

**General Conference****Twentieth session**

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Item 21 of the provisional agenda

**UNIDO activities related to the Vienna Ministerial  
Declaration for the Least Developed Countries****UNIDO activities in support of least developed countries****Report by the Director General**

In compliance with resolution GC.19/Res.3 on the Vienna Ministerial Declaration for the Least Developed Countries (LDCs), the present document provides information on the implementation of the resolution, the activities undertaken and the events organized in support of LDCs.

**I. Introduction**

1. The Fifth United Nations Conference on the Least Developed Countries (LDC5), held in March 2022, adopted the Doha Programme of Action for the LDCs (DPoA) 2022–2031. The second part of LDC5 was held in March 2023, in Doha. The DPoA presents renewed and strengthened commitments by the LDCs to eradicate extreme poverty; achieve sustainable and inclusive recovery from the COVID-19 pandemic; build resilience; strengthen labour markets; promote graduation from the LDC category; enhance access to financing; leverage the power of science, technology and innovation (STI); promote technology-driven entrepreneurship; drive structural transformation; and achieve the Sustainable Development Goals (SDGs), through a global sustainable development partnership.
2. UNIDO has continuously supported the industrialization efforts of LDCs. The Organization's medium-term programme framework 2022–2025 among others, focuses on meeting the needs of LDCs. Recognizing that 33 LDCs are in Africa and 12 LDCs are in the Asia-Pacific region, UNIDO's activities take into account the Agenda 2063 of the African Union and the Third Industrial Development Decade for Africa (IDDA III), as well as the South-South and triangular industrial cooperation (SSTIC) approach and the global role of the United Nations development system reform.

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3. At the nineteenth session of the General Conference, Member States called upon UNIDO to support LDC5. Focusing on industry-related challenges, structural economic transformation and the SDGs, UNIDO participated in high-level official meetings, assisted in organizing the private sector and youth forums, organized an exhibition and five side events to advocate for LDCs, and stimulated conversations on the DPoA implementation and the acceleration of the SDGs. At the LDC5, the Director General of UNIDO called for a new deal for LDCs based on debt relief and fair access to financial markets; investments in infrastructure development for agriculture, sustainable energy and climate protection and enhanced access to climate finance. UNIDO and the Food and Agriculture Organization of the United Nations launched the Agrifood System Transformation Accelerator, a global programme assisting in agrifood system transformation in 15 countries across the world.

4. As requested by Member States, UNIDO launched a consultation process in 2022, resulting in the current draft Operational Strategy for the LDCs 2022–2031, to be presented for adoption at UNIDO’s Tenth Ministerial Conference of the LDCs and to be submitted for consideration by the twentieth session of the General Conference of the Organization. The draft Strategy integrates the six focus areas of the DPoA and envisions structurally transformed LDCs, with climate-resilient industry, thriving agribusiness and private sectors, skilled labour force and integration into regional and global value chains for fair and responsible resource use and long-lasting prosperity of the population.

## **II. Contribution to the development of least developed countries**

5. UNIDO has been assisting LDCs on their path to graduation through its multifaceted approach and multi-stakeholder partnerships. From January 2022 to August 2023, 206 technical cooperation (TC) projects with a \$332.3 million budget were in implementation in LDCs. In 2022 alone, the TC delivery to LDCs amounted to \$41.9 million, and \$54.3 million was mobilized from various donors for future activities in those countries. The funding partners include Germany, Italy, Japan, Norway and Sweden as well as the European Union and the Global Environment Facility (GEF). Since the DPoA and its six focus areas serve as the key guiding framework for UNIDO’s activities for the past two years, the present report follows the same structure.

### **(a) Investing in people**

6. UNIDO remains committed to enhancing industrial skills development through technical and vocational education and training (TVET), entrepreneurship promotion, women and youth empowerment, support to local health industries and good industrial governance in LDCs. In 2022, over 23,000 people (around 35 per cent women and 45 per cent youth), 6,500 firms and around 300 institutions in LDCs gained knowledge in different technical areas, including the promotion of entrepreneurship and start-up development. Best practice examples include TVET projects in Liberia, Sierra Leone, Sudan, and Zambia. The Creative Hub Ethiopia, launched by UNIDO, has supported 183 enterprises to date. UNIDO further provided policy advisory services to LDCs. The Organization’s *Industrial Development Report 2022* and *International Yearbook of Industrial Statistics 2022* among others focused on LDCs to enhance industrial policymaking processes in these countries.

### **(b) Leveraging the power of science, technology and innovation**

7. In October 2022, UNIDO scaled up the Global Cleantech Innovation Programme (GCIP), worth \$25 million, covering 16 countries, including LDCs. GCIP supports home-grown innovations with climate impact stemming from

start-ups and small and medium-sized enterprises (SMEs). In 2023, up to 75 cleantech solutions received business acceleration and investment facilitation services, with an expected reduction of 135,000 tons of CO<sub>2</sub> emissions. In May 2023, the Government of the United Kingdom of Great Britain and Northern Ireland and UNIDO launched the Accelerate-to-Demonstrate (A2D) Facility worth £65 million, to foster clean energy innovation.

8. To support STI at the national level, UNIDO works with SMEs as drivers of economic growth and poverty reduction. In 2022, the Organization supported the establishment of 111 startups and over 150 new institutions and assisted around 700 firms to improve their management practices. Beneficiary firms and institutions have developed around 70 and adopted 120 new technologies through UNIDO's initiatives. Some of the projects implemented by UNIDO included an initiative to foster agro-technology development for economic growth in South and Central Somalia, addressing local needs for mechanization, operation and maintenance of old agro-industrial equipment, as well as technical assistance to upgrade the Ethiopian leather and leather products industry.

**(c) Supporting structural transformation**

9. Through TC services targeted at food and non-food sectors, UNIDO assists LDCs to add value to their agricultural output and generate off-farm employment opportunities in rural communities, contributing to rural economic development and structural transformation. The Organization supported Ethiopia and Senegal to establish industrial parks and mobilize large-scale resources and partnerships. In Africa, UNIDO collaborates with the African Union Commission on the Common African Agro-Parks programme.

10. UNIDO assists LDCs with energy efficiency and access to clean and affordable energy, including via the Industrial Energy Efficiency Accelerator. The Industrial Deep Decarbonization Initiative, coordinated by UNIDO, and co-led by India and the United Kingdom of Great Britain and Northern Ireland, has so far achieved cost savings of \$600 million and contributed to a reduction of around 11.5 million tons in direct CO<sub>2</sub> emissions. UNIDO partnered with GEF and local service providers to install solar power grids in the Gambia, and to establish small hydropower plants in rural areas in Madagascar.

**(d) Enhancing international trade of least developed countries and regional integration**

11. In 2022, institutions and government bodies in LDCs adopted over 40 new standards and around 30 new guidelines on quality, safety and corporate responsibility, were developed with UNIDO's assistance. The Organization launched the Quality and Standards Compliance Programme for the United Republic of Tanzania, with funding from the European Union, and the Global Market Access Programme for Ethiopia and Mozambique with funding from the Norwegian Agency for Development Cooperation, to assist MSMEs with enhanced market access, to boost countries' competitiveness and to strengthen consumer protection. Similar assistance was provided to Angola, Mozambique, Nepal and Timor-Leste. UNIDO also supported the West Africa Competitiveness Programme, implemented in 16 Western African countries, by leading the programme's regional component and national projects in the Gambia, Guinea, Guinea-Bissau, Senegal and Sierra Leone.

12. UNIDO supported regional economic communities in Africa to create and operate regional sustainable energy centres, which promote integrated and inclusive markets for sustainable energy products and services. Two centres are located in LDCs, notably in Angola and Uganda. In addition, the UNIDO-led energy efficient lighting and appliances regional programme progressed significantly in the development and adoption of regional minimum energy performance standards for lighting and appliances in the Southern African Development Community and the

East African Community.<sup>1</sup> Once implemented nationally, the harmonized standards will positively impact more than 450 million African energy consumers.

**(e) Addressing climate change and environmental degradation, recovering from the COVID-19 pandemic and building resilience against future shocks**

13. In 2022, the Organization contributed to a reduction of 425,221 tons in CO<sub>2</sub>-equivalent emissions and an estimated 70 tons of pollutants in LDCs. The global project focusing on strengthening engagement and action by the LDC Group on climate change strengthened institutional structures and access to climate finance for LDCs. In 2023, UNIDO launched a project to support the Challenge Programme for Adaptation Innovation of GEF, with the aim to gather, discuss, manage and disseminate the learning and knowledge generated from adaptation innovation projects implemented under the programme through the establishment of a digital community of practice on investment funds, MSMEs incubation and climate change adaptation impact metrics.

14. At the national level, Senegal's sustainable cities management initiative assists with sustainable urban management practices. UNIDO supports Bangladesh with sustainable plastic use and marine litter prevention. In Cambodia, the Gambia and the Sudan, the Organization is strengthening institutional capacities for sustainable fisheries sectors. UNIDO also supports Zambia with the sustainable use of water resources, through a water skills technician training programme. In Sao Tome and Principe, the Organization assisted the Government in mobilizing funding from GEF and GCF to support the energy transition towards renewables and energy efficiency.

**(f) International solidarity and reinvigorated global partnerships**

15. UNIDO partnered with the World Bank and the International Trade Centre to implement the ACP Business-Friendly programme, which helped LDCs such as Ethiopia, Senegal and Zambia, to improve investment promotion. In partnership with other United Nations entities and with the financial support of the Enhanced Integrated Framework, UNIDO delivered a masterclass on investment project preparation and appraisal within the context of the capacity development programme for investment promotion agencies in LDCs. Senior and mid-level officials from investment institutions and government ministries in 40 LDCs were trained on sustainable quality foreign direct investment. Under the GEF Challenge Programme for Adaptation Innovation, UNIDO collaborates with the think-tank Earth Security to launch a global facility for the mobilization of private sector investments into nature-based solutions and enhanced climate resilience of coastal communities in 13 LDCs.<sup>2</sup>

16. UNIDO also works with the business sector. In Ethiopia, the Organization has been implementing a public-private partnership project that increased the productivity, quality and sustainability of coffee exports. UNIDO's network of Investment and Technology Promotion Offices assists in matching investors and technology suppliers, including for LDCs.

17. UNIDO's Programmes for Country Partnership (PCP) continued to leverage investments for industrial development at the national level. In 2022–2023, six PCPs<sup>3</sup> are at different formulation and implementation stages for LDCs.

<sup>1</sup> The programme's beneficiary countries include LDCs such as Angola, Burundi, Comoros, the Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mozambique, Rwanda, South Sudan, Uganda, the United Republic of Tanzania and Zambia.

<sup>2</sup> Beneficiary countries include Bangladesh, Cambodia, the Democratic Republic of the Congo, the Gambia, Guinea, Guinea-Bissau, Haiti, Madagascar, Mozambique, Senegal, Sierra Leone, Solomon Islands and the United Republic of Tanzania.

<sup>3</sup> Cambodia, Ethiopia, Rwanda, Senegal, the United Republic of Tanzania and Zambia.

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Additionally, six country programmes are being implemented,<sup>4</sup> and another eight are in formulation.<sup>5</sup>

18. UNIDO was the co-organizer of the African Union's seventeenth Extraordinary Summit on Industrialization and Economic Diversification and Extraordinary Session on the AfCFTA in November 2022, and led 13 side events. Subsequently, the Organization assisted with the development of the Action Plan to implement the Summit's outcomes, which is currently at its inception phase.

19. UNIDO continues to pursue joint United Nations activities at the global, regional and national levels. The Organization aligns its activities with the respective United Nations Sustainable Development Cooperation Framework (UNSDCF) as a core strategic instrument for the work at the national level. In 2022, UNIDO signed new UNSDCFs in five LDCs, including Burundi, Sao Tome and Principe, South Sudan, Yemen and Zambia.

20. UNIDO utilizes the SSTIC approach as an important modality to foster TC. Currently, 28 UNIDO projects in LDCs apply the SSTIC approach.

### **III. Action required of the Conference**

21. The Conference may wish to take note of the information contained in the present document.

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<sup>4</sup> Afghanistan, the Gambia, Guinea, Madagascar, Mauritania and Myanmar.

<sup>5</sup> Benin, Burundi, the Democratic Republic of the Congo, Guinea-Bissau, the Niger, Sierra Leone, the Sudan and Uganda.