It is with a unique feeling that I announce the release of the 3rd Edition of our newsletter as COVID-19 is taking a toll leaving many families in deep sorrow and devastation worldwide. During this difficult time, safety of our staff is paramount. Thus, all staff at the Regional Office Hub in Ethiopia is working from home with a strict adherence to UN and local government preventive measures.

As we ramble during this aberrant crisis, plans to keep business continuity within realm of all possibilities have been put in place. Project managers, coordinators and staff are connected regularly through e-platforms for regular virtual meetings and share reports on key milestones. We are actively engaged in COVID-19 as concerted response through UN Country Teams (UNCTs) from our Country Offices within the Regional Office Hub.

UNIDO will continue to work towards achieving the 2030 Agenda for Sustainable Development with a particular focus on building economies that are more resilient in facing pandemics, climate change and post crisis challenges. Wishing all a better future, I invite you to take a tour through our activities that took place during the period from February to May 2020. Stay home, stay safe and stay healthy!

Enjoy the Reading!

Aurelia Patrizia Calabrò
UNIDO Representative and Director of the Regional Office Hub
What is COVID-19?
On 31 December 2019, the World Health Organization (WHO) reported a cluster of pneumonia cases in Wuhan City, China. ‘Severe Acute Respiratory Syndrome Coronavirus 2’ (SARS-CoV-2) was confirmed as the causative agent of what we now know as ‘Coronavirus Disease 2019’ (COVID-19). Since then, the virus has spread to almost all countries worldwide.

**PREVENTATIVE TIPS**

- Wash your hands regularly with soap or an alcohol-based hand sanitizer.
- Avoid touching your eyes, nose, and mouth with unwashed hands.
- Avoid close contact with people who are sick.
- Cover your cough or sneeze with a flexed elbow or a tissue.
- Clean and disinfect frequently touched objects and surfaces.

**Socio-Economic Impact of Covid-19 in Africa**

**Fiscal risk – Africa’s limited space to respond**

![Bar chart showing % of GDP for different years and countries.]

Source: ECA, World Bank

**PLUMMETING PRICES**
As the severity of COVID-19 emerged through Feb-March 2020, commodity prices plummeted for more than 67% of Africa’s exports. Brent crude down 50%, Cotton (proxy for textiles) down 26%, metals down 20%, average food prices down 5%, only gold – a safe haven investment – is up 5%.

**CURRENCY DEPRECIATION**
Most African bonds are issued in dollars or in euros, making repayment even more challenging and raising worries of default. As the crisis continues, investors and businesses will continue to gravitate towards cash, potentially strengthening the dollar and euro further.

**EXPORT RESTRICTIONS**
Africa is wholly import dependent for many Covid-19 medical supplies. Export limits may severely impact Africa’s Covid-19 health response. Research on export limits find they raise the level and volatility of world prices while doing little to depress domestic prices, which are driven in part by other factors.
The Government of Ethiopia Launches a Process to Restructure the PCP ETH to Address Strategic Implementation Level Challenges

Program for Country Partnership is considered a resounding success in Ethiopia. Five years on, since the commencement of the flagship program, strategic partnerships are forged and incessant institutional divide and fragmentation hampering collective actions have overcome to register remarkable achievements in resource mobilization (in excess of 1.2 Billion USD in public and private financing has been raised to support industrial infrastructure development), investment promotion and industrial capacity building including the initiation of the construction of pilot Integrated Agro-Industrial Parks and the Modjo Leather City. Encouraged by the laudable success and progress made so far, the Government is planning to expand the role and involvement of the flagship program to address widely-observed and highly-critical implementation-level gaps caused by institutional capacity limitations across agencies. The PCP has undoubtedly been instrumental in creating greater alignment and interfacing of programs and projects as an effective convening and coordination platform. Going forward, it is proposed that the PCP governance structure be leaner and more consolidated (reducing the number of taskforces and committees) to enhance unity of purpose and implementation support. The latter will be effected through upgrading the PCP Secretariat with satellite offices managed by high-caliber professionals at key Government’s agencies. The satellite offices are expected to play a catalytic role in fast-tracking implementation of plans and service delivery in coordination with respective directorates/departments. The new PCP structure (below) has been reviewed and endorsed at the Inter-Ministerial Coordination Committee Meeting held on 15 May 2020.

Note:
- IMC: Inter-Ministerial Coordination Committee
- PCP-MOTI: PCP Satellite Office at MOTI (Coordination Office - Houses PCP ETH Secretariat)
- PCP-MOA: PCP Satellite Office at MOA
- PCP-MOF: PCP Satellite Office at MOF
- PCP-RIPDC FP: PCP Focal Point Experts stationed at Regional Industrial Park Corporations (RIPDCs)

Newly Proposed PCP-ETH Coordination Structure
The Ethiopian Prime Minister Office Assuming Overseeing Role on the Pilot Integrated Agro-Industrial Parks (IAIPs)

The Prime Minister Office has started an intensive effort to expedite the construction of the pilot integrated agro-industrial parks and utilities such as electricity, sanitations, waste water treatments and water connections. A high-level platform involving key Government agencies is established, which is scheduled to meet every three months and strictly and solely deliberate on the IAIPs alone under the close supervision of the Advisor for Macro-Economic Affairs at the Prime Minister Office. Two meetings have already taken place so far where concerned ministries and regions have presented their progress reports. This is viewed by stakeholders as a major and positive move in the right direction, providing the critical political clout and stimulus needed in the realization process of such complex industrial infrastructure development.

A Project Agreement Signed on “Inclusive and Sustainable Industrial Development for Job Creation in Ethiopia”

20 May 2020, Addis Ababa, a project agreement was signed between UNIDO Regional Office Hub and the Ministry of Trade and Industry. The project named: “Inclusive and sustainable Industrial Development for Job Creation in Ethiopia and Senegal” is funded by the Federal Ministry of Economic Cooperation and Development (BMZ), the Government of Germany through a Special Initiative on Training and Job Creation. Signed by Ms. Aurelia Calabrò, UNIDO Representative and Director of the Regional Office Hub and H.E. Mr. Teka Gebreyesus, State Minister for Trade and Industry, the 3.1-€-million project will target the four Integrated Agro-industrial Parks and Rural Transformation Centers being piloted in Ethiopia.

PCP-ETH Resource Mobilization and Partnership Management Taskforce (RMPM TF) Urges Partners to Double Funds to Flagship Projects

On a meeting held at the Ministry of Finance on 24 February, the State Minister of Finance and Chairperson of Resource Mobilization and Partnership Management Taskforce (RMPM TF), H.E. Admasu called on partners to quickly move projects they are managing into implementation phase with renewed sense of urgency, strengthen partnerships and timely project execution for enhanced output delivery, and assist with additional fund raising. H.E. reiterated that the Government is pursuing big vision and taking bold steps in industrial infrastructure development, which demands the deployment of massive resources and to this effect Resource Mobilization and Partnership Management Taskforce (RMPM TF) is planning to intensively engage development partners using bilateral and multi-lateral platforms. The successful negotiations that has been undertaken with the South Korea Government to increase their investment on IAIPs (including irrigation development and common effluent treatment systems) from the originally suggested USD 50 million to USD 100 million, with European Investment Bank to raise funding on Modjo Leather City from the initially pledged USD 50 million to USD 100 million, and the on-going communications with the Chinese to secure for power supply to the IAIPs were mentioned as encouraging more recent developments.
PCP Plays Crucial Role in Accelerating Inclusive and Sustainable Industrial Development (ISID) in Ethiopia

The Independent Terminal Evaluation of PCP ETH Phase I (2015-2015) was released for wider distribution by UNIDO Evaluation and Internal Oversight Department. The Evaluation Team has unequivocally stated that PCP has played a crucial role in accelerating inclusive and sustainable industrial development (ISID) in Ethiopia by facilitating the mobilization of partners, expertise and resources. The report has come out with very solid and constructive set of conclusions, recommendations and lessons learned, excerpts:

- The PCP Ethiopia should be extended for a second five-year phase (2020-2024) as activities are in the middle of being implemented and need to be finalized with appropriate exit strategies;
- The PCP Ethiopia should continue to focus on the implementation of the flagship projects, the Integrated Agro-Industrial Parks and the Modjo Leather City project. However, other important elements will be drawn from the Home-grown Reform 10-year Plan, the National COVID-19 Response and the new UNSDG that is being finalized;
- The PCP Ethiopia will include a M&E and reporting system that clearly distinguishes between the Government-owned PCP (Government accountability) and the PCP related UNIDO TC portfolio (UNIDO accountability) and will be informed by UNIDO Integrated Results Performance Framework, IRPF.

UNIDO Regional Office Hub Facilitates Working, Reporting and Meeting from Home

As part of its regular meeting, the PCP team in Ethiopia is continually holding its weekly coordination meetings to share progress updates and address challenges. To date, seven meetings have been made via zoom calls where coordinators, chief technical advisers and other project staff have actively participated. All meeting proceedings have been captured and shared to staff for further references. Through procurement of internet modems, the Regional Office Hub has also addressed internet connectivity challenges that the staff have initially faced.
UNIDO Regional Office Hub in Ethiopia has been closely working with FAO, IFAD and ILO under the leadership of UNDP and the RC/HC Office in the preparation of the socio-economic impact assessment in view of the influence COVID-19 will have on the Ethiopian economy.

Other UN Agencies have also provided their inputs for the finalization of a comprehensive document that has been finalized by mid-May and highly welcomed by the Government of Ethiopia.

In this context it should be noted that the pandemic has struck when Ethiopia, the second most populous country in Africa, is building on its strong foundation of progress but navigates significant vulnerabilities arising from multiple sources.

First, the country is in the middle of a major economic reform programme tackling macroeconomic imbalances. Second, the country is simultaneously undergoing a radical political transition to democratic governance.

Third, it is already facing a significant crisis with locust invasion and unseasonably late rains that is threatening production and livelihoods in some of the most vulnerable regions. From this analysis, it is expected that three main programs will be developed where the PCP ETH will play a pivotal role, particularly, in the post-crises phase when the Country will need the revitalization of its economy based on a close interaction between agriculture and manufacturing, formal and informal sector with the main aim at creating jobs.

The three join programs are moving along the following lines: (i.) assistance for MSMEs, recovery, especially in urban areas and those in the informal sector; (ii.) Jobs creation in urban areas (including industrial parks), targeting formal and informal workers at risk of losing their jobs or already unemployed; (iii.) Assistance to farmers and rural enterprises in value chains recovery and the food security.

Construction of a Creative Hub in Ethiopia: Progressing against COVID-19

UNIDO, in collaboration with the Ethiopian Federal Small and Medium Manufacturing Industry Promotion Authority (FSMMIPA) and AICS (the donor), is finalizing the construction of the Creative Hub after launching it in July 2019. The Hub, a private-public partnership initiative, will offer a different range of services for the creative community. It also offers the conditions to enable entrepreneurs to develop and grow successfully, by creating a unique ecosystem of resources, inspirations, and opportunities to grow new ideas, business opportunities and creative networking. Even though the COVID-19 has caused some delays, UNIDO project team and ROH put a lot of efforts to set up the proper resilient environment aimed at concluding the construction works (April 2020). In addition, the tenders for the technical materials (e.g. 3D printers) and the furnishing were launched to expedite the final completion.
UNIDO Computer Model for Feasibility Analysis and Reporting COMFAR Training Conducted

A training programme on Industrial Project Preparation and Appraisal using the flagship software of UNIDO – Computer Model for Feasibility Analysis and Reporting (COMFAR III Expert - Basic Version) was organized by UNIDO in the ambit of the respective EU-funded programme “Supporting business-friendly and inclusive national and regional policies, and strengthening productive capabilities and value chains”. In Ethiopia, the Programme will be implemented by UNIDO with a focus on meso-level interventions, which translate into institutional capacity building of investment promotion institutions and, more specifically, national-level Investment Promotion Agencies. In December 2019, a five-day training was conducted in Addis Ababa to participants to present the internationally-accepted methodologies and tools for project formulation and appraisal including COMFAR. COMFAR facilitates the fast computation of financial statements needed for financial and economic appraisal of investment projects. The software can be used for small to large scale projects, expansion, rehabilitation and modernization of existing enterprise and joint ventures.

The Advanced Module of COMFAR III Expert, also was undertaken in the framework of the ACP Investment Promotion Program, in Addis Ababa in February 2020, with the aim at enhancing the capacities of investment promotion practitioners in the country and to enable the various institutional stakeholders they are part of to improve investment promotion practices as well as enhance inter-institutional coordination.

The February-2020 5-day advanced training course presented the internationally-accepted UNIDO methodologies and tools for project formulation and appraisal including COMFAR. COMFAR facilitates the fast computation of financial statements needed for financial and economic appraisal of investment projects. The software can be used for small to large scale projects, expansion, rehabilitation and modernization of existing enterprise and joint ventures.

The participants were from the Ethiopian Investment Commission, the Agricultural Transformation Agency, the Industrial Projects Service, the Federal Small and Medium Manufacturing Industry Promotion Authority, Ministry of Industry, the Ethiopian Industry Development Institutes of Textile, Metal, and Chemical and internal staff from UNIDO.

Trainees during the training
Some of the officials who attended the training with officials from UNIDO

UNIDO has conducted a training for officials from Uganda’s Ministry of Works and Transport (MoWT) as one of several activities as it rolls out a project for the development of an operators Training Centre in Luwero district in Central Uganda. The workshop was conducted to set up the project’s monitoring and evaluation (M&E) system and was attended by staff from the Ministry’s project team as well as their M&E department, the Coordinator for Economic Cooperation from the Embassy of Japan in Kampala, and staff from Victoria Equipment -the local distributor of Komatsu machines, and UNIDO.

In August 2019, UNIDO and the Japanese Embassy signed Exchange notes for the project which is aimed at supporting efforts of the Government towards improving transport infrastructure. The project is being financed by the Government of Japan and implemented by UNIDO, with technical support from Komatsu Ltd.

The trainer, Mr. Andrea Pozza, has previously worked on establishing M&E frameworks for various projects at the World Bank, the European Union, and UNIDO, including several projects in the area of vocational training.

UNIDO is coordinating the project on behalf of the project partners, and will build the country’s first dedicated training center to train operators on motor graders, excavators, back hoes, wheel loaders, and bulldozers. Within the next three years, the training center for road construction equipment operators in Luwero is expected to empower and train 50 MoWT construction equipment instructors; 360 MoWT and district local government construction equipment operators; and 80 young Ugandans seeking employment in the industry.

As a result, the project will support the Uganda Vision 2040 and in particular focus on bridging the skills gap so that building, maintaining and improving the country’s road infrastructure can be done by skilled Ugandans. The project will also involve expertise from Japan to establish a new training curriculum and capacity for road construction management and methods, in close collaboration with the project partners like Komatsu Ltd., and the Ugandan Ministry of Education and Sports.

During the workshop, the participants learnt about the importance of M&E and worked on several project documents, including a revision of the logical framework, the M&E matrix, the risk analysis and mitigation matrix (RAMM), and the multi-annual work plan. MoWT participants expressed a strong interest to incorporate learnings and tools used during the training in their own M&E department.

The UNIDO Country Representative for Uganda, Bruno Otto Tokwiny, emphasized the experience of UNIDO in technical and vocational education and training (TVET), and concluded the training by handing out certificates to all participants.
UNIDO to Assess the Impact of COVID-19 on Employment and Industrial Sector in Madagascar

UNIDO Field Office in Madagascar, in line with the Organization’s corporate position to respond globally to COVID19, is preparing initiatives to support the Government through this pandemic. As an immediate reaction, UNIDO convened partnership between the Ministry of Industry, WHO and donors to support the local production of facial masks, in collaboration with local textile enterprises.

As part of UN response in the country, UNIDO is also working with ILO to carry out a rapid survey on the impact of COVID19 in the labor sector, particularly in the private and manufacturing sector. In connection to this, a joint proposal to support SMEs mitigate the socio-economic impact of the pandemic will be developed. The proposal would seek to secure existing employment through, inter alia, the development of digital innovation, training and capacity building, targeting particularly women entrepreneurs, youth and people with disability. The proposal is to be submitted to UN Multilateral Partners Trust Fund for financing.

UNIDO to Support Madagascar in Preparing for COVID-19 Aftermath

The Government is preparing with development partners a private sector mitigation plan to COVID19, with a 3-phases approach, the immediate response, the medium term and the recovery phase.

For the recovery phase, UNIDO would support the development of the local pharmaceutical sector through a joint SDG Fund proposal with WHO and UNFPA and which UNIDO leads. The proposal would seek to promote local pharmaceutical production, in line with the Government’s priority to produce internally the main populations’ needs. This would contribute to reverse the actual trends in which more than 98% of health commodities and medicines are imported. This would also enhance the value of the country’s rich natural resources and unique biodiversity.

This initiative falls into the Organization’s management priorities to intensify engagement with private sector and other stakeholders to mobilize resources and deliver effective technical cooperation program in the country.
UNIDO Receives Award from Uganda National Bureau of Standards

The United Nations Industrial Organisation has received an award from the Uganda National Bureau of Standards (UNBS) in recognition of its role in the attainment of the UNBS mandate. The award was presented to UNIDO by the Uganda National Bureau of Standards as it marked 30 years of service on December 13th 2019. UNBS is a Government Agency under the Ministry of Trade, Industry and Cooperatives. Over the years, UNIDO has supported the Government of Uganda on various projects and played a pivotal role in developing the country’s first National Industrial Policy. UNIDO continues to provide Technical Support to the Government in areas of Agribusiness, Renewable Energy, Environment and Infrastructure. Through these, UNIDO is supporting Uganda to realise SDG 9 which calls to “Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.”

UNBS has four mandates which include formulation and promotion of the use of standards; enforcing standards in protection of public health, safety and the environment against dangerous and substandard products; ensuring fairness in trade and precision in industry through reliable measurement systems; and strengthening the economy of Uganda by assuring the quality of locally manufactured products to enhance the competitiveness of exports in regional and international markets.

UNIDO Country Representative Mr Bruno Otto Tokwiny (in red tie) after receiving the award from UNBS. The award was presented to him by the Minister of State for Trade, Hon. Michael Werikhe (Left). On his Left is the Executive Director of UNBS Dr Ben Manyindo.
UNIDO LISEC Team Pays a Visit to Tanneries

11 March 2020, Modjo, UNIDO LI-SEC team paid a visit to three Tan-neries that have been among the selected project target benefici-a-ries. The team was led by Ms. Au-relia Calabrò, UNIDO LISEC Project Manager, UNIDO Representative and Director of the Regional Office Hub in Ethiopia. The visit followed from its 3rd project steering com-mitee held on the same day at the Modjo City Administration premises. The tanneries visited are: Colba, United Vesan and Modjo Tannery with a round look to their facili-ties accompanied by on site brief discussions with managers and owners. The three tanneries have reaffirmed their interest and com-mitment to work with UNIDO to benefit from the project outcome.

UNIDO LISEC has a clear objec-tive under Output 2 to enhance the capacity of tanneries (beneficiaries) towards integration into the leather global value chain, to strengthen competitive gains and environmental compliance. In line with these objectives Colba, United Vesan, Modjo, Elico-Awash, Batu and Addis Ababa Tannery were selected based on criteria.

These tanneries are expected to benefit from the project through Capacity building trainings, sup-port through procurement of re-quired equipment and market fa-cilitation among others.

UNIDO-LISEC is European Union funded project through Trust Fund approved at the Valletta Summit in November 2015. The overall objective of the project is to cre ate greater economic and decent employment opportunities, espe-cially for young men and women through the development of the Ethiopian leather industry and the Modjo leather industrial park. The project addresses three distinct and interrelated components as follow: advancing economic com-petitiveness by strengthening the leather value chain; protecting the environment by facilitating fi-nancial investments towards the establishment of an eco-friendly leather industrial park in Modjo; and strengthening social cohesion by supporting local economic and social development initiatives, es-pecially for women and youth liv-ing in Modjo area; and enhancing industrial and labor relations in the Modjo Leather City (MLC).

UNIDO is mandated to work on the first component of the LISEC project, which aims at advancing the economic competitiveness by strengthening the leather value chain. This component has three main outputs namely:

(i) Improve quality and quan-tity of hides and skins (H&S - in-cluding grading system, training, awareness raising) by support-ing the leather value chain from slaughter houses to tanneries;

(ii) Support tanneries (pro-cessing and producing finished leather) towards integration into the leather global value chain through competitiveness gains/environmental compliance, in-cluding the creation of a Leather Industry Development Institute (LIDI) Regional center.

(iii) Promote investments in/ around MLC (including Medium Small and Micro Enterprise clusters) for both domestic and for-eign companies.
UNIDO Plays Active Role in Agro-industry and Agribusiness in Madagascar

March 5, 2020, Hotel Colbert Antananarivo. The Ministry of Industry, Trade and Handicrafts, through its Direction General of Industry, organized a workshop on regional industrialization and local transformation, in collaboration with UNIDO and other partners such as the PIC Project (Madagascar Integrated Growth Poles & Corridors Project). This workshop was attended by representatives of different ministries (Agriculture, Livestock and Fisheries, Economy and Finance, Environment...) as well as several representatives of the private sector, including operators working in the field of agro-industry and agribusiness from various regions of Madagascar.

The Minister, H.E. Lantosoa Rakotomalala, shared the Ministry’s vision and priorities, mainly the promotion of strategic industrial sectors, the setting up of technical and financial support structures and the support to industrial projects in these identified sectors. During the workshop, the UNIDO Representative, Mrs. Volatiana RAKOTONDRAZAFY highlighted the support of the Organization to the Ministry on its industrial development agenda, particularly in the development of Industrial Emergence Zone. Various forms of partnership for inclusive and sustainable industrialization that can be envisaged between UNIDO and the private sector were also presented by citing successful examples in other countries.

Testimonies of private operators in fisheries and aquaculture and in agribusiness were shared to highlight the contribution of the private sector in the sustainable and inclusive industrialization for shared prosperity.

Then, the agro-industrial potential of the Anosy Region was presented along with the promising sectors, the comparative advantages of the region and the local industrial environment, in order to encourage operators to come and invest there. 4-5 private projects investment projects and/or private initiatives working to achieve SDGs will be identified for further support by the Ministry and its partners as follow up of the workshop.

In addition, the Project to improve access to energy through the development of small-scale hydropower linked to productive activities ($2.85 million) is still ongoing and extended until 2021. These initiatives would triple the Field Office’s implementation in the country.

An Increase in the Country Portfolio through Global Environment Facility (GEF) Funded-Projects

In March 2020, UNIDO field office supported the Country in enhancing its cooperation with GEF, following the appointment of a new GEF Operational Foal Point and through the submission of 2 projects to the GEF June Work Plan. This year, 3 initiatives are being developed totaling 8.82 million:

- **GOLD+ Project on Mercury Disposal in Artisanal Mines,**
- **Project to reduce vulnerability and increase resilience to climate change through innovation, transfer and deployment of adaptation technologies in essential oil value chains and**
- **Project for the elimination of organic pollutants in the textile sector, promotion of circular economy and best practices in waste management.**
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