FOREWORD

Happy Ethiopian New Year!!

I am pleased to share with you the 4th issue of our Newsletter, covering the months from June to August 2020.

As I write this Foreword, seven months have passed since we heard of the first COVID-19 case in Ethiopia. Unfortunately we are currently witnessing a sharp increase in the number of infections, with more than 74,500 cases and 1,100+ deaths. Countries within our Regional Office Hub are also not immune to this scary spread. Therefore, it is important to continue implementing preventive measures both at individual and organizational level.

It is not business as usual for UNIDO ROH in Ethiopia as the Country is under a State of Emergency due to the pandemic. However, we are striving to continue delivering towards our goals under the Agenda 2030. We are holding virtual meetings with our staff on a regular basis, while key project milestones are being monitored, followed up and evaluated!

Dear partners, as we recognize the value and impact of the work we have accomplished through our partnerships, we also urge the need for strengthening concerted efforts in this difficult time.

Enjoy the reading and stay safe!

Aurelia Patrizia Calabrò (Ms.)
UNIDO Representative and Director of the Regional Office Hub

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Globally, as of 30 September 2020, there have been 33,502,430 confirmed cases of COVID-19, including 1,004,421 deaths, reported to WHO.

Preventive 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.

Source: WHO
UNIDO Response against COVID-19 Pandemic in Addis Ababa

24 July 2020 – UNIDO, through the project *Phase 2 (Extension) of the Technical Assistance Project for the Upgrading of the Ethiopian Leather and Leather Products Industry* and in synergy with the beneficiary EIFCCOS, has distributed 1,180 litres of hand sanitizers to individual businesses that are part of the following macro leather clusters: EIFCCOS, LOMI and Merkato. In addition, FSMMIPA (a Government entity in charge of SMEs in the Country) has benefitted from the intervention. The negative impact of COVID-19 on the Ethiopian economy has brought a multitude of challenges to SMEs, even the ones benefitting from the cluster development approach. Additionally, the leather sector and its national companies have been highly affected. A recent study conducted in Ethiopia by UNDP, ILO and UNIDO (implementing the UN support plan for socio-economic response and recovery) has highlighted that the main target sector negatively affected by COVID-19 is the one consisting of MSMEs (especially businesses run and owned by women) active in the urban area and manufacturing industry. Hence, following a request by local authorities, governmental offices and private sector representatives, UNIDO has provided hand sanitizers to support their effort in improving their capacity to cope with the emergency.

UNIDO Echoing COVID-19 Awareness for Ethiopian SMEs

By harnessing its established network composed of development partners, and with the involvement of the government counterparts, UNIDO has leveraged one of its flagship projects, named *Upgrading of the Ethiopian Leather and Leather Products Industry*, to disseminate awareness-raising audio clips about COVID-19 and related prevention measures in three local languages: Amharic, Oromifa and Tigrinya. The audio recordings, created by Johns Hopkins University Centre for Communication Programs, were played – at workplace level – addressing all SMEs targeted beneficiaries engaged in most of the UNIDO implementing projects. The results of such awareness initiative have positively affected the decisions of the single businesses, particularly with regard to certain tangible management actions promoted to prevent the spread of the coronavirus.
UNIDO Support to the Garment Industry in Rwanda

In partnership with the National Industrial Research and Development Agency of Rwanda (NIRDA) and KOICA, UNIDO supported Rwandan new and existing SMEs to improve competitiveness so as to increase their export potential and/or their potential to supply domestic markets through the project Capacity Building for Industrial Research and Development in Rwanda. The specific objective of the project was to help Rwanda enterprises have access to a range of technology support services and to assist them with technology acquisition, adaptation and commercialization.

The project supported selected small and medium industries in banana wine making as well as in the garments industry so as to acquire upgraded skills and equipment to improve their competitiveness and productivity. Such support was also meant to build the capacity of local producers to satisfy the local market and increase exports while creating more decent and productive jobs.

Through the “Open Calls” process and following the successful completion of a technology audit in the garment industry, SMEs in that sector were supported in acquiring upgraded skills and equipment through an open competition. The conducted technology audits were essential to determine avenues through which the UNIDO-KOICA-NIRDA project can act to improve the competitiveness of the selected value chains, including phyto-medicine, banana, textiles and garments, and leather.

The Open Calls programme package included technical support, business management training and business advisory services to beneficiaries, among others. The technical support covered production (designing, cutting, sewing, and ironing) and management (QMS), packaging and marketing. It included technical and management assistance as well as technical and factory management training.

Promota Creations is a garment factory based in Kigali, specializing in production of casual t-shirts and shirts. The owner wished to own more sewing machines and produce at scale, but due to limited capacity, she only produced on order.

Faced with such constraints, the launch of the UNIDO-KOICA-NIRDA’s Open Calls programme came in handy for Promota Creations owner. Other beneficiary companies in the garment industries include African Sewing Club, Weya Creations, New Kigali Designers and Outfitters Ltd, Gahaya Links Ltd and Ambara Uberwe Nawe cooperative.

Some companies received automated specialized machines used to perform specific tasks such as embroidery, collar and pocket folding, fusing machines, cutting machines and other machines generally used in sewing.

All the project beneficiaries describe the support as a boost to the garment industry.

Responding to COVID-19, Rwanda

In an attempt to respond to the current health needs, the garment industry in the country, and particularly the beneficiaries of the UNIDO Project, embarked on mass production of face masks.

“During the COVID-19 emergency, we turned our focus on face masks to help prevent the spread of the virus. With newly acquired machines, we increased our production capacity to 6,000 face masks per day,” says one factory owner. Other factories such as Kigali Sewing Clubs produced over 10,000 face masks while Weya Creations produced between 4,000 and 5,000 a day.
Promota Creations was granted two automated machines that fold collars of shirts and perform other finishing tasks. They also received over 50 modern sewing machines that are faster and more efficient.

“After the COVID-19 crisis, our plan is to launch mass production of shirts and t-shirts, a clear shift from producing on order,” Promota owner notes. The factory currently produces 500 shirts and 1000 t-shirts daily. They plan to work with distributors across the country to expand the reach of their products.

“We are thankful to NIRDA and UNIDO-KOICA project for their support as it increased our capacity. Our goal of further expansion is within reach and will increase our workers from 30 to 100.” The owner of Weya Creations said the factory is now able to produce between 4000 and 5000 face masks, and they have a target to produce 1000 undergarments, 100 jeans, 100 shirts and 100 t-shirts daily thanks to the support.

Claire Mukeshimana, NIRDA’s Acting Director General, underlined the need to support small and medium industries as per NIRDA’s mandate. She also urged the beneficiaries to put the acquired equipment to good use in order to create more jobs.

“We chose to support industries through the Open Calls programme in order to encourage competitiveness and production of quality products for both local and international markets,” she said.

She added, however, that much as garment and banana wine received the equipment as non-repayable facility, NIRDA has since changed the approach. Under the new criteria, beneficiary companies will be supported to acquire new equipment on free-interest credit but without the need for collateral.

UNIDO will partner with NIRDA through PCP to further support Inclusive and Sustainable Industrial Development (ISID) in Rwanda. The process of developing the PCP is ongoing, currently at the diagnostic phase, and NIRDA is the PCP focal point.
A Customized Facility to Produce Masks Amid COVID-19 in Ethiopia

Due to the COVID-19 pandemic in Ethiopia, some leather clusters have recently shifted their production of traditional leather products to face masks. Such action, together with other prevention initiatives (use of hand sanitizers), have contributed – and still do so – to continue selling products and therefore keeping facilities opened.

This resilient initiative has proved efficient, particularly in enabling the clusters’ staff to keep their job and surviving in the current challenging environment. A clear example comes from EIFFCOS, the leather cluster supported by the current UNIDO-AICS project. The management board, in collaboration with UNIDO, decided to use the common production line for shoes (delivered one year ago) to shift production by adding face masks to the roster of products.

In order to cope with the COVID-19 crisis, EIFCCOS has promptly reorganized its internal structure to arrange a physical space for producing face masks. This action is now ramped up on the back of the latest government advice encouraging the use of masks in public places. EIFCCOS are producing both reusable and disposable masks, following the government standards, and they will be made available to buy in bulk for businesses wanting to protect their employees, schools wanting to protect teachers, and direct to the wider public.

EIFCCOS has also donated hundreds of face mask to the local authorities to be distributed to low-income families unable to afford masks and disinfectant.

EIFCCOS social committee vows to continue supporting cluster members and families in the surrounding area struggling to make ends meet.
the Government has adopted specific measures such as a temporary stopping of all visits to prisons, regular monitoring of the temperature of prisoners and prison staff, disinfection of prisons, quarantine and testing of all new detainees.

Support from the United Nations System on the eve of the 60th anniversary of independence matches the urgent needs identified in prisons, including improved nutrition, the supply of essential drugs, personal protective equipment, screening kits, dignity kits for women and girls, and disinfection materials; the rehabilitation of toilets and water points; the arrangement of isolation rooms.

UNIDO support consisted of a donation of 3,000 adult masks and 1,000 disinfectants. This initiative responds to the immediate needs of the Government of Madagascar to have a sufficient quantity of personal protective equipment for the application of barrier gestures and the strengthening of preventive measures. Implemented as part of UNIDO’s immediate response to COVID-19 in Madagascar, the initiative was also another way to support local economy and production of protective equipment, in cooperation with the Ministry of Industry, Trade and Handicrafts (MICA), the World Health Organization (WHO), and local private companies.

23 June 2020, Antananarivo – The Country Team of the United Nations System in Madagascar officially handed materials and equipment to the Ministry of Justice as its support to face the worrying risks of the spread of COVID-19 among carceral population in the country. Through technical, financial and logistical support, this contribution accompanies the government’s efforts to improve the living conditions of detainees in prison and aims to avoid a possible explosion in health and social consequences. It is as well part of the UN initiatives to protect people’s rights, namely detainees, in the context of the COVID pandemic.

Since the start of this health crisis, the UN System in Madagascar has continued to provide technical and financial support to the efforts of the Malagasy government. The preparation, prevention and control of COVID-19 in prisons and other places of detention are among the recommendations of the Secretary-General of the UN and WHO, pledging to leave no one behind. It should also be noted that 12 recommendations from the Universal Periodic Review (UPR), out of the 174 accepted by Madagascar, relate specifically to the detention and judicial conditions of detainees, in a context strongly marked by chronic prison overcrowding and a high number of prisoners.

The 82 penitentiary establishments in the country have 42 central houses, one main house and 2 rehabilitation centres, but suffer from chronic overcrowding. According to the Ministry of Justice, in June 2020 Malagasy prisons had 27,600 prisoners including 1,469 women (485 convicted and 984 detained) and 855 minors out of whom 801 boys (246 convicted and 555 detainees) and 54 girls (17 convicted and 37 detainees).

In order to protect the health of both detainees and prison staff, the UN System, in collaboration with the Ministry of Justice, handed over materials and equipment to the Ministry of Justice as its support to face the worrying risks of the spread of COVID-19 among carceral population in the country.

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9 September 2020—United Nations in Ethiopia signed the United Nations Sustainable Development Cooperation Framework (2020-2025) with the Government of the Federal Democratic Republic of Ethiopia for a total estimated budget of USD 7.1 billion to support the implementation of the 2030 Agenda for Sustainable Development. Planning and implementation of all UN development interventions in Ethiopia will be guided by UNSDCF in support of the 2030 Agenda for Sustainable Development. Anchored in Ethiopia’s 10-year development priorities as charted in the Home-Grown Economic Reform agenda, the UN development system in Ethiopia is structured around the “4Ps” of the 2030 Agenda for Sustainable Development: People, Peace, Prosperity and Planet. UNSDCF will focus on four critical priorities aligning with the four big structural transformations of the country for the coming five years: demographic, governance, economic and environmental. Those identified areas of change for Ethiopia include the need to: improve human development and enhance the resilience of the people living in Ethiopia; strengthen social cohesion, peace and security, and human rights; accelerate the economic transformation and create employment opportunities; and enhance the country’s resilience against natural disasters. The framework was signed by His Excellency Ahmed Shide, Minister of Finance, and Dr. Catherine Sozi, UN Resident and Humanitarian Coordinator for Ethiopia.
Boosting Agro-industrialization: UNIDO Supplies Equipment for Four Wine Processing Facilities in Uganda

UNIDO supplies and installs processing equipment for four (4) wineries and one (1) juice processing facility in Western Uganda. The equipment and installation services – worth over USD 600,000 and funded by GEF – are part of the project to build resilience to climate change, ensure livelihoods diversification and guarantee production of consistent, quality and safe products.

The beneficiary processors are expanding their businesses and, with the boost in capacity in terms of processing facilities and equipment, they forecast increased demand for raw materials, such as bananas, as well as job creation. For example, SILGAD Investments (U) Limited, one of the beneficiary facilities, reported that currently they have 200,000 litres of wine in stock. They used to process 2,000 litres of wine per month before the project support, while now they do process 15,000 litres per month. The facility directly employs 36 employees, of which 30 are female youths.

Recently, the Cabinet Minister for the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), Hon. Vincent Sempijja Bamulangaki, conducted a visit to selected banana processors that have been supported by the project. The Minister, who was extremely impressed with the project progress and model, recommended that there is a need for the Ministry and its partners to seek avenues for replicating the lessons learnt and/or the project model to other regions, as well as the need to apply the same experience along other agricultural commodity value chains. Hon. Sempijja said that the support is in line with the Government’s key objective for agriculture value addition. He informed all processors that, at National level, Uganda is focusing on boosting agro-industrialization to establish a self-sustaining economy, increase foreign exchange through export promotion as well as import substitution. The Minister encouraged all processors to stay focused and emphasize quality throughout their processes.
Active Participation of UNIDO Field Office in the Formulation of a New Development Framework for Madagascar

Developing a new cooperation framework during the COVID-19 pandemic is proving a challenge and a constraint for the UNCT in Madagascar, given the state of health emergency declared since March 2020, as well as the containment measures applied throughout the country since then. The current UNDAF for Madagascar, signed between the Government and the United Nations system in June 2014, has been extended until June 30, 2021, following COVID-19 imperatives, among others, as well as to allow the design and finalization of a new cooperation framework, which will cover 2021-2023.

The formulation process of the next UN cooperation framework in Madagascar began with the Common Country Analysis (CCA) in the fourth quarter of 2019. UNIDO, as a member of the UNCT and Chair of the current UNDAF Outcome Group 1, fully participated in the common analysis exercise and actively contributed to the different stages of the process. The UNCT Madagascar started the different stages of the new cooperation framework strategic planning in August 2020, in close collaboration with the Ministry of Economy and Finances. Activities included (6) consultation webinars with development stakeholders in the country to collect, aggregate and prioritize the major challenges and possible solutions identified by those actors. The webinars focused on 5 major areas: environment, governance, social, economic, and partnership. UNIDO chaired the webinar on economy then facilitated the group work with the private sector during the pooling consultation. These consultations brought together representatives of the Government, the private sector, civil society organizations, universities and research institutions, the media, TFPs, NGOs and development partners present in the country.

25 panellists from various entities took part in the consultations, along with more than 740 participants. 25 major Challenges and Solutions were reported, translated into 5 visions in major strategic intervention areas. The next steps of the formulation process, including the strategic prioritization, will continue through September with a finalized document expected to be signed tentatively by December 2020.

Participants in the webinar
UNIDO, in collaboration with the Ethiopian Federal Small and Medium Manufacturing Industry Promotion Agency (FSMMIPA), launched the construction of the Creative Hub in July 2019. The new HUB is located at FSMMIPA’s headquarters, in the heart of Addis Ababa. The Creative Hub will offer a broad range of quality services for creative start-ups and designers, to foster innovation and development. This will stimulate creativity by providing access to the capital necessary to initiate new businesses. Even though COVID-19 has brought new challenges, the project team was able to coordinate all needed actions to guarantee the finalization of the construction works. As of June 2020, all construction details have been finalized, including civil works, electrical installations, in addition to the sanitary works. Despite the disruption caused by COVID-19 in the organization and planning of the important activity to be carried out by the Creative Hub, UNIDO project team spared no efforts to set up a proper and resilient environment aimed at launching the tenders for the procurement of high-quality technical materials and furnishings. To date, UNIDO has already identified the service provider that will supply not only all the required Lab equipment and 3D printing machines, but also all the needed furniture for the following internal spaces: co-offices, reception, co-working areas, incubator 3D rooms, library and shop.

Front look at the Creative Hub
4 August 2020 – A workshop jointly organized by the United Nations Industrial Development Organization (UNIDO), Songa Energy, Virunga Power and the Ministry of Hydraulic, Energy and Mines was held in Bujumbura, Burundi. The workshop aimed at sensitizing key policy and decision makers on public and private partnership (PPP)-based business model for the deployment of renewable energy through SHP mini-grid systems in the country. It also sought to train participants on global best practices in financing mini-network systems for small hydropower plants.

According to Mr. Manuel Mattiat, representing the Project Manager Mr. Heng Liu and Ms. Aurelia Calabrò, UNIDO Representative and Director of the Regional Hub in Ethiopia, there is a need to increase access to green and sustainable energy, especially in rural areas, and connect this to productive use. He emphasized the critical role of the link between access to energy and the development of industrial value chains in supporting small and medium-sized enterprises. During the workshop, discussion focused on the following topics: Public Private Partnership for Rural Electrification, Fundamentals of project finance and tariffs setting, and How to carry out small win-win hydroelectric projects.

The sensitization workshop is part of the on-going project entitled “Promotion of Small Hydro Power for Productive Use and Energy Services in Burundi”, funded by the Global Environment Facility (GEF). The objective of this type of GEF projects implemented by UNIDO around the world is to increase access to green and sustainable energy, especially in rural areas, and connect this to productive use. The workshop was attended by representatives of the Ministry in charge of energy, the Burundi Power and Water Utility (REGIDESO), the Regulatory Authority of the Potable Water and Energy Sectors (AREEN), the Burundian Agency for Rural Electrification (ABER), the European Union Delegation in Bujumbura, Songa Energy, Virunga Power, the PPP Contract Support Agency (ARCP), the United Nations Development Programme (UNDP) and the Burundi Renewable Energy Association (BUREA). The representatives from UNIDO headquarters and the African Development Bank (AfDB) in Bujumbura participated by video conference.
UNIDO Uses Virtual Solutions to Complete Inception Phase for the Equipment Operator Training Centre in Uganda During COVID-19

13 May 2020, Kampala – The Government of Japan, the Ugandan Ministry of Works and Transport (MoWT) and the United Nations Industrial Development Organization (UNIDO), with technical support from Japanese partner Komatsu Ltd., will establish a training centre for operators of road construction equipment in Luwero, Uganda.

In recent years, the Government of Uganda has procured road construction and maintenance equipment that was distributed to local district governments across the country. The new training centre will allow matching the investment in road machinery with an equivalent investment in human resources: within the next three years, the training centre will train at least 50 MoWT instructors, 360 MoWT and local district government operators, and over 80 young Ugandans seeking employment. The project supports “Uganda Vision 2040” and focuses in particular on bridging the skills gap so that skilled Ugandans can build, maintain, and improve the country’s road infrastructure.

On May 13, the first Project Steering Meeting was held at MoWT in Kampala via video conference due to the COVID-19 pandemic. It convened participants from all project partners joining in from Tokyo, Nairobi, Brussels and Vienna. This was the first video conference meeting for MoWT staff.

In the inception phase, the project completed a thorough Training Needs Assessment to analyze the detailed skills gaps and precise labour market needs for operators in Uganda, completed a Monitoring & Evaluation (M&E) workshop, and laid the groundwork for the successful construction of the centre in the coming months.

The meeting was chaired by the Permanent Secretary of the MoWT, Mr. Bageya Waiswa, who underlined the project’s ambition to build a centre of excellence for Uganda.

The Ambassador of Japan to Uganda, His Excellency Kazuki Kameda, joined the meeting virtually from Tokyo and commended the progress of the project and its ability to continue despite the COVID-related lockdown in Uganda.

Mr. Kenji Yoshida from the Komatsu Liaison Office in Nairobi also approved the project’s progress and said that he is looking forward to having the country’s first operator training centre.

Mr. Bruno Otto Tokwiny, UNIDO Country Representative in Uganda, thanked the project partners for their teamwork and underlined UNIDO’s experience as a trusted convener of public, private and development stakeholders and implementer of Technical and Vocational Education and Training (TVET) projects that aim to bridge the industrial skills gap in Africa.
Since 2015, UNIDO is the executive agency for a project financed by the Global Environment Facility (GEF), which aims at promoting Small Hydropower for productive use in rural areas in Madagascar.

After 5 years of technical studies, 2020 should have been the year of studies finalization and launch of construction for at least three Small Hydropower Plants, totalling a cumulative capacity of 9,500 kW and providing electricity to 25,000 households and 3,750 productive users. However, as most countries, Madagascar has been impacted by COVID-19. As an island, restriction measures have been strong and heavy from an early stage: the state of health emergency was declared on the 17th of March and the borders of the country have been closed since the 20th of March, with still no visibility on a potential reopening. In addition, at local level, inter-regional frontiers were closed as well, with no possibility to travel from one region to another in order to limit the propagation of the virus.

Against the impact of COVID-19, the project team of “Promotion of Small Hydropower (SHP)” has been striving to ensure that all activities that could be carried out remotely have been accelerated. These included the revision of already available field data, activities on the revision of certain aspects of the legal and regulatory framework, as well as securing of the co-financing. On this subject, the project team has been successful, as additional EUR 17,500,000 of grant had been secured from German cooperation (KfW for EUR 17,000,000) and Swiss cooperation (CEAS, a Swiss NGO, for EUR 500,000). This secured co-financing would allow for the construction of the 2 SHP targeted by the project.
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