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### **UNIDO activities related to agribusiness, trade capacity-building and job creation**

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### **Report by the Director General**

The present document supplements the information contained in the reports presented to the Industrial Development Board (IDB.50/2 and IDB.51/2), providing updates to Member States on UNIDO activities related to agribusiness, trade capacity-building and job creation.

## **I. Introduction**

1. Agribusiness, covering all business activities from farming through processing and distribution to final consumption, is an important source of income and employment in agriculture, manufacturing and services. The economic gains from agribusiness are transferred to other sectors through higher demand for inputs, technology, transport, communication and quality infrastructure. The sector has great potential for growth in developing and least developed countries, as well as an impact on the change in land use, greenhouse gas emissions and climate change.
2. UNIDO recognizes the importance of reducing the agricultural and agro-industry sectors' impact on the environment, and is working to introduce environmentally friendly agricultural and processing practices. This includes the reduction of post-harvest losses and waste through technological improvements, process optimization, the use of digitalization and new technologies to promote smart agriculture, and the utilization of by-products.
3. Partnerships with United Nations agencies based in Rome, international financial institutions, the private sector, academia and civil society are a strategic priority for UNIDO to accelerate and scale up its development impact. Tangible results have been achieved in enhancing local productive and trade capacities, and competitiveness.

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## II. Analytical, research, policy advisory services and norms and standards-setting

4. Demand is growing for UNIDO's services in designing national and regional quality and laboratory policies, establishing quality infrastructure systems, addressing food safety issues, enhancing innovation, ensuring industrial safety and security, and fostering the economic inclusion of vulnerable population groups.
5. To further promote the powerful role of sustainable, equitable, healthy and resilient food systems as critical accelerators of the Sustainable Development Goals (SDGs), UNIDO, together with the Food and Agriculture Organization of the United Nations (FAO), launched the Agrifood Systems Transformation Accelerator (ASTA). ASTA is a global systems-based programme to assist countries in transforming their agrifood systems by facilitating innovative partnerships and SDG-compliant investments in selected value chains.
6. UNIDO supported the development of non-food value chains, including by promoting innovative learning tools for skills development. In coordination and collaboration with the private sector, sustainability of the interventions has been sought in promoting inclusive and long-lasting training opportunities. One example of this approach is e-learning content development within the leather value chain. New courses launched covered tannery effluent treatment; first aid at the workplace; occupational safety and health; and an introduction to leather testing.

## III. Technical cooperation programmes

7. UNIDO continues to implement a range of technical cooperation programmes on agro-industries and rural development, trade capacity-building and job creation.
8. UNIDO continued its support to Member States in the establishment of agro-industrial food parks and rural transformation centres, with feasibility studies completed for agro-industrial food parks in Kenya and Senegal, and operational manuals developed for the efficient management of the agro-industrial food parks and rural transformation centres in Ethiopia. UNIDO also initiated prefeasibility studies, stakeholder consultations and funds mobilization activities for the development of agro-industrial food parks in a number of countries, including Angola, Cabo Verde, the Gambia, Guinea, Rwanda and Sierra Leone. The Organization also worked with regional economic communities, such as the Common Market for Eastern and Southern Africa, and the African Union Commission on developing cross border agro-industrial food parks.
9. In Kenya, the UNIDO Market Access Upgrade Programme (MARKUP), funded by the European Union, supported the development of the country's capacity to participate in international and regional trade in selected value chains in the horticulture sub sector. The project enhanced value chain stakeholder's capability to produce and trade according to international market requirements. The project empowered smallholder farmers, inspection service providers, small and medium-sized enterprises (SMEs) and key value chain actors in various counties, as well as central agencies in selected value chains, boosting access to new markets by 44 per cent and increasing smallholder farmers' revenue by 67 per cent in target counties.
10. The Organization is supporting the Government of Ethiopia in promoting a sustainable coffee value chain. UNIDO is working with the Illycaffè company, the Ernesto Illy Foundation, the International Coffee Organization and other partners to provide technical support to farmer cooperatives and the Ethiopian Coffee and Tea Authority. This public-private partnership approach has led to innovative and successful solutions, such as the establishment of the first Coffee Training Center and Coffee Fund dedicated to local impact investors for improving the economic, social and environmental performance of the Ethiopian coffee sector.

11. The productive sectors development programme for Somalia aims to support the development of the country's economy by focusing on agro-industrial SMEs. The programme contributes to an overall mindset and paradigm shift regarding the role of the private sector and development actors in Somalia. In particular, UNIDO has deployed a holistic productive sector development ecosystem approach, involving national financial institutions, government counterparts and business sector entities, and other development partners like FAO, the United Nations Development Programme and the World Bank. A particular feature of the UNIDO Somalia programme is the credit facility enabling Somali SMEs access to concessional lending to finance capital investment, while stimulating markets dynamism and activity, ultimately enabling them to create economic opportunities and jobs. UNIDO technical assistance to Somalia aims to empower a process of economic growth that is more resilient to internal and external shocks.

12. The Organization continues to develop and manage programmes that help agro-value chain upgrading, including programmes in Colombia (coffee, cocoa and cotton); Egypt (tomatoes); the Islamic Republic of Iran (dates); Lebanon (dairy and apiculture); Mongolia (dairy and meat); and Mozambique (fruits, vegetables and coffee).

13. UNIDO continues to provide technical assistance in the cotton, textile and fashion sectors in developing countries. With support provided by the Italian Agency for Development Cooperation, the capacity-building programme in Ethiopia supported industry actors, management and policymakers to develop skills by leveraging the established services provided by the Creative Hub. In addition, phase II of the Egyptian cotton programme aims to continue to develop the sustainable cotton value chain with the global private sector, while phase II of the Creative Jordan project provides local SMEs with skill development and business linkages for the international market.

14. UNIDO is contributing to injecting sustainable investment into agribusiness and manufacturing value chains in the African, Caribbean and Pacific (ACP) region through the ACP Business-Friendly programme, supporting value chains through inclusive policies, investment promotion and alliances. Through this programme, funded by the European Union and the Organisation of African, Caribbean and Pacific States (OACPS), UNIDO provides support to agribusiness and manufacturing firms from eight intervention countries from the ACP region (Cameroon, the Dominican Republic, Ethiopia, Ghana, Kenya, Papua New Guinea, Senegal and Zambia), helping them formulate bankable investment proposals and build investment pipelines with SDG links. OACPS and UNIDO determined that the quality infrastructure component of the ACP Business-Friendly programme should be expanded to address the shared quality and regulatory infrastructure issues facing the three regions. UNIDO is working with the African Organization for Standardisation, as the Secretariat for the Pan-African Quality Infrastructure; the CARICOM Regional Organisation for Standards and Quality in the Caribbean; and the Pacific Islands Forum Secretariat through the Pacific Quality Infrastructure Initiative, to improve the investment-related business environment through quality systems and conformity assessments.

15. Fisheries is a crucial sector for the promotion of economic growth, food security and job creation. The Organization continues to provide technical assistance in the fisheries sector through projects targeting the fisheries value chain and supporting public and private institutions, as well as government agencies in Cambodia, Ethiopia and Guinea-Bissau. Through the European Union co-funded flagship CAPFISH-Capture project, UNIDO supports the Government of Cambodia in developing post-harvest fisheries, addressing the lack of food safety regulations and promoting access to international markets. It focuses on enhancing the competent authority's capabilities and private sector compliance with international standards, in line with European Union and international food safety requirements. The project has established regulatory frameworks and the Cambodia Quality Seal certification scheme and strengthened food testing laboratories. Under the Value Chain Investment Support scheme, the project has so far provided technical and equipment support worth €1 million to

28 fisheries enterprises along the post-harvest fisheries value chain to upgrade their business operations and enhance their competitiveness, facilitating their international market linkages.

16. UNIDO is implementing initiatives in Bangladesh and Mongolia, based on agreements signed with the respective countries and through funding from the World Bank, to promote agricultural development. In the case of Bangladesh, UNIDO implements two agreements under the Livestock and Dairy Development Project, one focusing on the improvement of the food safety regulatory framework for food of animal origin, and another designing an antimicrobial resistance system for the same food products.

17. Within the Mongolia Export Development Project, funded by the World Bank's International Development Association, UNIDO continues supporting the Mongolian Ministry of Food, Agriculture and Light Industry in the country's economic transformation process. The technical assistance is aiming at enhancing the export competitiveness of small and medium-sized agribusinesses along selected value chains, by strengthening their compliance capacities and required certification services. Twenty-five meat processing enterprises and tanneries have benefited from intensive upgrading support, while substantial capacity-building activities were delivered to various actors all along the selected value chains.

18. UNIDO continues to support the agribusiness development and revitalization in China's rural areas by improving the capacity, productivity and quality of local agriculture and food production and processing. A new project was launched in 2022 to support local stakeholders in Quannan County, focusing on food safety, food packaging, value addition and agribusiness development.

19. In Lebanon, UNIDO supported 26 Zaatar micro-, small and medium-sized enterprises (MSMEs) and cooperatives to attract new customers and penetrate national and international markets by upgrading production, improving health and safety conditions, and introducing new products. In a separate project, UNIDO also established the Lebanon Export Academy. It is the first academy of its kind in Lebanon, and it equips export ready start-ups, MSMEs, agricultural cooperatives and farmers in the agrifood and agriculture sectors with the required know-how and practical export skills to scale up their operations and foster their readiness to export. Seventy-one MSMEs (62 per cent women-led) participated in the initial three rounds of trainings, with 91 per cent expressing a high level of satisfaction.

20. In Tunisia, UNIDO is implementing phase II of the Market access facilitation for typical agrifood products (PAMPAT) project financed by the State Secretariat for Economic Affairs of Switzerland. Underscoring the significance of fostering sustainable value chains around ancestral products, this second phase prioritizes the development of selected value chains encompassing prickly pears, dried tomatoes, pomegranates and processed dates. By supporting actors such as farmers, entrepreneurs, cooperatives, processing companies and export companies, the project has the overarching aim of generating income opportunities, while creating jobs in rural areas.

21. UNIDO is implementing the Sweden-funded GROW-2 project on promoting MSME development and employment opportunities in Liberia through a market system and cluster development approach in agro-industry value chains, among others focusing on strengthening the country's cocoa, cassava and horticulture value chains. The project aims to achieve systemic livelihood gains as well as to incorporate disadvantaged groups into the economic mainstream and foster their collaboration. UNIDO has already established a robust traceability system of over 2,500 farmers in the cocoa value chain, enabling buyers to track cocoa bean origins and fostering fairer income distribution for farmers. The Organization has also facilitated the obtention of the organic certification by 1,026 cooperative members, allowing them to command premium prices and increase their access to promising markets.

22. In West Africa, UNIDO has been entrusted as implementing partner of the West Africa Competitiveness Programme (WACOMP), a partnership initiative between the

European Union and the Economic Community of West African States (ECOWAS). UNIDO contributes to the programme through six country components in the Gambia, Ghana, Guinea, Guinea-Bissau, Sierra Leone and Senegal, as well as through the West Africa Competitiveness and Quality Infrastructure Project (WACQIP) on the regional level, in cooperation with the International Trade Centre (ITC). Under WACQIP, UNIDO established, in partnership with ECOWAS, the first ECOWAS Quality and Industry Database that provides access to various statistics on production, exports and imports, and price indices, as well as information on quality institutions and services. The project has also supported the establishment and adoption of the ECOWAS product certification mark (ECOQMARK) to ensure compliance with its community standards and promote better quality of products.

23. Within the Ghana component of WACOMP, UNIDO developed a tailored approach targeting five key areas for SMEs development and market access: coordinate, compete, conform, connect and credit. This integrated approach, developed around UNIDO's cluster development methodology, has been implemented in Ghana in the following value chains: cassava, fruits (mango and pineapple), cosmetics and personal care products. Through several integrated interventions at the cluster level, focusing on quality enhancement, process improvement, product development and innovation, the project has contributed to enhance SMEs' competitiveness and integration into high-end domestic and international markets. The project has benefited more than 43,000 SMEs in the country (67 per cent of which are women owned), and created 24,475 jobs across the selected value chains.

24. UNIDO's flagship programme in the area of trade capacity-building is the Global Quality and Standards Programme (GQSP), which is funded by Switzerland. GQSP is a large-scale programme that aims to develop global solutions for common quality and standards related challenges. The interventions at country level in Albania, Colombia, Costa Rica, Georgia, Ghana, Indonesia, Kyrgyzstan, Peru, the Philippines, South Africa, Ukraine and Viet Nam focus on supporting selected value chains to overcome compliance challenges and facilitate market access for specific products.

25. In Mozambique, UNIDO is implementing the PROMOVE Comércio project to improve the competitiveness of the business environment and facilitate access of SMEs to international markets. The project, financed by the European Union, aims to strengthen the supply of critical public and private services related to quality infrastructure and business development services offered to SMEs. A total of six testing laboratories have received assistance for extending the scope of accredited chemical and microbiological testing services available to producers and exporters in the agricultural and fisheries sectors. In addition, over 300 companies and at least 10 public and private providers of business development services were trained on export-related topics.

26. In the United Republic of Tanzania, UNIDO is implementing the European Union-funded Quality and Standards Compliance Programme for the United Republic of Tanzania. The programme aims to widen market access for MSMEs, particularly through an integrated standardization, quality assurance, metrology and testing system. The testing services have been enhanced through various capacity-building trainings of technical and laboratory staff. A laboratory information management system is expected to be installed across eight testing laboratories and one metrology laboratory.

#### **IV. Convening and partnerships**

27. In the spirit of partnership, cooperation and complementarity, UNIDO and FAO have developed a Joint Partnership Action Plan for 2023–2024, to deliver on the strategic areas of cooperation under the Memorandum of Understanding (MoU) that was signed between the two organizations in October 2022. The Action Plan includes joint cooperation under the areas of food value chain development, food safety, youth, smart agriculture and climate change.

28. To address the interconnected global challenges of hunger and poverty, UNIDO signed an MoU with the World Food Programme (WFP) in 2022. The MoU established a framework for strategic cooperation in the field of food processing, food safety training and capacity-building to support local sourcing of nutritious food products close to where they are needed the most.

29. UNIDO will jointly host the World Cotton Day 2023, with FAO and in cooperation with the World Trade Organization, ITC, the United Nations Conference on Trade and Development, the International Cotton Advisory Committee and the International Atomic Energy Agency.

30. UNIDO continued its engagement with the African Development Bank in the establishment of agro-industrial food parks in Ethiopia, Senegal, the United Republic of Tanzania and Zambia. UNIDO also engaged with new partners for the agro-industrial food parks programme, including the Arab Bank for Economic Development in Africa and the African Export-Import Bank, holding a side event at the African Union Summit on Industrialization and Economic Diversification in Niamey, Niger, in November 2022.

31. In addition, UNIDO has also presented its food safety capacity-building experience during the tenth International Food Safety Forum, organized by the International Finance Corporation on 11 May 2023 in Dhaka, Bangladesh.

32. UNIDO will co-organize the Africa Food Regulatory Agencies Forum, to be held between 11 and 13 October 2023 in Cairo, Egypt. The event aims to bring together different regulatory agencies from the continent to take stock of current food safety capacity-building initiatives and identify required needs for the operationalization of the African Continental Free Trade Area.

33. As an outcome of the voluntary third-party assurance (vTPA) platform, launched by UNIDO to gather stakeholders involved in the application and use of vTPA programmes, the Organization has received additional interest from vTPA owners on expanding this partnership to new areas. UNIDO's food safety approach has outlined the importance of developing the food safety service industry globally to ensure the integrity of food safety audits and possibly reduce costs in the food sector.

34. In the context of exploring measures required to support producers and smallholders in the sustainability transition, UNIDO also hosted an expert group meeting on sustainable supply chains in June 2023. The meeting convened experts from international organizations, the public and private sectors, civil society organizations and multi-stakeholder initiatives. UNIDO, in collaboration with Amfori, co-organized an event on sustainable supply chain as part of the World Bank's 2023 Spring Meetings.

35. UNIDO's Learning and Knowledge Development Facility (LKDF), an initiative funded by the Swedish International Development Cooperation Agency, is partnering with the Forum on Globalization and Industrialization and the Research Network on Sustainable Global Supply Chains to convene the annual edition of the LKDF Forum on 13 and 14 November 2023 under the theme "Skills for Sustainability in Global Supply Chains".

36. Under its business partnership strategy, UNIDO initiated discussions with a number of global private sector companies in the field of agribusiness and solution providers, including logistics and technology providers that are relevant for the sector, such as Bayer, DHL, BASF, Deloitte and Syngenta, to explore cooperation. In September 2023, UNIDO and Deloitte organized a high-level session on the margins of the United Nations General Assembly, bringing together high-level policymakers from Member States and Chief Executive Officers of major global companies to discuss and initiate public-private cooperation on sustainable food supply chains.

37. UNIDO will organize two separate side events at the Anuga trade fair in Cologne, Germany, in October 2023. The side events are to be held under the themes "A world without hunger is possible" and "Food systems at crossroads". Panel

discussion partners include representatives of WFP, the German Federal Ministry of Food and Agriculture, Welthungerhilfe and the Handelsblatt Research Institute.

38. UNIDO actively contributed to the UN Food Systems Summit +2 Stocktaking Moment, in collaboration with the Rome-based United Nations agencies (FAO, the International Fund for Agriculture Development and WFP), the United Nations Food Systems Coordination Hub and the wider United Nations system. UNIDO delivered the key messages of progressing innovation for food systems transformation during the Leadership Dialogues of the event, especially on the need of timely actions.

39. Within the UNIDO International Vienna Energy and Climate Forum, a thematic area has been dedicated to powering sustainable agriculture. UNIDO, together with FAO and the International Renewable Energy Agency, are developing a position paper and organizing a high-level panel and roundtable to address the opportunities and challenges of powering sustainable agriculture. The expected outcome is an action-oriented plan on how to power sustainable agriculture through an inclusive pathway that leaves no one behind towards achieving net-zero emissions by 2050.

40. UNIDO continued its strategic partnership with the World Packaging Organization (WPO) in the field of packaging, specifically food packaging. UNIDO and WPO co-organized a roundtable discussion on 28 May 2023, involving key associations and institutions in Africa and the Arab world within the food and the packaging industries. The roundtable promoted innovation and collaboration in the food and packaging sectors, while also helping to attract foreign investment and facilitating technology transfer. UNIDO and WPO also co-published the first edition of the partnership report in May 2023, covering all the activities undertaken since signing an MoU in 2017.

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

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

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