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INDUSTRIAL DEVELOPMENT ORGANIZATION



# EIGHTH INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT (ISID) FORUM

Partnerships for  
Socio-Economic Recovery

29 November 2021

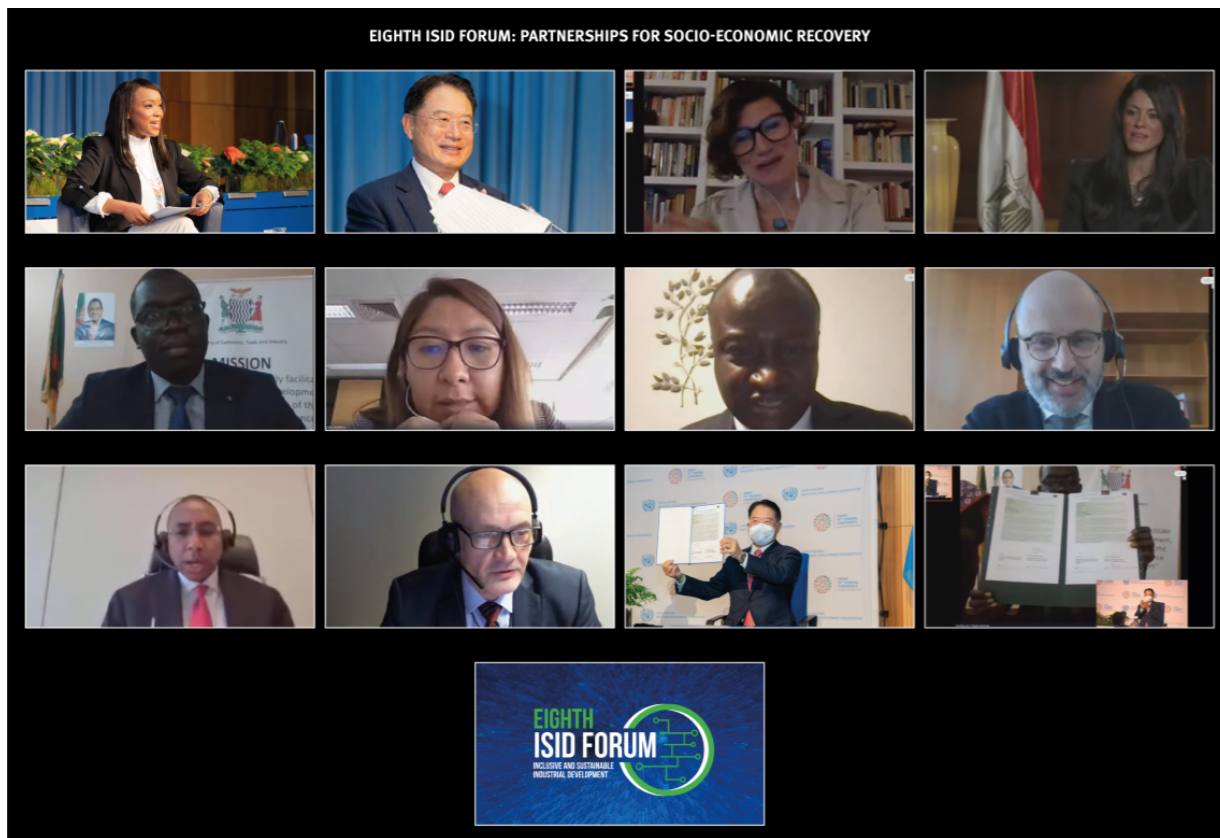
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# Introduction by the moderator

Ms. Folly Bah Thibault, Principal Presenter, Al Jazeera English



Excellencies, distinguished delegates, ladies and gentlemen, welcome to the Eighth Inclusive and Sustainable Industrial Development (ISID) Forum on Partnerships for Socio-Economic Recovery, organized by the United Nations Industrial Development Organization (UNIDO).

We have gathered together today to discuss how multi-stakeholder approaches, including the successful UNIDO Programme for Country Partnership (PCP), can galvanize socioeconomic recovery and contribute to countries' efforts to build back better from the devastation caused by COVID-19, also as part of the United Nations decade of action.

It may seem premature or even optimistic to be talking about recovery from the pandemic at this time, but we still need to look ahead. To that end,

we have brought together high-level government representatives from PCP countries who will share their first-hand experience and lessons learned, and also partners from the United Nations development system, international and regional organizations, financial institutions and other development partners to convey their views and experiences.

We hope to leave here today with tangible steps and actions to advance inclusive and sustainable industrial development in Member States.

At the end of our panel discussion, there will be the signing ceremony for PCP Zambia - one of the newest of the Programmes for Country Partnership.

Allow me to welcome the Director General of the United Nations Industrial Development Organization, Mr. Li Yong, for his opening remarks.



# Opening Remarks

**LI Yong – Director General, UNIDO**



Excellencies, Distinguished delegates, Ladies and gentlemen,

It is a great pleasure to be with you today and to welcome you to this year's Inclusive and Sustainable Industrial Development Forum. As we gather for the eighth edition of this Forum and my last one as Director General, I can't help but reminisce about how this Forum started, and the wonderful speakers and series we have had during my time at UNIDO.

We organized the first ISID Forums back in 2014, in the context of the renewed Organizational mandate

for inclusive and sustainable industrial development, the impending adoption 2030 Agenda, and the clear vision that we must strengthen multi-stakeholder partnerships to mobilize the varied resources to support countries in achieving the Sustainable Development Goals (SDGs).

We brought together key thinkers, policymakers, government leaders and UNIDO's development partners to exchange knowledge and views, and to help us develop a new cooperation model at the country level, one that centers on partnerships to accelerate ISID. This new approach became known as the UNIDO Programme for Country Partnership, the PCP for short, which we have since piloted across each region of the globe and institutionalized as a flagship programme for UNIDO Member States. We continue to learn from experience with the PCP's expansion to more countries. Today this portfolio has grown to 12 countries, with Nigeria recently becoming the newest PCP approved for development. One such experience that we have gathered is the importance of ownership. Each PCP is therefore led and owned by the respective government. We are honored to have on our panel today the distinguished government representatives of Egypt, Peru, Senegal and Zambia. Each PCP is at a different stage and each programme is tailored to specific country needs.

Excellencies, we look forward to hearing your experiences and your vision for the PCPs in your country. I also look forward to the signing of the PCP Zambia programme document at the end of today's Forum. This marks an important milestone - the finalization of the programming phase - and I commend the Government of Zambia for its vision and leadership throughout the process. UNIDO, through the PCP, will continue to support you as we progress to the next stage of our collaboration.

I take this opportunity to welcome distinguished representatives from our other PCP countries who are also watching and listening online.

Excellencies, Distinguished delegates, Ladies and gentlemen,

The title of this year's Forum is "Partnerships for socio-economic recovery".

In this regard, we have seen the multi-dimensional and varying levels of impacts of COVID-19 across regions and countries. We have experienced the varied severity of the health emergency, and have seen different national responses. The pandemic has highlighted that socio-economic resilience to this crisis is also tied to countries' industrial capacities to absorb such shocks, adapt, and contribute to inclusive and sustainable post-pandemic recovery. What we have seen, more than ever, in this interconnected world is that no single country or entity can address the pandemic on its own, let alone reboot progress towards our shared sustainable development

goals. What we face together, we must solve together. International cooperation and coordination must be strengthened. UNIDO is a committed partner in the global partnership for sustainable development. We will continue to support multilateral and country efforts to build back better through integrated approaches, combining our technical expertise, policy advice, normative support, and convening function, including through our partnership-centered PCPs.

I am therefore pleased that our distinguished panellists today epitomize the different elements of this partnership, bringing in the complementary expertise and resources needed to contribute to national socio-economic recovery efforts and scale up development impact. These same partners have been with us since the beginning of the PCP. I am thankful for your strong support and commitment throughout the years.

In closing, Excellencies, ladies and gentlemen, it is only with your constant support and by working together that we can move past these challenging times and build a better future for all us. I therefore look forward to the outcome of our deliberations here.

Thank you very much.



**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you, Mr. Li, for your remarks and for your leadership of UNIDO over the past eight years.

Let us now turn to the future of industrial policy and the role played by the public and private sector in driving economic growth and innovation, including responses to the COVID-19 pandemic. To answer this question, I would like to welcome our distinguished

keynote speaker, Mariana Mazzucato, professor at University College London and Founding Director of the UCL Institute for Innovation and Public Purpose.

Ms. Mazzucato advises policymakers around the world on innovation-led inclusive and sustainable growth. The floor is yours, Ms. Mazzucato.

## Keynote Speech



**MS. MARIANA MAZZUCATO, PROFESSOR AT THE UNIVERSITY COLLEGE LONDON (UCL) AND FOUNDING DIRECTOR OF THE UCL INSTITUTE FOR INNOVATION AND PUBLIC PURPOSE**

It is a great honour for me to be speaking to you about partnerships, because that is a word we often use. In the world of industrial strategy and industrial policy, we often use such terms as “innovation ecosystem”, “industrial ecosystem”, but I believe we have failed to define what kind of partnerships and what kind of ecosystem we need to build in order to actually direct an economy towards achieving

inclusive and sustainable industrial development. If, therefore, we want a goal-oriented system, as opposed to just levelling the playing field, we need to tilt it accordingly. We need to tilt it by rewarding certain kinds of behaviour, but also by framing the policy itself, as not just fixing markets, but actively shaping and co-creating a very different type of economy.

For its part, the word “partnership”, is often used in a rather lazy manner. Anyone involved in a partnership in private life will know that not all partnerships are perfect. The same is true of public and private actors, or even with the relationships between different public actors. For that reason, I really believe that the more we can actually bring metrics and vigour to our use of the word, enabling us to know, then we have a partnership that is truly symbiotic. There are such things as parasitic partnerships, as all biologists will know, so such awareness will greatly assist us in framing our policies to actually deliver on goals.

At this point I would like to say, if I might be a bit provocative, that in our current circumstances, it is not enough merely for us to have vaccines. The goal must be to vaccinate everybody in the world and to make vaccines globally accessible, in terms of both how we actually innovate and produce vaccines, but also, of course, how we distribute them. And herein the world of health, innovation and the broadly-defined health ecosystem, our ecosystems have unfortunately been parasitic in nature. In the United States alone, for example, the Government has been investing about \$40 billion per year on health innovation and yet this is reflected by the actual prices of the drugs. Instead, something called “value-based pricing” has been applied, which literally makes prices rise as high as the market will bear, and while the welfare state might subsidise those prices, it means that tax payers have to pay once, twice, even three different times.

We have also allowed intellectual property rights to be abused. Often patents are too wide, or used just for strategic reasons, or too strong, making it hard to license them, and what is being patented is often too upstream. The tools for research are themselves being patented, and this is not what patents were meant to do. Whether we are looking at digital platforms, health innovation, or climate-related investments, it is not enough to pour money into the system. We actually need to guide these processes towards common good metrics, and that will help us to build better partnerships. Our current situation, termed “vaccine apartheid” by the Director General of the World Health Organization, is one where, in many countries, only 3 to 6 per cent of the population have been vaccinated, while 80 per cent of the doses administered across the world have been confined to 10 per cent of the countries. It is really important both to have immediate solidarity, but also to learn how to produce, innovate and distribute in radically different ways. It definitely makes good sense to start with intellectual property rights, at least in the case of vaccines, but that in itself is not enough.

Accordingly, I have been giving much thought to the question of how we can actually build a goal-oriented economy and what the new role for industrial strategy should be in that economy. The first place at which I often begin is that we must not focus on sectors. We know that sectoral capacity is very important, but we should not focus on identifying specific sectors to support or even specific types of firms. Considerable emphasis is placed, for example, on small and medium-

For the purpose of shaping markets and a market-creating approach, we need to be very ambitious and bold in choosing the problems that we are going to solve and then designing an industrial strategy to that end.

sized enterprises. For the purpose of shaping markets and a market-creating approach, we need to be very ambitious and bold in choosing the problems that we are going to solve and then designing an industrial strategy to that end. In this way every sector becomes part of the solution in terms of the investment and the innovation that is required, especially the inter-sectoral collaborations.

The book called Mission Economy analyses this idea by looking back to see what got us to the moon 51 years ago. It was not just aerospace technology: it required huge amounts of investment and nutrition, materials, new materials, electronics and software. Whether the problem is climate change, or the digital divide, none of these areas can actually be solved by innovations in a couple of different sectors, such as renewable energy. We need every sector, whether this be tourism, mobility systems, nutrition, construction materials and so on, to be a genuine part of that solution, but that is much easier said than done. As a result I have also become very interested

in the concept of “The Deal”. Now, we are starting to talk about things such as the “Green Deal”.

We need to ask too, what it actually means to be really ambitious with the new type of social contract that we need between different sectors, and also between different actors in both public and private sectors. Here we need to backtrack again and to ask, if we are trying to solve problems, how we can bring different sectors to the table, and redesign the instruments available to us and to every government, from procurement contracts, grants, loans, public finance provided through development banks, and multilateral development banks, to the crowding in of experimentation towards goal-oriented solutions.

One of the first things that the National Aeronautics and Space Administration (NASA) did when they were trying to get to the moon was to change the way in which procurement was carried out. NASA found that the very static procedure of handing out money to whichever firm would come in to sell itself was not providing the quick solutions

it is important to ensure that the trillions that are being poured into the system are being directed towards concrete structures.

that it needed to get to the moon and back within that short period of time. So it changed the procurement contracts, introducing constant incentives for innovation and quality improvement, rather than setting fixed prices. As a result, the procurement was based on a goal, but left the manner of attaining that goal very open. NASA also included an interesting clause in the contracts, relating to “no excess profits”. The idea behind this clause was that, if the endeavour was going to be truly collective, involving interactions between a range of different public and private institutions, the socialization of the associated risks should be matched by the socialization of the rewards. In other words, the exercise should not be approached as if it were in a gambling casino, which, I would argue, is precisely what is happening today in the health-care sector, where billions are currently being made on the back of vaccines, which were the result of a genuinely collective effort between the public and the private sectors. On the back of the Apollo 1 fire, NASA immediately changed its own organization, in the

realization that many of the failures that it was experiencing were due to an excessively siloed approach to its work. It brought in George Mueller from Bell Labs to set up a system of project managers, each with their own teams, but with the idea that the project managers must constantly interact. When we think about the challenges faced by many governments, where each department is working in its own silo and there is no interdepartmental alignment between health, energy, and also with the way that the treasury thinks. This too was an immensely important lesson.

Returning to the idea of “The Deal”, if we are going to have true collaboration between different types of public and private bodies in our endeavour to reach the Sustainable Development Goals, we need to ask: what do we need to do to transform our approach to the 17 Goals and their 169 targets into moon shots and missions that really involve different sectors? Returning to the key theme of the session, we must ask: how can we achieve a different form of partnership? With the COVID-19 pandemic, it

is important to ensure that the trillions that are being poured into the system are being directed towards concrete structures, something that did not happen with the financial crisis, where a great deal of liquidity was introduced in the system to save capitalism, but much of that money went back to the financial sector. We also need to make sure that we deal in a much more creative way with the kinds of conditionality that are perhaps required in order to build these more symbiotic and mutualistic partnerships on the ground on the back of the public money that is being poured in for different types of recovery schemes.

It is interesting to see, for example, that in France, the Minister of Finance placed conditions on companies such as Renault and Air France: they could not receive bail-out funding without firm commitments to reduce their carbon emissions over the next five years. Even prior to the COVID-19 outbreak, the central bank in Germany placed conditions on the loan that the German Development Bank (KfW) provided to the German steel sector. Operators had to agree to lower their material content in order to receive that public loan, which they did through the use of repurpose-reuse-recycle technology, not because they had gone to the World Economic Forum in Davos and talked about purpose, but because they had to in order to receive that loan. Looking also at the health industry, which receives so many different types of public funding, the question

arises of the need to set conditions around intellectual property rights, around access, but also around the direction of that funding, to ensure that it does not just go into areas that generate easy profits, but into really key areas around vaccines. This is something we are now talking about in connection with COVID-19, but it was ignored for so many decades. We are also talking about anti-microbial resistance and so forth.

In conclusion, in my view, these are all issues around a goal-oriented system in which private purpose and public missions converge, but in which we can be really creative with this concept of “The Deal” with strong conditionality at the centre, making the deal symbiotic in nature. This is all about putting the concept of stakeholder value at the centre of the system itself, not just as some sort of corporate governance gimmick, with talk of corporate social responsibility and environmental, social and governance (ESG) targets. We need to ask how we can actually create value differently, and how we can do so by getting the conditions right in the first place. In this way we can avoid having to pick up so much of the mess later, and to fix market failure or redistribute income which was distributed wrongly in the first place, because no one took into account this real need to create collective intelligence between different actors.

#### MS. FOLLY BAH THIBAUT (MODERATOR)

Thank you, Ms. Mazzucato. Your statement was very timely in that it really highlighted the important role played by the public sector in creating inclusive and sustainable growth that is driven by innovation and industrialization, and also in raising the really important issues, as you heard at the beginning of the statement, of vaccine access, vaccine equity, and the waiving of intellectual property rights.

What we have heard from Ms. Mazzucato, leads us perfectly into our panel discussion on the important subject of multi-stakeholder approaches that leverage the complementary resources and initiatives of various partners, such as the UNIDO PCP, to advance inclusive and sustainable industrial development (ISID) and help countries to recover from the pandemic, as well as to reboot progress towards achieving the Sustainable Development Goals. As Ms. Mazzucato has said, we are faced with the reality of COVID-19 and its socioeconomic impact, so this conversation is undoubtedly taking place in the context of the challenges that have emerged or have been exacerbated by this ongoing global health crisis.

In his opening address, the UNIDO Director General, Mr. Li Yong, highlighted the importance of strengthening international cooperation and coordination. No institution or country can do this

alone. So we have to embrace a multilateral approach to face these challenges together head on, as Mr. Li stated. In addition, as we have heard from Ms. Mazzucato, governments require dynamic capabilities and capacity, including the capacity to adapt and learn, and the capacity to align public services and citizens in order to respond to the pandemic and prepare for future pandemics.

The questions that we are asking today, therefore, are how can multi-stakeholder approaches help countries to recover from the COVID-19 pandemic and how does the UNIDO Programme for Country Partnership supports Member States in advancing socioeconomic recovery and accelerating inclusive and sustainable industrial development? These are some of the key questions that we will now attempt to answer in our panel discussion.

Allow me now to introduce to you our distinguished panellists.

# Panel Discussion

## MS. FOLLY BAH THIBAUT (MODERATOR)

Ms. Al-Mashat, Please tell us how the Government of Egypt, is achieving the country's economic and development ambitions with bilateral partners, through the PCP. Tell us about your experience with PCP in Egypt.



The PCP is a very important framework, which demonstrates country ownership and shows the role of collaboration and coordination".

## H.E. MS. RANIA AL-MASHAT, MINISTER OF INTERNATIONAL COOPERATION, EGYPT

The PCP is a very important framework, which demonstrates country ownership and shows the role of collaboration and coordination, as described extensively in the opening remarks and in the keynote address. The PCP provides a horizontal coordination framework and, where its governance is concerned, the Programme is led by the President and the Prime Minister, with inputs from stakeholders, both from different ministries and from other international institutions, thereby ensuring complementarity. Thus, the PCP for us is very important for building back better.

In the industrial sector, there are certain keywords that we are hearing across the world: "digital", "green" and "youth". The PCP is supporting a digital economy observatory. On the policy front, having a national observatory for industry is also a matter of great importance. A lot is being done to build technical capacity for small and medium-sized enterprises in the digital and green areas, which is extremely timely and important. We are therefore very happy with the coordination and collaboration that we are enjoying with UNIDO through the PCP.



## MR. ABDU MUKHTAR, DIRECTOR, DEPARTMENT OF INDUSTRIAL AND TRADE DEVELOPMENT, AFRICAN DEVELOPMENT BANK – ON BEHALF OF MR. SOLOMON QUAYNOR VICE-PRESIDENT FOR PRIVATE SECTOR, INFRASTRUCTURE AND INDUSTRIALIZATION, AFRICAN DEVELOPMENT BANK

Allow me to congratulate UNIDO on its fifty-fifth anniversary and to express appreciation to Mr. Li Yong, the Director General, for the great work and the many partnerships that have been forged with African countries.

The African Development Bank (AfDB) has five priority areas. One of these is the industrialization of Africa, for which we have a 10-year strategy – the AfDB's Industrialization Strategy for Africa 2016–2025, with the goal of scaling up and accelerating Africa's industrial transformation. Over the last five years, we have spent at least \$8 billion on industrial projects in support of the public and private sector. We have launched a number of initiatives, including promoting industrial policies, improving access to capital and access to markets, creating an enabling business environment, among others. Partnerships is one of the main elements of that strategy and we

have many achievements in many countries through the partnership between UNIDO and the AfDB. There is clear alignment between the strategy, the industrialization structure of the bank and the UNIDO PCP. It was therefore important that we did not duplicate our efforts.

In 2018, we signed a partnership agreement with UNIDO, in view of stepping up our cooperation and promoting industrialization across the continent. In this regard, over the last few years, we have been looking essentially at two areas. Given the specific expertise of UNIDO, the first area is policy design and operations, in developing the tools and knowledge products for industrialization. We found this experience very helpful. We have been working in partnership with a number of countries, including Morocco, Ethiopia, Senegal and Egypt, to support them in developing industrial strategies and knowledge products around economic zones.

## MS. FOLLY BAH THIBAUT (MODERATOR)

Thank you very much, Ms. Al-Mashat. I shall come back to you shortly for more information about the areas of focus for the PCP in Egypt. Let me now move on to Mr. Mukhtar from the African Development Bank. Please could you tell us how the African Development Bank is working with the PCP. How you are working with private and public partners as part of these various projects?



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The second area is staple crop processing zones, where UNIDO has very strong technical expertise, for the development of pulse crops. We have done work under the framework of the PCP with UNIDO in Ethiopia, in Senegal and in Tanzania. In Senegal, for example, we have carried out feasibility studies with UNIDO for four staple crop processing zones. This project was identified by the Government of Senegal as part of the country's development plan, Plan Sénégal Emergent (PSE). Thus, there is a tripartite agreement between Senegal, the AfDB and UNIDO, which has already been integrated in the UNIDO PCP. We have carried out the feasibility studies and, in cooperation with UNIDO, we developed a joint national

industrial policy for Senegal. One feasibility study was so successful that it was highlighted in the 2019 Africa Investment Forum that we organized.

In Tanzania, we have forged a partnership for an integrated agro-industrial development programme. This is to develop a special agro-industrial processing zone, which will be of great importance for Tanzania in the context of its industrialization strategy. This project in Tanzania forms part of the AfDB's lending programme, thus there is a connection between the outcome of these studies and the partnership that we have formed with UNIDO, which will result in direct investment projects in Tanzania and beyond.

#### MS. FOLLY BAH THIBAUT (MODERATOR)

As we have heard, there are a number of large-scale industrial infrastructure development projects in which the African Development Bank has invested, in particular in the United Republic of Tanzania and Senegal. We hope to hear more about the experience of Senegal, now that the representative of the AfDB has touched on those interesting projects.

In the meantime, I would like to bring in Mr. Piper, Assistant Secretary-General for Development Coordination at the United Nations. Mr. Piper, please tell us about your experience of this cooperation. How it is playing out at the country level and how is the UNIDO PCP is linked with the United Nations Sustainable Development Goals?



#### MR. ROBERT PIPER, ASSISTANT SECRETARY-GENERAL FOR DEVELOPMENT COORDINATION, UNITED NATIONS

I am very pleased to put on record the important role that the PCP is playing, as a support for the wider efforts by the United Nations to reposition the Organization to be more effective in supporting governments on their road to 2030. This road, I hope, is a two-way street, in that the reforms that we are carrying out at the United Nations are also in some manner consolidating the effectiveness of UNIDO and the PCP programme in particular.

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The PCP aligns very well with our ambitions of a repositioned United Nations development system targeting support for governments on the road to 2030.

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We embarked on a very ambitious redesign of the United Nations development system in 2017. The Secretary-General laid out a vision of where we needed to be, compared to where we are today, based on distinctive messages from Member States. The goal has always been attainment of the Sustainable Development Goals (SDGs), determining how to get there faster, how to support governments on their journey to 2030, but taking into account plenty of specific feedback from Member States

about the need to be more project- and strategy-oriented, more coordinated in the advice that we offer to governments, more active on the economic and productive side of the development equation, and to come up with a more robust analysis of who is being left behind and, most importantly, why.

While this idea of who is being left behind is really the leitmotif of the SDGs, it comes with a recognition that all the best ideas available to us on social protection systems, safety nets and basic health and education will remain mere ideas if countries do not have a robust economy, and if they do not have a robust private sector that is generating tax revenues for them to fund many of these social projects. This recognition marks a real shift in the approach that has been followed over the last few years. Accordingly, we have placed economists in the 131 Resident Coordinators offices around the globe and are working much more closely with financial institutions such as the African

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The PCP is responding to this thirst from our governments for a more active United Nations system in the economic and productive sectors.

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Development Bank, the World Bank, the International Monetary Fund, and so forth.

As a result, the periodic Common Country Analyses in all the countries have a much stronger economic emphasis in their analysis and we are reaching out more effectively to those bodies, which have capacity in the economic domain. Here, I am thinking of the United Nations Conference on Trade and Development (UNCTAD), the Economic and Social Commissions in the regions, the International Trade Centre (ITC), the International Telecommunication Union (ITU) and, of course, UNIDO, which has strength in the productive sector. As a result, those agencies are becoming much more active in the United Nations Country Teamwork, in particular those that are not typically represented at the country level, but who can now assert their presence much more effectively with the use of virtual technology. Most important was the realization on the United Nations system side that a considerable portion of our strength lies in Vienna, in Geneva, in New York, and is not necessarily always available locally.

Accordingly, the PCP really does reinforce this vision of a new United Nations development system that supports countries with their SDGs. I would like to single out four areas where this is particularly evident.

First, it is very clear that the PCP is responding to this thirst from our governments for a more active United Nations system in the economic and productive sectors. Obviously, the PCP is about industrialization. We heard about the example in Egypt, where the PCP is focusing more on the manufacturing sector. In Ethiopia, I am well aware of the work of the PCP around integrated agro-industrial parks. In Peru, we hear about these investments in the circular economy model. Thus, first and foremost, the PCP is genuinely responding to this need for a stronger emphasis on the economic side of the equation.

Second, we are delighted that the PCP reflects our reform ambitions to facilitate an all-of-society response to the task of achieving the SDGs. This is achieved through these multi-stakeholder platforms, based on the idea that it is really important to draw in everyone:

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public bodies, the private sector, the international financial institutions, the traditional aid and bilateral aid donors, the host Government, tax revenues, and so forth. We need to bring all those efforts together and, in that context, we welcome the innovative approach of the PCP in, for example, the way it mobilizes funds from different streams, from the government, from the joint SDG Fund in certain places and, of course, its own resources. This is also, I believe, an excellent feature of the PCP.

Third – and this is a message that we heard loud and clear from Professor Mazzucato – the PCP model really is promoting a much more integrated model of development policy. We like its horizontal approach. In Cambodia, for example, where the PCP is focusing on agricultural value chain development and industrial diversification, we can see a cross-cutting effort to make connections with environmental sustainability, climate change, women's economic empowerment and so forth, following a much more horizontal approach.

Fourth and lastly, we see that the PCP is really trying to mobilize or

leverage a cross-section of the assets of the United Nations, not just looking outside the United Nations to a whole-of-society approach, but trying to draw on all of the assets within the United Nations family. We see this in Zambia, a country which we are extensively focusing on today, where the PCP and UNIDO have invited many other agencies of the United Nations Country Team to participate. In Cambodia too, there is an excellent Swiss-funded joint United Nations programme under the PCP that includes the United Nations Children's Fund (UNICEF), United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Labour Organization (ILO), as well as UNIDO, which demonstrates the ability of the United Nations system to rally together around a complex development challenge.

In short, we believe that the PCP is a great model. It is advancing very nicely. It aligns very well with our ambitions of a repositioned United Nations development system targeting support for governments on the road to 2030. We just need more PCPs now and this is very much the time to scale them up.



**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you very much, Mr. Piper. I hear your call for more PCPs, and I hope that the Director General has heard that too. Thank you too, for giving us the tangible examples of how the PCP reinforces efforts by the United Nations to achieve its SDGs.

Coming back now to the Minister of International Cooperation for Egypt, Ms. Al-Mashat, we heard

Mr. Piper talk about how Egypt's focus is on manufacturing, but unfortunately this is one of the sectors which has been greatly affected by the pandemic and the impact of this health crisis. What lessons do you think Egypt has learned from the crisis and what key opportunities do you see emerging from this pandemic that can help your country build back better and build back stronger?



**H.E. MS. RANIA AL-MASHAT, MINISTER OF INTERNATIONAL COOPERATION, EGYPT**

We have learned that supply chains are of great importance for all countries and there is need to strengthen regional supply chains. Another very important takeaway is that reform is a continuous process. If it were not for the reforms that we undertook before 2020, the situation would have been much tougher. That is why, despite the pandemic, the Government has pushed ahead with structural reforms in such priority sectors as manufacturing and industry, information and communication technology and agriculture. So those are two very important takeaways. At the Ministry of International Cooperation we have also been trying to ensure alignment and complementarity

across development partners when it comes to their support for different projects and across different ministries for financing within the country. We are doing this through multi-stakeholder platforms. We have also carried out an exercise where we map official development assistance against the different SDGs and this has been extremely important. Goal 9, which has to do with infrastructure and innovation, came in second place with close to 25 per cent of the total portfolio. This also sheds light on where there are gaps and what we need to do going forward.

Lastly, we are trying to create a narrative which is consistent

At the Ministry of International Cooperation we have also been trying to ensure alignment and complementarity across development partners when it comes to their support for different projects and across different ministries for financing within the country. We are doing this through multi-stakeholder platforms

and aligned across development partners. Here, in the spirit of leaving no one behind, people are always at the very centre. That is why, through the PCP, when we are looking at small and medium-sized enterprises, technical assistance helps small firms and it is the people that are truly at the core. There are also projects and activities that are either sovereign, private sector, or public-private partnerships – partnerships between the private sector and the government – and these have as their driving force the

achievement of the 17 SDGs within the set deadline.

I believe that, when it comes to development finance and to such matters as climate issues, there has been considerable pressure for us to work together on a global scale to solve many of the issues that face us at the national level. At the same time, every national problem or challenge also represents an opportunity to add to the global efforts to achieve the goals.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you very much, Ms. Al-Mashat, for raising again the issue of working together and coordinating together. We wish you every success in the implementation of all your projects in Egypt. We really appreciate your taking the time to be with us today at this forum.

Let me now bring in Ms. Lisel Huanca Palomino, Vice-Minister of Small and Medium-sized Enterprises and Industry at the Ministry of Production of Peru. From Peru's experience over the years, please tell us how the PCP represents a different approach to industrial development cooperation.



**MS. LISEL HUANCA PALOMINO, VICE-MINISTER OF SMALL AND MEDIUM ENTERPRISES AND INDUSTRY, MINISTRY OF PRODUCTION, PERU \***

The PCP has contributed and continues to contribute to the design and implementation of innovative industrialization projects and it has enabled us to use technology in a sustainable and inclusive way, and

to generate new opportunities and spaces for business development. It has allowed us to increase and improve productivity in key sectors of the national economy and to obtain an important impact on, in

\* Based on transcript of interpretation from Spanish

The PCP has allowed us to increase and improve productivity in key sectors of the national economy and to obtain an important impact on, in particular, our micro, small and medium-sized enterprises as the basis of the Peruvian business fabric.

Projects developed under the PCP are contributing to the challenge set jointly by UNIDO and Peru, namely achieving inclusive and sustainable industrialization in our country.

particular, our micro, small and medium-sized enterprises as the basis of the Peruvian business fabric. This is particularly relevant as we try to recover from the economic and social crisis caused by COVID-19.

When we speak of shared and coordinated work under the PCP, we are speaking about a vision of the future, and the generation of new opportunities and spaces for business development. We strive to do this through the prism of transformation, focused on green industry, in order to help our companies to boost their competitiveness and gain access to new markets while placing them on an equal footing with any companies around the world. The PCP also enables us and our businesses to make use of new technological resources in harmony with the environment and to have a positive impact. Projects developed under the PCP are contributing to the challenge set jointly by UNIDO and Peru, namely achieving inclusive and sustainable industrialization in our country. It has informed our work and has enabled us to

engage in close cooperation when developing assessments and new policy framework proposals. It has informed our interventions in sectors of the Peruvian industry and has enabled us to build capacity and training in the public and private sector, and also to engage in technical exchanges with UNIDO in Vienna and with national technical counterparts. It has also enabled us to mobilize resources and partnerships to generate new initiatives closely aligned with the priorities and objectives set by the Government of Peru.

This demonstrates the power and the benefits of the PCP programme in Peru. You may rest assured that we will continue to work along these lines.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

I would like to bring in Mr. Chipoka Mulenga, Minister of Commerce, Trade and Industry of Zambia. Zambia is, of course, one of the newest PCP countries and there will be a signing ceremony for the country at the end of this discussion. Mr. Mulenga, please tell

us how you envisage the PCP for Zambia accelerating your country's achievement of its development goals and whether you have started implementation of the programme. We would also like to know what your priorities are.



**H.E. MR. CHIPOKA MULENGA, MINISTER OF COMMERCE, TRADE AND INDUSTRY, ZAMBIA**

I would like to thank the previous speakers who explained so clearly the ways in which the PCP has been beneficial and how exciting it is to see the development of African countries and other countries in the world. This question is very important to me and it is most timely, considering that later this evening I will be signing the PCP on behalf of the Government of Zambia, thus giving a clear indication of our commitment and that of UNIDO to advance Zambia's industrialization strategy.

I would like to mention the broad policy direction of the new Government that we have in place today, a policy that reflects the economic transformation agenda designed to implement the national vision and fulfil the aspirations of the

people of Zambia to foster greater inclusion and poverty reduction. This is very important to us and our Government expects the industrial sector to play an important role in economic transformation, thus maintaining ownership of the PCP at the highest political level to ensure alignment with the country's industrialization agenda. As you may be aware, the Government of Zambia has undertaken to follow the path of industrialization policy. We are going to start along this path by setting forth our policies on trade and investment; it is through trade and investment that we can focus on value addition to the products that we have, which include agricultural and mining products, among many other areas in which we have long been involved. This would be an enormously significant milestone

Our Government expects the industrial sector to play an important role in economic transformation, thus maintaining ownership of the PCP at the highest political level to ensure alignment with the country's industrialization agenda.

for us to achieve and we are looking forward to making it a reality.

I should mention here that a very high level of commitment is being demonstrated by the President of Zambia himself, His Excellency President Hakainde Hichilema, who has agreed to be a champion of the Third Industrial Development Decade for Africa. This shows how committed as a country we are to the PCP, which we are on the verge of joining, immediately after the signing ceremony later this evening.

I would like to draw attention to the skills development component of the PCP, which is also a priority for Zambia, given that it enhances industrial productivity in a way that would greatly enhance advancement in service delivery and production in the country's emerging industrial market. While we may have the vision and the ambition to industrialize, if we do not possess the skills that we need locally, this will always be an unrealizable dream. Our country is looking forward to investing heavily in skills development and capacity-building, setting up workshops that

would help develop the human capital that we need to manage the path to industrialization.

It is important to realize that the PCP can be an engine for Zambia to develop a rich human capital base with appropriate skills, responding to the demands of the labour market. The process of industrialization creates demand for a huge labour market, but we need to be able to prepare for and manage this market demand, and keep building the industrial capacity that we need. We really do need the PCP framework that builds the human capital so that we can prioritize – or rather appropriately manage – the industrial sector that we are focusing on building.

Currently, the Zambian Industrial Training Academy, supported by UNIDO and other cooperating partners, is under way to support employment through skills training in mining and other related industries such as agriculture, production and other areas. This makes us even more excited about signing the PCP.

The PCP can be an engine for Zambia to develop a rich human capital base with appropriate skills, responding to the demands of the labour market.

I should also indicate that another important aspect of the PCP in accelerating Zambia's development goals is its focus on value addition in various sectors, including those I mentioned earlier, such as agriculture. The value addition, however, is not limited to agriculture but extends into the mining sector. For more than 50 years, Zambia has predominantly been involved in extractive types of industry, in that we extract minerals and export them in their raw form. We have a wide variety of timber, ranging from mukula, mukwa and many others to rosewood, which are highly valued and in demand in many other sectors. These we export as logs in their raw form. With regard to cash products such as maize, which we can develop into a range

of cereals including cornflakes – these we export as grains. We are now trying to change our policy as a Government and concentrate on value addition sectors, encouraging foreign direct investments and global direct investments to set up industries in the country, which will give value addition to our products.

Your question is therefore timely as we are signing the PCP document today and we are very excited at the prospects. In conclusion, I would like to state that analysing the potential of the agricultural sector and also the mining sector to advance industrialization in Zambia through the development of agro-industries can significantly contribute to the country's economic structural transformation.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

UNIDO is also thrilled to have Zambia as one of the newest PCP countries and I think it was very important that you highlighted the need to invest in human capital and in skills in order for this programme to succeed.

We shall now turn to the Secretary General of the Ministry for Industrial Development and Small and

Medium Industries of Senegal, Mr. Adama Baye Racine Ndiaye. Mr. Ndiaye, just a moment ago, the representative of the African Development Bank made reference to Senegal. Can you please tell us about your experience in terms of leveraging public and private resources in support of Senegal's economic growth and structural transformation?



**MR. ADAMA BAYE RACINE NDIAYE, SECRETARY GENERAL, MINISTRY OF INDUSTRIAL DEVELOPMENT AND SMALL AND MEDIUM INDUSTRIES, SENEGAL \***

This is a very timely question in that we are currently evaluating the PCP in Senegal. It was launched in 2015 immediately following the adoption of the plan for an emerging Senegal, the Plan Sénégal Emergent (PSE), which is the name of Senegal's landmark socioeconomic development plan covering the period to 2035. Industry is a key element of the PSE and the PCP was designed as an instrument for implementing the industrial part of the plan, in particular, part one, which seeks to structurally transform the economy. To gain a better appreciation of the relevance of the PCP, we need to look at 2015 and the industrial portfolios, finances and partners which were mobilized. In 2015, the only institutional partner of the Ministry of Industry in Senegal was UNIDO. In 2021, we now have several partners which are working with the Ministry of Industry. These include the African Development Bank, the European Investment Bank (EIB) and the Islamic Development Bank. Moreover we are cooperating

with Belgium, Germany, Italy and China, and we have other partners which are involved in the horizontal components of the PCP.

How does this mobilization of partners work and what has it resulted in? We have succeeded in mobilizing the significant funding needed for the implementation of structural projects underlying the socioeconomic development of Senegal. These include industrial platforms such as the agro-pole initiative. The representative of the AfDB referred to the regional mining hub and special economic zones. Furthermore, Senegal has a new industrial policy, the development of which was financed by the AfDB, and which was approved by the Head of State, His Excellency Mr. Macky Sall.

The AfDB is probably our main financial partner. It has committed over \$200 million to supporting the agro-pole in the north and south of the country. The Islamic Development Bank has committed

Industry is a key element of the PSE and the PCP was designed as an instrument for implementing the industrial part of the plan, in particular, part one, which seeks to structurally transform the economy.

\$27 million, Belgium \$22 million, the EIB \$100 million. In addition, we have attracted other donors including Belgium, Germany, the World Bank and Japan. They have been helping us to implement the projects related to the growing of pulse crops in the areas covered by the agro-poles.

The other project I want to highlight is that of the industrial platforms, in particular the Diamniadio Platform. The realization of this project was initially funded by the State of Senegal in the amount of over \$43 million. The second phase, the park's expansion, is funded by China, which contributed \$112 million. These are the structural projects which have been funded by public finance, but sourcing funding from the private sector is

a different matter. Private sector funding for the southern agro-pole amounts to about \$114 million and we have succeeded in raising a similar amount for the central agro-pole. Another important part of the PCP is job creation, an issue that is highly relevant for all developing countries. Jobs especially need to be created for young people and for women. The industrial platform of Diamniadio aims to create 30,000 jobs, and in the southern and northern agro-poles will create around 60,000 jobs both directly and indirectly.

I would like to take this opportunity to pay tribute to the Director General, Mr. LI Yong, for the outstanding work he has carried out in steering UNIDO, and I wish him all the best in his future career.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you Mr. Ndiaye for speaking about Senegal's experience and for giving us examples of the various partnerships which have been mobilized to support your country in its various projects.

We will now turn to Mr. Antti Karhunen, who is Director for Sustainable Finance, Investment and Jobs; Economy that works for the People of the Directorate-General for International Partnerships

of the European Commission. We have heard a lot about partnerships, and indeed partnerships could be said to be the keyword here today. As a partner institution, which is actively involved in and funding various development initiatives in PCP countries such as Senegal, how does this model in your view complement the efforts to support sustainable development in other regions and how does it contribute to achieving progress towards the SDGs?

\* Based on transcript of interpretation from French





**MR. ANTTI KARHUNEN, DIRECTOR FOR SUSTAINABLE FINANCE,  
INVESTMENT AND JOBS; ECONOMY THAT WORKS FOR THE PEOPLE,  
DIRECTORATE-GENERAL FOR INTERNATIONAL PARTNERSHIPS,  
EUROPEAN COMMISSION**

On behalf of the European Commission, I would like to state that it is an honour to be here. UNIDO is a long-standing partner and the collaboration we have with UNIDO is very important. We put a high value on multi-stakeholder approaches and the PCP programme is an excellent example of this, and it is a large part of our joint efforts to achieve the SDGs. The challenge is, of course, enormous. In 2020, official development assistance came to approximately \$161 billion and, at the same time, the estimated financing gap to achieve the SDGs was between \$2.5 trillion and \$3 trillion in our developing partner countries. There is much that needs to be done and it is absolutely essential to involve investment from the private sector to fill this gap, whether it is the issue of COVID-19 recovery or the transition towards inclusive green economy and digitalization. I will outline for you what our European Union experience has been on these issues and what we intend for the future.

We are looking at this collaboration from three main aspects – supply, demand and an enabling environment. On the supply aspect, we are hoping to achieve advanced industrial development, support infrastructure and digitalization, develop the renewable energy sector and improve the competitiveness of partner countries. Our budgetary guarantee instruments over the next several years will enable us to set a guarantee capacity of some 40 billion euros through our development finance institution partners. This will provide significant firepower to support the supply side.

On the demand aspect, we are helping to shape markets. We facilitate trade and regional integration, for example on the African continent. We encourage efforts in the area of free trade, and try to support value chains, making them ever more sustainable.

With regard to the third aspect, the ecosystem enabling environment,

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The collaboration with the European Commission should encompass three main aspects: supply, demand and an enabling environment.

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The PCP is a very valuable tool that can help leverage the complementary resources and initiatives of various partners, including those from the private sector. We already work very closely with UNIDO and have a current project portfolio of approximately 200 million.

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we are trying to strengthen regulatory frameworks, develop a skilled workforce and improve the investment climate.

I would like to cite two examples of the direction we are taking. First is the “Investing in Young Businesses in Africa” initiative, which was launched by our President, Ursula von der Leyen, in spring. Its aim is to provide substantial sustainable financing and technical expertise from the European Union and our Member States to address the key bottlenecks that are preventing young entrepreneurs and small business owners across Africa from starting and expanding their businesses.

The second example is our initiative on the manufacturing of and access to vaccines, medicines and health technologies in Africa aimed at creating an enabling environment for local manufacturing in Africa. We already have a very important collaboration and cooperation on this in Senegal and it will be backed by 1 billion euros from the European Union budget and also from the European Union development

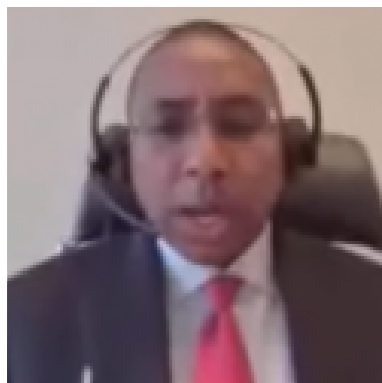
finance institutions outside the European Investment Bank, and we would hope that our member states will also make additional contributions. With UNIDO we can achieve much. We regard the PCP as a very valuable tool that can help leverage the complementary resources and initiatives of various partners, including those from the private sector. We already work very closely with UNIDO and have a current project portfolio of approximately 200 million euros and are working effectively on the PCP programmes in Senegal and in Cambodia.

In Cambodia, the work involves fisheries, improving the competitiveness of the economic sectors of the country and increasing their diversification. We value this cooperation with PCP and look forward to continuing our partnership with UNIDO in “building back better” as the programme offers an excellent opportunity to continue this collaboration.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

I would now like to turn to Mr. Abdu Mukhtar of the AfDB. Many have hailed the African Continental Free Trade Area as a great opportunity for African countries to increase cooperation and trade. The global health crisis caused by the pandemic has posed many challenges of course.

Do you think there are any opportunities for the African Continent as a result of this pandemic? What lessons do you think Africa can learn from this and is it possible for an agreement such as the African Continental Free Trade Area to improve the position of the continent with regard to global trade?



**MR. ABDU MUKHTAR, DIRECTOR, DEPARTMENT OF INDUSTRIAL AND TRADE DEVELOPMENT, AFRICAN DEVELOPMENT BANK**

To put things in context, the pandemic has wiped out \$145 billion of the cumulative gross domestic product (GDP) of Africa. Prior to 2020, GDP growth in Africa was approximately 4.6 per cent; six out of the ten fastest growing economies in the world were in Africa.

While our projected growth for 2020 was 5.8 per cent growth, we ended up with a rate of -2.1 per cent. We are going through the worst recession the continent has seen in the last 50 years. Things are starting to improve but, as Ms. Mazzucato has observed, equitable access to vaccines is critical to restoring life and livelihoods on the continent. It has been said that a good crisis should never be wasted. I am

reluctant to refer to the COVID-19 pandemic as a “good crisis”, so I shall alter the adjective from “good” to “monumental”. We have learned many lessons from this crisis and opportunities for future growth have opened up.

There is certainly a need to build industry value chains, so the AfDB has added five key areas that we feel would help countries in their development. One of these is agro-processing, to which we are contributing significant funds, as for example the recently approved funding for Senegal. The second sector is gas beneficiation and diversifying the gas resources on the continent into industrial value products, such as fertilizers.

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We have learned many lessons from the COVID-19 pandemic and opportunities for future growth have opened up. There is certainly a need to build industry value chains, so the AfDB has added five key areas that we feel would help countries in their development: agro-processing, gas resource diversification, textile industry, ICT sector and pharmaceuticals.

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The textile industry is an example of a value chain that we are hoping to develop. Africa produces a large amount of cotton, coffee and cocoa, but not the end products in terms of chocolate, textiles and garments, and we are trying to change this situation. The ICT sector offers a wealth of opportunities for Africa which, as a continent, was playing catch-up throughout the first three industrial revolutions. Now the Fourth Industrial Revolution gives Africa the chance to participate in the opportunities opened up by technological innovation and to move in the direction of financial inclusion. The situation with COVID-19 has also highlighted the increasing role of technology in education and in the provision of healthcare services, areas in which we would like to make further advances.

The final area that I want to look at is pharmaceuticals. One of the things we have done at the Bank is to develop what we call a 2030 vision for the development of Africa’s pharmaceutical sector and we intend to spend \$3 billion on the continent over the next ten years.

At present, Africa imports about 70 per cent of the essential drugs that it consumes. This is not sustainable. One lesson to be learned from COVID-19 is that we need to develop at least a minimum level of security of supply of essential medicines and vaccines. We import 99 per cent of the vaccines that we consume.

The Africa Centres for Disease Control and Prevention are determined to increase that 1 per cent to 60 per cent by the year 2040. In support of this, we have conducted a study, which we would be happy to share, in which we identified what we call a strategic pillar and three main enablers of the strategy. While at present 70 per cent of drugs are imported, our goal is to ensure that 70 per cent of drugs are developed and manufactured locally on the continent by 2030. One of the key elements of our plan is partnerships. We are working on a project in Senegal referred to by a previous speaker, to help the Dakar Louis Pasteur Institute to develop the appropriate technological know-how to increase the amount of vaccines that they can produce.



Our goal is to help countries to identify areas where they have a comparative advantage and enable them to develop the kind of products that would need to be eventually traded within the Free Trade Area.

Infrastructure is a basic enabler for industrialization, so the Bank is focusing on two areas of the infrastructure space – power, and rail and road.

In the last five years, we have spent about \$7.2 billion on the power sector. We are also developing a programme called “Desert to Power”, worth \$20 billion that would create the largest solar zone on the continent, even probably in the world. It will generate about 10,000 megawatts of electricity that will provide a supply of electricity to 250 million Africans in 11 countries across the Sahel. This is a project that is already under way. In addition to solar power, we are also dealing with renewable energy. Our goal at the Bank is to provide real leadership in terms of climate change and green development. Therefore, 85 per cent of all our investments in the power sector will be green and renewable.

To address the question raised about the African Continental Free Trade Area (AfCFTA), I would like to point out that transport is a very important issue, a game changer

for the African continent, involving \$3.3 trillion of GDP and 1.3 billion people. The AfCFTA is currently the largest single trade area, although we at the Bank look at it as more than just a trading zone, but as a manufacturing zone too. Our goal is to help countries to identify areas where they have a comparative advantage and enable them to develop the kind of products that would need to be eventually traded within the Free Trade Area. To get the AfCFTA properly fully operational, better integration and regional infrastructure is needed, which is why we are focusing on rail systems and roads. Over the last five years, we have spent approximately \$16 billion on infrastructure and we will continue to do that to support the Free Trade Area.

Another of the lessons to be drawn from the COVID-19 pandemic is that young people and women were disproportionately affected, so we are targeting interventions that will specifically support this group. To this end, we have established the Youth Entrepreneurship Investment Banks. Young people are generally excluded from the financial system,

lacking the collateral that would enable them to borrow funding to set up a businesses. We are hoping

in this way to ensure that they are included in the financial system.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you, Mr. Mukhtar. As you aptly point out, there are many opportunities for Africa in this Fourth Industrial Revolution. Infrastructure, nonetheless, is still the key and it still poses a challenge for many African countries, but any successful implementation of the African Continental Free Trade Area really hinges on having viable infrastructure.

Let me now turn to Mr. Chipoka Mulenga and ask him what lessons we can draw from this pandemic and what opportunities he can see emerging not just for Zambia, but for the whole continent of Africa.



**H.E. MR. CHIPOKA MULENGA, MINISTER OF COMMERCE, TRADE AND INDUSTRY, ZAMBIA**

We have many lessons to learn. It is important to realize that no country has been spared from the impacts of the pandemic. We are now talking about a fourth wave, about which everyone has been cautioned and a number of countries, including my own, are being put on a red list, which is a matter of serious concern to any Government and its citizens.

Our Government has taken this issue very seriously. We called an emergency ministerial meeting last night, following which a statement

was issued by the Minister of Health encouraging citizens to take the vaccine. There have been many myths surrounding the issue of vaccines, not just the COVID-19 vaccine but many others, including those dealing with polio and yellow fever. Our Government, in fact the President himself, has taken the lead in encouraging our medical personnel to undertake thorough research into the vaccines developed in Western countries, looking at possible side effects and the positive effects that they can have.

It must be realized that capacity-building is critical. Just because COVID-19 is here with us, we are not going to stop our industrialization agenda. That is why we must focus on such sectors as E-commerce and build the kind of infrastructure that will help us to set up trading facilities that can operate online.

These are the sort of things that we looked at and, as cabinet ministers, led by the President himself, followed by Minister of Health, we were the first to demonstrate our acceptance and take the job. This is an area that we really need to focus on and convince our people that the vaccines are meant to help them. As a Government and as a country, we have learned the lesson that COVID-19 must be taken very seriously. The safety of the people is the number one priority.

If we want to go the industrialization route we can sign agreements, but if our economies are ailing, if they are not focused on overcoming not only the COVID-19 pandemic, but also other health concerns, then the dream of industrialization can never be realized. The Sustainable Development Goals of 2030 and many other targets that we have set can never be reached. As a country, we must go the extra mile to start manufacturing and achieve value addition. For example, we have always had operational breweries, but we are not going to limit these to the brewing of liquor. We also need to manufacture hand sanitizers and

other products that can be used to prevent the spread of COVID-19, while at the same time carrying out a range of awareness-raising programmes for our citizens.

It must be realized that capacity-building is critical. We need to set up forums and platforms from which we can raise awareness not only among our own citizens, but also among those seeking to travel here from their countries of origin to do business in Zambia, visit their relatives, or have a holiday.

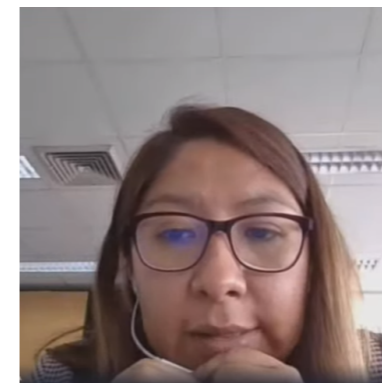
Yet, just because COVID-19 is here with us, we are not going to stop our industrialization agenda. That is why we must focus on such sectors as E-commerce and build the kind of infrastructure that will help us to set up trading facilities that can operate online. This, therefore, is an overview of the lessons that we have learned and the initiatives that we want to launch to overcome the challenges of this pandemic, among many other such challenges.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Indeed, COVID-19 will not stop the agenda for industrialization: it is very good to hear your optimism on this matter and to hear your very positive thoughts.

Turning now to the Vice-Minister from Peru, Ms. Huanca Palomino, could we have your thoughts on

the lessons that we can learn from this pandemic and the opportunities that, in your view, have emerged from this health crisis? Of course, there are many challenges but what about the opportunities?



**MS. LISEL HUANCA PALOMINO, VICE-MINISTER OF SMALL AND MEDIUM ENTERPRISES AND INDUSTRY, MINISTRY OF PRODUCTION, PERU \***

In relation to the COVID-19 pandemic, we cannot lose sight of the importance of policy-based responses that will allow us to achieve the objective set forth by the international community to build back better. Ideally, these need to include such dimensions as sustainability. A recent analysis by the Economic Commission for Latin America and the Caribbean has shown that, through a combination of environmental and social policies in hand with economic and technological policies, we can drive new development for the region of Latin America and the Caribbean and reach our objectives. Against that backdrop and taking into account the limitations that have been imposed on our public services, national responses need

to go hand-in-hand with a concerted response by the international community.

Where Peru's PCP is concerned, there are various stakeholders working towards this objective. We have managed to validate our road map for transition to a circular economy. We are also striving to craft a model for Peruvian industry, which will facilitate sustainable industry in Peru. We are also incorporating criteria of sustainability within our industrial park structure. In general, this will enable parks that form part of this system to participate in UNIDO initiatives. We are building capacities for different stakeholders within our system to ensure that our efforts to build back better and recover can

\* Based on transcript of interpretation from Spanish

Through a combination of environmental and social policies in hand with economic and technological policies, we can drive new development for the region of Latin America and the Caribbean.

Initiatives under the PCP are enabling us to transition to a circular economy model, which reconciles paradigms of development and environmental protection.

be replicated in different systems and different sectors. In this regard, we are striving to improve our capacities in the same vein and to ensure that Peruvian industry is sustainable. We note that initiatives under the PCP are enabling us to transition to a circular economy model, which reconciles paradigms of development and environmental protection. In this way, we are putting an end to the false belief that low carbon means that growth cannot be achieved.

The State Secretariat for Economic Affairs (SECO) of Switzerland has also proved to be an important partner for us and together we have undertaken an assessment of circular economy in the Peruvian industry. This has enabled us to identify sectors with the best potential and to incorporate them in our policies and programmes with a view to achieving circular economy. With the same objective, we are also seeking partners to continue the second phase of the work that has been undertaken with UNIDO in the context of Peru's PCP, to expand our network of centres for productive innovation

and technology transfer. We are effectively implementing strategies on eco-industrial parks, which are in line with the road map that I mentioned earlier. We are also seeking to incentivize sustainable industrial production. Throughout this process, UNIDO has provided support to us for the development of new policies in Peru. We should note that manufacturing has been affected by the COVID-19 pandemic, but it has the potential to bounce back thanks to its use of technologies. There is renewed interest in industrial policies as a key part of strategies to anticipate vulnerabilities and to respond to unusual circumstances.

Countries will move towards recovery at different speeds, depending on their capacities, as they strive to build more resilient societies. It is therefore vital that we continue to work on policies that will equip us with ideas disseminated by UNIDO and ensure that countries can achieve their recovery. Industrial policy is vital in this regard as we strive to strengthen domestic markets with a productive infrastructure that

is more oriented towards higher value-added activities which use more technology.

To conclude, I would like to state our intention to continue to harness the

potential of the PCP model in order to work towards these objectives and, in particular, to build back better and to continue working with UNIDO to achieve this through our PCP.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Mr. Piper, allow me to turn to you. Ms. Huanca Palomino from Peru has just talked about how countries will move at different speeds when it comes to recovery. What areas do you think countries should focus on as we hopefully soon move into the recovery stage of this pandemic?



**MR. ROBERT PIPER, ASSISTANT SECRETARY-GENERAL FOR DEVELOPMENT COORDINATION, UNITED NATIONS**

It is true that we were quite successful in the early phase of the recovery by recognizing, together with our governments, that the problem was much larger than a problem of health. We moved quite quickly to look at protecting jobs and economies, protecting essential social services, maintaining social cohesion, considering macroeconomic factors, but we heard extraordinary statistics: a \$140 billion loss of GDP in Africa alone. In the short-term, we did everything we could to respond to these extraordinary

numbers. The United Nations assisted some 250 million people last year with essential services; one in ten children in the world received assistance from the United Nations in remote learning, for example, at the height of the crisis. The overriding concern, however, is action in the longer term, and, in that regard, I am excited by what we have heard today about some of the long-term visions. I think that these are what we need to look at now, to consider the extent to which we are we going to shift consumption patterns in the aftermath of this

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We were quite successful in the early phase of the recovery by recognizing that the problem was much larger than a problem of health. We moved quite quickly to look at protecting jobs and economies, protecting essential social services and maintaining social cohesion, considering macroeconomic factors.

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crisis, the extent to which we are going to harness the digital economy, the extent to which we are going to build social protection systems and learn the hard lessons from COVID-19, the extent to which we are going to fix the multilateral system and think about how to approach risk collectively, how to approach intellectual property collectively at moments of crisis.

We have seen the beginnings of some exciting patterns. In Guatemala, we have seen the United Nations and the World Bank looking at the role of food, value chains and agro-industry in the recovery process. Together with the Bank and also with UNICEF and others, we have been working on new social protection systems in Guatemala and our work is now extensively informed by the COVID-19 recovery process.

In Uruguay, the recovery process has been more focused on the energy transition and how to take advantage of large investments in this sector, to decarbonize the industry and transport sectors.

These processes are very exciting in terms of changing consumption patterns and the effects of climate, the carbon footprint of the country.

In North Macedonia, certain reforms have been made to social protection systems, with a view to reducing the barrier to eligibility and it now appears that these reforms will be passing into law for the long-term.

In Uzbekistan, with the involvement of UNICEF and the World Bank, we carried out a major programme to streamline and digitize the social protection system. Here too we are seeing the beginnings of some long-term thinking on how to turn this crisis into an opportunity. But it appears to me that, as a number of speakers have remarked, we are still very much in the early recovery stage and it is still too early to look with confidence at the long-term and focus beyond a few months, even a few weeks from today. All the same, this must now be the key question, as the policymakers turn to the next phase of this recovery.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you very much, Mr. Piper: as you have said, we are not quite there. There is still some way to go until we get to the recovery stage.

Turning now to Mr. Ndiaye from Senegal, could we ask you to tell us the lessons that you think we can take



**MR. ADAMA BAYE RACINE NDIAYE, SECRETARY GENERAL, MINISTRY OF INDUSTRIAL DEVELOPMENT AND SMALL AND MEDIUM INDUSTRIES, SENEGAL**

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First, I call tell you that, at our Ministry, we have undertaken an assessment, the results of which show that almost all companies, over 92 per cent in fact, have experienced the impacts from COVID-19. The assessment has also shown that, in areas such as agro-industry and others, almost all businesses have been negatively affected by the health crisis, in such areas as supply of raw materials or equipment, distribution of products, production, investment, and even availability of labour.

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Senegal has a development strategy for the pharmaceutical industry, and our objective in this regard is to ensure the local production of 50 per cent of our needs in terms of medication and other health products by 2025.

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In setting out guidelines for our post-pandemic recovery plan, our Head of State has said that we need to focus on food and pharmaceutical sovereignty. I have already talked about our agro-pole

from this pandemic, the opportunities that arise from it? We have spoken of all the associated difficulties, but where reconstruction is concerned, what are the sectors on which we should focus?

initiatives and these will play a role in respect to building pharmaceutical sovereignty.

Senegal, in this regard, has a development strategy for the pharmaceutical industry. Through that strategy, our objective is to ensure the local production of 50 per cent of our needs in terms of medication and other health products by 2025. I am also happy to inform you that Senegal will start producing vaccines against the COVID-19 virus at the Louis Pasteur Institute in Dakar. We will be able to produce 300 million doses per year and strive to produce vaccines against other illnesses too.



**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you very much and our congratulations to Senegal. As we have just heard, Senegal will start to produce vaccines, aiming to achieve pharmaceutical sovereignty.

As we approach the end of this panel discussion, let us now consider what lessons and opportunities we can see arising from the COVID-19 health crisis that will help countries build back stronger and build back better.



**MR. ANTTI KARHUNEN, DIRECTOR FOR SUSTAINABLE FINANCE, INVESTMENT AND JOBS; ECONOMY THAT WORKS FOR THE PEOPLE, DIRECTORATE-GENERAL FOR INTERNATIONAL PARTNERSHIPS, EUROPEAN COMMISSION**

In my view, one lesson that we have learned is that, as we build back better, we must ensure that we really build back resilient economies and this means that we need a long-term vision, which requires scaling up, providing support to investments and manufacturing capacities. It requires a public-private dialogue so that, together with the private sector, we can identify the key constraints and opportunities. In this respect, I would just like to announce our European Union-Africa Business Forum, which will be held on 16 and 17 February 2022 and will bring together representatives of many African and European business communities, so it promises to be a very important event.

We in the European Union, together with our Member States, are working hard to be more transformative, and to use our collective firepower and effort to build back better.

Lastly, UNIDO has specific knowledge and experience and a competitive strength in sustainable industrial development and in many other domains that we now need. For that reason, we are very keen to continue and develop further this important partnership.

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We must ensure that we really build back resilient economies and this means that we need a long-term vision, which requires scaling up, providing support to investments and manufacturing capacities, thanks to this effective partnership model.

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# Interventions from Member States

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you very much, Mr. Karhunen: as you say, it is a long-term vision that we need. Thank you all for a very insightful discussion.

Our first such statement is a recorded video message from His Excellency Mr. Ahmed Shide, the Minister of Finance for Ethiopia.

At this time, I would like to invite Member States who are participating online and wish to speak.



**H.E. MR. AHMED SHIDE, MINISTER, MINISTRY OF FINANCE, ETHIOPIA**

Excellencies, Ladies and gentlemen, First of all, let me begin by thanking UNIDO for inviting me to participate in this high-level forum of global significance and particularly, my good friend Director General Li Yong.

providing room for all partners, government and development partners, to constructively engage through the PCP. It also allowed the Government to access knowledge, resources and expertise from a variety of partners.

To give a little bit of background about the experience from Ethiopia, UNIDO and the Government of Ethiopia started the Programme for Country Partnership in 2015 in support of the country's economic development plans and strategies. Since its launching, the PCP has become an important model for fostering partnerships in Ethiopia

Thanks to this effective partnership model, Ethiopia has managed to significantly enhance its capacity to handle major industrial infrastructure development and industrial capacity-building programmes by actively engaging in partnerships and multilateral cooperation, and working with UN agencies, development finance institutions as well. We are now

Thanks to this effective partnership model, Ethiopia has managed to significantly enhance its capacity to handle major industrial infrastructure development and industrial capacity-building programmes by actively engaging in partnerships and multilateral cooperation and working with UN agencies, development finance institutions as well.

investing heavily in agro-industrial parks and specialized industrial clusters, including advanced textile industrial parks and small and medium-sized enterprise clusters around the country, the Modjo Leather City industrial park, and the four pilot Integrated Agro-Industrial Parks, three of which, have recently been inaugurated in the course of 2021 and are open for business to produce agricultural processing products that meet global quality standards.

In the last five years, over \$1.9 billion has been mobilized and a whole range of critical technical and professional support provided in a concerted manner in support of modern industrial infrastructure development.

Let me conclude by acknowledging the long-time, unwavering support of UNIDO in Ethiopia's quest to build an industrial economy.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

I take this opportunity to remind all participants that, immediately after this discussion and the statements by Member States, a signing ceremony will be held for the PCP for Zambia.

I would now like to give the floor to the representative of Cambodia.



**MR. SARUN RITHEA, SECRETARY OF STATE, MINISTRY OF INDUSTRY, SCIENCE, TECHNOLOGY AND INNOVATION, CAMBODIA, ON BEHALF OF H.E. MR. KITTI SETTHA PANDITA CHAM PRASIDH, SENIOR MINISTER OF INDUSTRY, SCIENCE, TECHNOLOGY AND INNOVATION, CAMBODIA**

Allow me to deliver the following statement on behalf of H.E. Mr. Kitti Settha Pandita Cham Prasidh, Senior Minister of Industry, Science, Technology and Innovation.

Director General, distinguished delegates, Excellences, ladies and gentlemen, it is my great honour to

represent the Royal Government of Cambodia at today's event, the Eighth ISID Forum, which offers an excellent opportunity to meet, discuss and exchange knowledge and experience with other Member States and partners on the question of advancing socioeconomic

Through the PCP in Cambodia and with the active support of UNIDO, we have mobilized and will continue to mobilize blended funds to implement the key priorities of the PCP.

recovery in the context of the COVID-19 pandemic.

Through the PCP in Cambodia and with the active support of UNIDO, we have mobilized and will continue to mobilize blended funds to implement the key priorities of the PCP, which will contribute to the attainment of key priority areas of the economic recovery plan and, in the long run, to the achievement of inclusive and sustainable industrial development.

On behalf of the Royal Government of Cambodia, I would like to convey

our sincere thanks to UNIDO for the joint effort in supporting Cambodia and the implementation of the PCP through inclusive and sustainable industrialization by facilitating public and private investment, the engagement of international financial institutions, grants and loans, knowledge exchange, technology transfer and other measures, all of which are fully aligned with the industrial development policy of Cambodia for the period 2015–2025, and our aspirations to realize our ISID goals.

**MS. FOLLY BAH THIBAUT (MODERATOR)**

Thank you very much, Mr. Sarun, from Cambodia, for your remarks and many thanks to all of our keynote speakers, our distinguished guests and our panellists, who have shared with us today their first-hand experiences, lessons learned and insights into how we can transform and help countries to build

back better as we navigate through the pandemic and towards the 2030 Sustainable Development Goals.

Thank you to all the representatives of Member States who have intervened and thank you very much to the Member States.

We now come to the concluding segment of our forum, the official signing ceremony of the Programme for Country Partnership for Zambia, between the Director General of UNIDO, Mr. Li Yong,

and the Minister of Commerce, Trade and Industry of Zambia, His Excellency Mr. Chipoka Mulenga.





## Eighth Inclusive and Sustainable Industrial Development (ISID) Forum: Partnerships for Socio-Economic Recovery

**Date:** Monday, 29 November 2021 | 4:30 – 6:30 p.m. (CET)

**In-person:** Vienna International Centre

**Virtually:** Interprefy online platform (for registered participants)

**Livestream:** Accessible on the event's webpage: <https://www.unido.org/eighth-isid-forum>

### FINAL AGENDA

#### Moderator

**Ms. Folly Bah Thibault**, Principal Presenter, Al Jazeera English

- 4:30 p.m. — **Opening remarks**  
**Mr. Li Yong**, Director General, United Nations Industrial Development Organization (UNIDO)
- **Keynote speech**  
**Ms. Mariana Mazzucato**, Professor at the University College London (UCL) and Founding Director of the UCL Institute for Innovation and Public Purpose
- **Panel discussion**  
**H.E. Ms. Rania Al-Mashat**, Minister of International Cooperation, Egypt  
**H.E. Mr. Chipoka Mulenga**, Minister of Commerce, Trade and Industry, Zambia  
**Ms. Lisel Huanca Palomino**, Vice-Minister of Small and Medium Enterprises and Industry, Ministry of Production, Peru  
**Mr. Adama Baye Racine Ndiaye**, Secretary General, Ministry of Industrial Development and Small and Medium Industries, Senegal  
**Mr. Robert Piper**, Assistant Secretary General for Development Coordination, United Nations  
**Mr. Abdu Mukhtar**, Director, Department of Industrial and Trade Development, African Development Bank  
**Mr. Antti Karhunen**, Director for Sustainable Finance, Investment and Jobs; Economy that works for the People, Directorate-General for International Partnerships, European Commission
- **Interventions by Member States**
- 6:30 p.m. — **Official signing of the Programme for Country Partnership for Zambia**

For more information, visit the website:  
<https://www.unido.org/eighth-isid-forum>



See the press release of the Forum:

<https://www.unido.org/news/partnerships-socio-economic-recovery-focus-unidos-eighth-isid-forum>

Further information on the Programmes for Country Partnership:

<https://www.unido.org/programme-country-partnership>

# PCP Zambia Signing Ceremony

Signing of the Programme for Country Partnership (PCP) between the UNIDO Director General, Li Yong and Zambia's Minister of Commerce, Trade and Industry, H.E. Mr. Chipoka Mulenga, which under the leadership of the Government of Zambia, will strengthen existing- and forge new partnerships for the inclusive and sustainable industrial development of Zambia, with the main objective of contributing to a diversified, competitive, inclusive and sustainable industrial economy. As part of its commitment to

the programme, the Government of Zambia has pledged more than US\$20m as co-financing for the implementation of the PCP objectives, which is expected to leverage additional resources from development partners. Notably, the PCP and its pertinent initiatives have already received support from the Governments of China, Sweden, Finland and Japan, as well as the European Union, among other relevant partners.



For more information on the signing ceremony:

<https://www.unido.org/news/unido-and-government-republic-zambia-sign-programme-country-partnership>





UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



UNIDO  
19<sup>TH</sup> GENERAL  
CONFERENCE  
BUILDING A BETTER FUTURE

# EIGHTH ISID FORUM

INCLUSIVE AND SUSTAINABLE  
INDUSTRIAL DEVELOPMENT



PARTNERSHIPS FOR SOCIO-ECONOMIC RECOVERY





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