From the Managing Director

Welcome to the 10th edition of our newsletter!

I am pleased to share with you latest milestones and progress on our key areas of work, in close cooperation with relevant departments.

I also would like to take this opportunity to thank you for the good cooperation and support since the launch of our directorate’s newsletter in April 2020. PFC will continue to provide you with up to date information with the view to showcase UNIDO’s work specifically on the ground with the contribution of our Field Offices.

For further information, please do not hesitate to contact us.

With best regards,
Ciyong Zou

ADVANCING STRATEGIC APPROACHES

MEMBER STATES, KEY PARTNERS, DONORS AND THE UNDS EXPRESS SUPPORT FOR PCPs AT VIRTUAL UNIDO BRIEFING

Held on 21 April 2021, the briefing was organized by PFC, through its Department of Programme and Partnership Coordination, and served to update Member States on the status of the portfolio, including highlights of progress from the eleven PCP countries and the self-starter in Kenya, and present the way forward. Abir El-Saadi from Egypt’s Ministry of Trade and Industry introduced the PCP for Egypt during the briefing, presenting its achievements to date and the established synergies with partner interventions, such as the African Development Bank (AfDB), the European Union (EU), the International Islamic Trade Finance Corporation (ITFC), and the United States Agency for International Development (USAID). Representatives from Kyrgyzstan, Morocco, and Zambia also took the occasion to reiterate their support to the PCP as an important means for advancing their countries’ industrial development goals, and noted the high-level political commitment and ownership of their respective governments. In the context of COVID-19, the PCPs are and will continue to play an instrumental role in countries’ national response and recovery plans, and the UN’s collective response to the pandemic. “The PCP, since its inception, has allowed for a more strategic approach, scaling-up interventions and deepening partnerships with governmental and non-governmental partners in the last few years,” said UN Resident Coordinator (UNRC) Pauline Tamesis speaking from Cambodia. Bringing the perspective from one of the newest PCPs, the UNRC for Zambia, Coumba Mar Gadio, emphasized that the main PCP governance structure to be led by the Government, the inter-ministerial national coordination body, will provide an additional platform for the UN family in Zambia to coordinate their actions strategically. “We can further develop joint initiatives, building on the respective strengths and expertise of each. We need more such tools deriving directly from Sustainable Development Goal (SDG) 17 on partnerships, which highlights the necessity of multi-stakeholder collaboration for progress towards the SDGs.”

ADVANCING UNIDO’s COLLABORATION WITH GCF AND AF

The negotiations towards signing the Accreditation Master Agreement (AMA) with the Green Climate Fund (GCF) have reached the final stage. Following the guidance received from DG Li Yong on 25 March 2021, where he had requested to expedite process and following several months of constructive exchanges, involving UNIDO’s Office of Legal Affairs, Office of Evaluation and Oversight, the Department of Finance and Procurement Services Division and coordinated by the Partnership Coordination Division (PPC/PCD), the AMA negotiation process has been concluded. After a final review by UNIDO and the GCF Board, the AMA will be countersigned by all parties well ahead of the originally envisioned timeline, in order to operationalize the collaboration between UNIDO and the GCF. PFC, through PPC/PCD has started with a series of trainings on the Adaptation Fund. Content of the trainings include available grant mechanisms, including AF’s newly launched Large Grant Innovation Mechanism, as well as a short analysis

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of possible entry points for UNIDO. So far two training sessions have been conducted with a total of 35 participants, including UNIDO senior management. Further trainings will target UNIDO personnel in the technical departments and field offices. The trainings seek to encourage and support the formulation and submission of concrete project proposals to the Adaptation Fund (AF).

As such discussions highlighted the need for immediate climate change action (Climate Change Action Plan 2021-2025), the importance of accelerating production and distribution of vaccines, and the necessity to achieve debt restructuring and transparency. Digitalization and private sector’s role were also amongst the key discussion themes. Finally, an ambitious IDA20 replenishment by December 2021, was underlined as crucial for green, resilient, and inclusive recovery. UNIDO Field Offices, the PCD and the technical departments continue to engage in dialogues with national counterparts, the WBG and other development partners in supporting Governments with the COVID-19 recovery plans implementation through concrete partnership opportunities.

2021 SPRING MEETINGS OF THE BOARD OF GOVERNORS: WBG AND IMF

PFC, through its Partnership Coordination Division (PCD), represented UNIDO as an observer at the 2021 Spring Meetings of the Board of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF), held virtually from 5-11 April 2021. Discussions focused on major global challenges, including the uneven recovery pace (as outlined in the IMF World Economic Outlook), climate change, rising poverty and inequality, and growing fragility and violence. In this context, the meetings stressed the importance for countries to lay the foundations for a green, resilient, and inclusive economic recovery.

REGIONS IN FOCUS: SELECTED PIPELINE AND ONGOING INITIATIVES

AFRICA

UNIDO AND UNECA COLLABORATE TO DEVELOP REGIONAL AFCFTA IMPLEMENTATION STRATEGIES

The commencement of trading under the African Continental Free Trade Area (AFCFTA) on 1 January 2021 provides UNIDO with tremendous opportunities to accelerate implementation of inclusive and sustainable industrialization in the continent. In close collaboration with the United Nations Economic Commission for Africa (UNECA), UNIDO provides support in the development of Regional AFCFTA implementation strategies under the leadership of the relevant Regional Economic Communities. The collaboration began at national level targeting initially PCP countries. UNIDO, through the Policy Research and Statistics Department (PRS), reviewed UNECA guidelines for the formulation of national AFCFTA implementation strategies to strengthen its industrial component, and also reviewed draft national strategy documents. At regional level, the East African Community (EAC) was the first region to have its strategy formulated. In the last quarter of 2020, UNIDO provided inputs during the consultation process and reviewed the draft document. The second region targeted is the Economic Community of West African States (ECOWAS) and UNIDO held consultation meetings with the technical team committed to this formulation exercise. Forty-one countries, including twenty one LDCs and four Regional Economic Communities (RECs), are at various stages in preparing these strategies, which identify strategic areas of national interest and relevant interventions to ensure that countries and regions fully participate and benefit from the AFCFTA. So far, eleven of the forty-one countries and one REC have validated AFCFTA implementation strategies. These strategies aim at complementing the broader development framework of each country or region, especially in relation to trade and industrialization policies.

ETHIOPIA: HIGH LEVEL INAUGURATION OF INTEGRATED AGRO-INDUSTRIAL PARK

The Bulbula Integrated Agro Industrial Park (IAIP), which occupies 271 hectares land in Western Oromia Regional State, has become the third IAIP to be inaugurated since the beginning of 2021 at the presence of H.E Dr Abiy
Ahmed, Prime Minister of the Federal Democratic Republic of Ethiopia, H.E Mr. Shimelis Abdissa, President of Oromia Regional State, H.E Mr. Melaku Alebel, Federal Minister of Trade and Industry. The inauguration ceremony was attended by the UN Undersecretary and UNECA Executive Secretary Ms. Vera Songwe, UR and Regional Director Ms. Aurelia Patrizia Calabrò, the Country Manager of the Africa Development Bank Group Mr. Abdul Kamara, the Country Representative of the World Bank Group Mr. Ousmane Dione, senior government officials, UN Representatives, among others. During the inauguration ceremony, the Prime Minister underlined the effort underway to modernize the nation's agricultural capabilities through the development of agro-industries. “The inauguration of the Bulbula Integrated Agro Industry Park is a demonstration of Ethiopia’s vision for prosperity through the agriculture sector”, the Prime Minister added as reported by the local media. Ms. Calabrò, UR, was presented with a Bulco, a traditional locally-made blanket that is given to people to be recognized for their exceptional engagement in promoting the local community. UNIDO has been supporting the Ethiopian Government in developing four pilot IAIPs in the Regional States of Amhara, Oromia, Sidama (former SNNP) and Tigray.

DEMONSTRATING STRONG GOVERNMENT OWNERSHIP AND LEADERSHIP: THE SELF-STARTER PCP KENYA

The Government of Kenya has developed its own PCP self-starter document with support of UNIDO, demonstrating their strong national leadership, ownership and commitment to this initiative. The Government recognizes the importance of multi-stakeholder partnerships for the successful implementation of the PCP self-starter, and has been engaging proactively with development partners, the private sector, international financial institutions and the UN system to support the self-starter PCP. In this regard, the Kenyan government has requested so far the European Union and the SDG Partnerships Platform to support the implementation of the self-starter PCP in Kenya. The SDG Partnership Platform is a multi-stakeholder platform that was established in September 2017 at the UNGA to accelerate SDG impacts by catalyzing partnerships, financing, investments and innovations. The SDG Partnership platform, which is coordinated by the Resident Coordinator’s Office, a United Nations Sustainable Development Cooperation Framework (UNDSCF) flagship is aligned to Kenya’s Big Four agenda through the establishment of four windows in health, food security & nutrition, manufacturing and housing. To support the Government of Kenya in the implementation of the self-starter PCP, the RCO and UNIDO are working on operationalizing the manufacturing window of the platform.

PRESIDENT OF NIGERIA REQUESTS TO SCALE UP PARTNERSHIP WITH UNIDO

The President of the Federal Republic of Nigeria, Muhammadu Buhari through an official letter addressed to DG LI Yong in March, re-affirmed Nigeria’s readiness to convert the current CP into a PCP in order to build resilient infrastructure, promote sustainable industrialization, foster innovation as well as mobilize further resources and leverage on new partnerships to upscale the envisioned impact of the programme in Nigeria. The request was in the framework of a longstanding cooperation between the Federal Government of Nigeria (FGoN) and UNIDO, especially following a successful implementation of the previous Nigeria Country Programme (CP) and launch of over fifty technical cooperation initiatives in the last decade. The FGoN and UNIDO are currently implementing the CP 2018-2022 with the main objective of supporting Nigeria’s economic growth and diversification through inclusive and sustainable industrial development. With a total budget of USD 56.5 million, the CP under the strategic leadership of the FGoN has achieved a technical cooperation budget of USD 26.4 million by 2019 while a number of pipeline initiatives are under preparation with other development partners, as well as State and non-State actors, including the private sector. The FGoN has shown strong commitment and leadership in the CP implementation, inter alia by approving USD 945,189 for the CP coordination and management. The government’s request of the conversion of the CP to PCP was based on the fact that there are key industrial development achievements under the CP and its potential for scaling up good impact on the economic growth and social stability through UNIDO’s Programme for Country Partnership (PCP) model as experienced in other countries.
ARAB

SIGNING EVENT MARKS MILESTONE FOR PCP EGYPT

Egypt supporting green MSMEs, eco-industrial parks, resource efficiency and circular economy, renewable energy, agro-industrial value chains, skills development, among others.

GOVERNMENT-PRIVATE SECTOR COLLABORATION IN JORDAN

Under the umbrella of the Montreal Protocol (MP) funded initiatives led by UNIDO in Jordan, the Ministry of Environment signed agreements on 1 April with six Jordanian companies operating in the building insulation sector. The agreements aim at assisting the selected companies to replace 82 tons of hydrochlorofluorocarbons (HCFCs) in their production and replace these harmful substances with hydrofluorocarbons, as these substances are sustainable and environmentally friendly. The agreements were signed by the Minister of Environment, Mr. Nabil Masarweh, and on the building insulation companies’ side, their executives. To this end, a grant of $ 247,000 from the Montreal Fund was provided through UNIDO. Mr. Masarweh indicated that the Ministry is keen to enhance partnership with the public and private sectors, provide technical and technological support and build national capacities for all sectors that use substances that affect ozone and climate. He affirmed Jordan’s commitment to implement the agreements signed with the Executive Committee for the Management of the Montreal Fund and UNIDO, according to the timetables set by the Montreal Protocol. Ms. Sulafa Madanat, UNIDO Country Representative in Jordan indicated that the organization is fully prepared to provide the necessary technical support to enable the public and private sectors to implement projects according to the latest environmentally sound technology, and to enable Jordan to fulfill its international obligations.

SUPPORTING LEBANON TO REBUILD BACK BETTER

UNIDO Field Office in Lebanon, with support from technical departments and Regional Coordination Division for Arab at the Headquarters has been proactively engaged with partners to promote key productive sector initiatives and support the private sector to overcome the capacity and other critical constraints. The Productive Sectors Development Program (PSDP) is an initiative supporting the promotion of gender-responsive jobs and economic opportunities prioritizing women and female youth in disadvantaged areas. With funding from the Government of Canada, the USD 7 million program brings together six UN agencies (UNIDO, FAO, UNDP, ILO, UNICEF and UNWOMEN) with coordination from the Office of the Resident Coordinator. UNIDO's engagement is in two components targeting micro and meso interventions and in co-leading with FAO and UNDP respectively. Moreover, UNIDO is also engaged with the EU to implement its private sector component of the Lebanon Recovery Support Program, and this is expected to open a new window of opportunities by supporting start-ups and MSMEs to adopt socially and gender responsive green and circular economy business models, building on the achievements of the EU funded SwitchMed MED TEST II (Transfer of Environmentally Sound Technology) and MED TEST III projects implemented by UNIDO in Lebanon.
ASIA AND THE PACIFIC

UNIDO SCALES UP INDUSTRIAL POLICY SUPPORT IN AFGHANISTAN, MONGOLIA, TIMOR LESTE AND VIETNAM

In line with the Organization’s priority of enhancing normative support to Member States, UNIDO scaled up industrial policy advising activities in several Asian countries, including Afghanistan, Vietnam, Mongolia and Timor Leste. In Afghanistan, UNIDO is partnering with UNDP to support the government in strengthening the industrial policy infrastructure. In 2021, UNIDO will support the Ministry of Industry and Commerce in capacity building for its industrial policy intelligence unit and will develop a comprehensive project for expanding and sustaining UNIDO’s support for formulation, implementation and monitoring of industrial policy and strategy in the country. In Vietnam, the Central Executive Committee requested UNIDO’s support in the development of a national masterplan for sustainable industrialization in the country. To this end, the FO Vietnam conducted a meeting between CEC senior officials and PRS, to present UNIDO’s industrial policy support and set the ground for future cooperation, including UNIDO’s participation in CEC’s flagship event in July. In Mongolia, UNIDO’s expertise was requested by the Office of the President and Chairman of the Parliament to advise on the country’s industrial development policy and strategy as well as establishment of livestock industrial parks. Within this context, UNIDO is also providing policy support to the Government of Mongolia to fulfil its obligations on the Stockholm and Minamata Conventions. Lastly, Timor Leste where UNIDO is now scaling up its engagement, requested UNIDO’s assistance in developing a effective Industrial Policy, which will help the country’s recovery.

PCP CAMBODIA: FIRST NATIONAL COORDINATION BODY SUCCESSFULLY CONDUCTED

Following the signing of the PCP document, UNIDO and the Royal Government of Cambodia organized the first National Coordination Body (NCB) meeting on 12 May 2021. The meeting was chaired by the Senior Minister of Industry, Science, Technology and Innovation and gathered more than fifty representatives from Cambodian Ministries and key Government institutions, expressing appreciation for the progress achieved under the PCP. The NCB meeting was an occasion to formally establish the NCB and to update the Government about the status of the Programme, providing a comprehensive overview on the projects being implemented and in the pipeline under the different PCP components. In addition, UNIDO and the Government representatives discussed the way forward, agreeing to jointly explore further funding opportunities with IFIs, notably in the field of agro value chains and COVID-19 economic recovery.

FIRST UNIDO SELF EVALUATION OF A CP CONDUCTED IN INDONESIA

UNIDO Field Office (FO) in Indonesia, in close collaboration with the Office of the Evaluation and Internal Oversight conducted the first UNIDO CP self-evaluation in February and March 2021 yielding to an innovative process that could be replicated in other similar cases, conducting the final CP evaluation locally. In fact, given the restrictions due to COVID-19, FO Indonesia faced the challenge of conducting a regular evaluation exercise as the implementation of CP 2016-2020 draws to a close. The evaluation exercise was instead undertaken locally, with the substantive support of a local consultant, who conducted a number of interviews with local stakeholders, counterparts, government representatives, donors and UNIDO project managers, to assess the achievements and elaborate on the shortcomings. To validate the findings, a large-scale validation workshop was organized on the 7 of April, led by the Ministry of Industry. During the workshop, representatives from different line ministries commended the exercise and provided additional comments and insights, reiterating the relevance, effectiveness and sustainability of the CP. Moreover, MOI stressed that the self-evaluation results will serve as a building block for the upcoming new CP cycle in the country, so to address some of the shortcomings observed, notably in coordination among Ministries.
EUROPE AND CENTRAL ASIA

UNIDO ENGAGES WITH THE UN DIGITAL TRANSFORMATION GROUP IN THE REGION

UNIDO, as a member of the UN Digital Transformation Group for Europe and Central Asia, co-chaired by ITU and UNECE, has been engaging with diverse Group-led initiatives. Facilitated by the Regional Coordination Division- Europe and Central Asia (RFC/EUR), UNIDO’s work to develop an online training course: “Digital Business Innovations for Women Entrepreneurs and Managers” was presented at the cross-cutting session “Digitalization: Digital Transformation in the Wake of COVID-19” held on 15 March. The cross-cutting session was within the framework of the 2021 Regional Forum for Sustainable Development. On 26 April, UNIDO took part in the session “Driving the WSIS Action Lines to Foster Digital Transformation in Europe and Central Asia” of the World Summit on the Information Society (WSIS) Forum 2021. UNIDO’s project portfolio was presented by Mr. Marco Kamiya, Chief of the Innovation and Digitalization Division. The Organization’s activities to foster digitalization are also reflected in the Group’s ICT Solutions Stocktaking Report.

ENHANCING UNIDO’S PARTICIPATION: UN COUNTRY TEAM IN UKRAINE

PFC through its Regional Coordination Division- Europe and Central Asia (RFC/EUR) developed a Country and Industry Profile of Ukraine as a contribution to the recently published Common Country Analysis. Facilitated by the UN Resident Coordination Office, UNIDO held consultations on 23 March 2021 with the Ukrainian counterparts, aimed to explore cooperation avenues for the establishment of an East-European Center for Innovations in the city of Lviv. Moreover, UNIDO has recently contributed to the draft brief to guide possible UN actions on climate change and green growth in Ukraine. UNIDO is an active member of UN Country Team (UNCT) in Ukraine that provides ISID-related inputs for the development of the country’s UNSDCF 2023-2027 despite having no field representation. RFC/EUR will continue supporting the activities of the UNCT and UNRCO in the country, as well as identifying new opportunities for collaboration.

UNIDO AND THE REPUBLIC OF MOLDOVA SCALE UP COOPERATION

DG LI Yong met with the Acting Prime Minister, Minister of Foreign Affairs of the Republic of Moldova, Mr. Aureliu Ciocoi on 27 April and discussed the current status of cooperation between the Organization and the Republic. DG informed Mr. Ciocoi that UNIDO is currently carrying out broad resource-mobilization activities to leverage the support of the donor community for the implementation of the CP in Moldova for 2019-2023. Thus, UNIDO held several rounds of technical consultations with the EU Delegation in Moldova, as well as with the Brussels-based EU Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). Acting Prime Minister underlined the importance of the industrial development agenda in the country and requested UNIDO’s support in providing advisory services for the formulation of the national industrial strategy framework. The meeting also served as an occasion for handing over to the Government of Moldova a study on the national innovation ecosystem conducted by UNIDO in 2020 within the CP framework. The Regional Coordination Division- Europe and Central Asia (RFC/EUR) will continue to liaise closely with relevant departments at HQs to further strengthen and scale up cooperation with the Republic of Moldova.
From 26 to 29 April, the closing event of the project “Sustainable and climate friendly Phase out of Ozone Depleting Substances (SPODS)” was held in Mexico. The project, financed by the European Union and the German Federal Ministry for Economic Cooperation and Development with the technical assistance of the German Cooperation Agency and UNIDO, assisted the Mexican industry, through the Ministry of Environment, with enhanced reengineering processes, while promoting climate friendly solutions as alternatives to Hydrofluorocarbons. During the event, experts from Latin America and the Caribbean presented the results derived from the project, namely a National Diagnosis for Hydrofluorocarbons (HFC) reduction, including 11 mitigation measures, and an evaluation of infrastructure for the national supply of refrigerants. Trainings also were conducted on bankable models applied to commercial refrigeration investments and on the proper handling of flammable refrigerant gases. Pilot projects to promote the use of natural refrigerants were identified, as well as a strategy for the sound management of end-of-life refrigeration and air conditioning (RAC) equipment. Results are expected to have an environmental, economic and social impact improving people’s quality of life through technical specialization, job creation and poverty reduction, reaffirming UNIDO as a strategic partner for implementing environmental-industrial salient topics in Mexico.

INITIATIVE ON REGIONAL AQUACULTURE VC INTEGRATION PROGRESSING STEADILY

The first steps towards a regional integration in LAC were undertaken on 17 March under UNIDO project entitled “Fostering regional coordination in aquaculture value chains (VC) for productive employment generation”. The initial steps included a videoconference during which the national focal Points and national technical coordinators from Colombia, Cuba, Dominican Republic, Ecuador, El Salvador, Honduras, Nicaragua and Peru exchanged valuable information on the status of freshwater aquaculture and its value chain in their countries, to lay the base for the implementation phase of the project. The freshwater aquaculture sector has great potential in terms of post-pandemic economic growth in LAC; hence recognizing opportunities and linking local, national, and regional policies and programmes are key to boost the development of this sector. The aquaculture initiative builds upon the outcomes of the regional project on “Improving Productivity and Competitiveness of Fishery Value Chains in LAC Region” finalized in 2019. The current project aims to boost the value generated in the aquaculture value chains and increase income generation opportunities in the aquaculture sector in order to create productive employment and, consequently, contribute to improve living standards and reduce poverty.

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