environment Facility, Japan, Italy
- UN entities: Food and Agriculture Organization, UN Women
- Business sector: General Confederation of Enterprises in Morocco; Federation of Information Technologies, Telecommunications and Offshoring; National Federation of Agribusiness

**Focus**
- Industrial zones
- Agribusiness
- Energy
- Circular economy
- Industry 4.0
- E-commerce

**Flagship Initiatives**
- Upgrading of industrial zones to increase investments and job creation
- Improving the competitiveness of small and medium-sized enterprises in selected agro-industrial value chains
- Supporting the implementation of Energy Management Systems (ISO 50001)
- Accelerating green growth through energy recovery and industrial waste recovery
- Skills and curricula development in topics related to Industry 4.0
- Supporting women-led micro, small and medium enterprises

**National Goals**
- Increasing industry’s contribution to GDP from 14% to 23%
- Creating 500,000 new jobs

**Status**
- Implementation to commence in 2019

**Policy Framework**
- Plan d’Accélération Industrielle (Industrial Acceleration Plan)

**Focus**
- Industrial zones
- Agribusiness
- Energy
- Circular economy
- Industry 4.0
- E-commerce

**Implementation Phase**
- PCP Morocco - Focus

**Industries Zones as Vehicles for Attracting Investments and Creating Jobs**

The Government of Morocco has prioritized industrial zones as vehicles for accelerating industrialization. Morocco has over 100 industrial zones across the country, totalling a surface area of approximately 9,000 hectares and catering to a variety of industrial sub-sectors, but a high percentage of these zones still remain underutilized.

The PCP will support the Government in upgrading existing industrial zones and developing new ones in order to increase investments and create additional jobs. This will be achieved through interventions aimed at upgrading infrastructure, optimizing management and operations, and promoting investment opportunities. Technical assistance will also support the adoption of environmentally sound technologies and energy efficient processes to ensure the sustainability of the industrial zones.
CAMBODIA

STATUS
Programming ongoing since 2017

POLICY FRAMEWORK
Industrial Development Policy (2015-2025)

FOCUS
Sustainable tourism
Agro-industry and creative industry value chains
Industrial diversification, in particular through special economic zones (SEZs)

MAIN DEVELOPMENT PARTNERS
Bilateral/multilateral partners: China, European Union, Global Environment Facility, Republic of Korea
Business sector: Worldbridge Group

FLAGSHIP INITIATIVE
Developing a multi-purpose SEZ in the coastal province of Sihanoukville

NATIONAL GOALS
Sustaining an average economic growth rate of over 7%.
Attaining upper-middle-income status by 2030.
Increasing industry’s share of GDP from 24% to 30%.
Increasing non-visible exports to 4%.
Increasing exports of processed agricultural products to 12%.

The PCP supports the implementation of the country’s Industrial Development Policy (2015-2025) and overall goal of achieving upper middle-income status by 2030. PCP Cambodia will support a skills-driven and export-oriented economy.

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KYRGYZSTAN

The PCP will support the country in implementing the National Strategy for Industrial Development (2019-2023). PCP Kyrgyzstan aims to drive inclusive and sustainable economic growth with a focus on Kyrgyzstan’s competitive industries.

POLICY FRAMEWORK
National Development Strategy for 2018-2040
Strategy for Industrial Development of the Kyrgyz Republic 2019-2023 (in final approval process)

MAIN DEVELOPMENT PARTNERS
Bilateral/multilateral partners: Russian Federation, European Union, Switzerland

FOCUS
Energy
Agrarian processing (focus on food and beverages)
Construction materials
Textiles and apparel
Linkages between tourism and productive industries

FLAGSHIP INITIATIVES
Country diagnostic conducted to identify the main opportunities and bottlenecks for advancing industrialization
Formulation of a National Strategy for Industrial Development and the related Action Plan

NATIONAL GOALS
An annual GDP growth rate of minimum 4%
Ranking among the top 50 countries of the World Bank’s Doing Business Index
Increasing the share of small and medium-enterprise gross value added to GDP to a minimum of 50%

STATUS
Programming ongoing since 2017

NATIONAL GOALS
- An annual GDP growth rate of minimum 4%
- Ranking among the top 50 countries of the World Bank’s Doing Business Index
- Increasing the share of small and medium-enterprise gross value added to GDP to a minimum of 50%
New PCPs are being developed to support the industrialization goals of Côte d’Ivoire, Egypt, Rwanda and Zambia. This follows the UNIDO Executive Board’s approval, in November 2018, of the four new PCP countries.

Priority areas/sectors for each PCP are being formulated in line with the respective national development plans, under the leadership of the government and in consultation with development partners.

**NATIONAL POLICY FRAMEWORKS**

**CÔTE D’IVOIRE**

**EGYPT**

**RWANDA**
National Strategy for Transformation 2017-2024 and Rwanda’s Vision 2050

**ZAMBIA**
Seventh National Development Plan 2017-2021 and Zambia’s Vision 2030