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*for a sustainable future*

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# Around the world in 50 years

## Snapshots of UNIDO's history in five regions



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## Foreword



The 50th anniversary of the United Nations Industrial Development Organization provides an opportunity to reflect on the past. It is also an opportunity to chart a new path for a sustainable future.

Looking back, we recall that, on 17 November 1966, UNIDO was established as a special organ of the United

Nations General Assembly. UNIDO was created to assist, promote and accelerate the industrialization of developing countries, with a particular emphasis on manufacturing.

Over the past five decades, UNIDO has been operating in over 170 countries. Our Organization has provided its Member States with analytical and policy advisory services to help them shape appropriate industrial strategies and policies. Together with the governments of our Member States and other partners, the Organization has implemented tens of thousands of technical cooperation projects. This publication summarizes UNIDO's long history of cooperation with countries spread across five regions and features snapshots from selected countries to illustrate the extent and impact of this cooperation.

These were decades when the world underwent some incredible changes. As the global context changed, so too did UNIDO.

In the late 1960s and 1970s, UNIDO focused on technology transfer to increase agricultural production, and on economic self-sufficiency through industrialization. The Organization helped start industries in many countries. It supported new industries in other countries that had already begun to industrialize.

In the 1980s, UNIDO focused more on promoting investment and export-led growth. At the same time, there was a greater focus on South-South cooperation and the environment. In the 1990s, UNIDO developed stronger co-operation with the private sector and diversified its funding sources.

In the 21st century, the Organization is actively tackling some of the most outstanding pressing challenges of our time - such as mass youth unemployment, widening inequality, and the threat posed by climate change.

During the many changes our world has undergone over the last 50 years, UNIDO has continued to be effective, innovative and relevant.

Today, as never before, we are fully committed to the job we started five decades ago. Today, we have a clear mandate and a direct responsibility for the achievement of the 2030 Agenda for Sustainable Development. Inclusive and sustainable industrialization will help us deliver the Sustainable Development Goals.

I am confident that together - with the continued support of our Member States and donors - we will realize our dream of a sustainable future.

UNIDO Director General  
Li Yong







# Africa region



The African continent is one with many challenges but it presents even more opportunities. As the United Nations Industrial Development Organization (UNIDO) celebrates its 50th anniversary, it is changing its approach to fit Africa's needs at the current time.

The African Union's (AU) Agenda 2063 calls for the optimization of the use of Africa's resources for the benefit of all Africans. It aims to harness the continent's comparative advantages, such as its people, natural resources, and its position and repositioning in the world, to effect equitable and people-centered social, economic and technological transformation and the eradication of poverty. Industrialization is fundamental to this transformation agenda.

UNIDO's mandate is inclusive and sustainable industrial development (ISID). The Organization is aware of the fact that Africa's growth must be sustainable in order to effect change, promote prosperity and reduce poverty. It also recognizes that the industrial and economic growth taking place in Africa must be sustainable in order to avoid a relapse. UNIDO's ISID mandate falls directly in line with the AU's Common African Position (CAP) on the post-2015 development agenda, as well as the AU's Agenda 2063 and its 10 year implementation plan.

Africa became the first of UNIDO's five regions to benefit from ISID. The year 2014 saw the selection of Ethiopia and Senegal as the first pilot countries for implementation of the Programme for Country Partnership (PCP): a

partnership formula aligned with the national industrial priorities and development plans of the beneficiary countries. The PCP aims to scale up partnerships for technical cooperation and to leverage additional resources by setting up national coordination and funds mobilization mechanisms for partnership management and implementation.

In Ethiopia, the PCP brings together development partners, UN agencies, development finance institutions and the private sector – under the ownership of the national government – to help achieve the goals set out in the country's Industrial Development Strategy and Growth and Transformation Plan (GTP). The PCP focuses on three light manufacturing sectors, namely: agro-food processing; textiles and apparel; and leather and leather products.

These sectors were chosen due to their prospects for job creation, strong linkages to the agricultural sector, high export potential and capacities to attract private sector investment.

For the same reasons, the PCP for Senegal focuses on three main areas: industrial policy development; the establishment of agro-poles for agricultural value chains; and the operationalization of existing industrial parks and the development of new ones.

Through strategies such as Inclusive Development and Entrepreneurship for All, the Vocational Training Programme, the Entrepreneurship Curriculum Programme and the Productive Work for Youth Project, UNIDO provides services that are geared to increase young Africans' employability and provide them with the necessary tools to create and develop sustainable enterprises, and ultimately improve their livelihoods.

UNIDO realizes the importance of industry as a catalyst for economic and social growth. Its projects in Africa cover different areas of intervention, including but not limited to, industrial policies and strategies, environment, energy, agro-industries and agri-business development, trade capacity building, policy advice and gender mainstreaming. UNIDO and the AU Commission have formulated the Action Plan for the Accelerated Industrial Development of Africa (AIDA), a strategy which aims to mobilize both financial and non-financial resources and increase Africa's competitiveness with the rest of the world.

As agriculture is an important part of African industrial development, the Accelerated Agri-business and Agro-industries development initiative (3ADI) was put into action by UNIDO in cooperation with the FAO (Food and Agriculture Organization) and IFAD (International Fund for Agricultural Development). 3ADI supports an investment programme that will significantly increase the proportion of agricultural produce in Africa that is transformed into differentiated high-value products.

On the regional level, UNIDO is providing technical cooperation to the Regional Economic Communities (RECs), starting with the Union Economique et Monétaire Ouest Africaine (UEMOA) and the Economic Community Of West African States (ECOWAS). For example, the West Africa Quality Programme (WAQP) facilitates the regional integration of quality goods to make them market-compliant. As a result of this programme, regional and national quality policies have been adopted, a regional quality infrastructure scheme established, and regional standards adopted. In order to further support the region and deepen regional integration, the West Africa Quality System Programme (WAQSP) was established in 2015. UNIDO also facilitated the development of the first regional energy centre, the ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE) in Cabo Verde. ECREEE has inspired the expansion of similar centres in other regions such as SADCREE, EACREE, as well as centres in the Pacific and the Himalayas.

Since its inception 50 years ago, UNIDO has stood by Africa and continues to support the continent on its path towards becoming a prosperous region, devoid of poverty.



## Ethiopia

The “Asian Tigers” - Hong Kong, Singapore, South Korea and Taiwan - achieved remarkable economic success in the three decades running up to the 1990s which earned them the status of role models for aspiring nations, including those in Africa. More recently, some ten nations – Angola, Chad, Congo, Côte d’Ivoire, Ethiopia, Ghana, Mozambique, Nigeria and Rwanda – have shown signs of being on the path to similar economic success, recording growth rates of between 4 to 17 per cent in the last two decades or so.

What seemed like a mere purring of one of the lions now appears to be quickly transforming into a loud roar. Ethiopia has consistently recorded double digit growth since the early 2000s, and is aiming for a twofold increase in the contribution of manufacturing to its economic growth. “We thank UNIDO for its technical support to Ethiopia for many years and we count on your continued partnership with us to achieve our goal of becoming a sub-regional manufacturing hub and attaining the status of a middle- income economy by 2025”, declared the Minister of Industry, Ahmed Abtew, echoing the words of Ethiopia’s Prime Minister, on a number of occasions.

UNIDO is a multilateral agency charged with promoting responsible industrialization across the world. Its office in Ethiopia was established in 1972 at a time when the global economic context emphasized structural adjustment programmes. Decades of partnership with Ethiopia’s Ministry of Industry, as well as with other ministries and national institutions, has brought about the implementation of over 260 projects, ranging from policy advice and strategy development to fully-fledged projects benefiting the private sector. These projects have helped boost productive capacity in the agro-processing and the leather sectors, build capacity through technical

and vocational education training, ensure compliance with various international standards, promote cleaner production technologies that protect the environment, and create jobs, especially for women and youth.

One strategy, developed with the support of UNIDO and the UN Food and Agriculture Organization, focuses on the agro-industry sector, aiming to increase competitiveness, exports and investments, as well as employment and equity in the sector by establishing Integrated Agro-industrial Parks.

Some other examples of UNIDO’s widely acknowledged contribution to Ethiopia’s ongoing transformation include the development of such institutions as the Leather Industry Development Institute (LIDI), the facilitation of technology transfer and capacity building for off-grid renewable energy generation, and the production of high-quality edible oil from an indigenous oil seed. The LIDI today provides, among other things, technical training in the design and manufacture of leather products. It also equips laboratories to conduct tests on various leather products, and advises investors interested in engaging in this sub-sector. Thanks to UNIDO’s continued support, the Government will soon establish a unique ‘leather city’ in a new and modern industrial district in Modjo.

The Low Emission Low Carbon Transfer Programme in the Fentalle District of Oromia has, in less than three years, established a mini-hydropower plant based on a new technology introduced from Japan. The plant harnesses the water flow of existing irrigation canals to provide electricity for homes, schools and health facilities in the community. It is also empowering youth and women by providing new business opportunities. Some regional administrations have made budget provisions to adopt this technology to provide reliable and renewable energy to their villages. Over 40 such plants would be established with local finance in the coming years.

The edible oil value chain project was implemented as a cluster development initiative in cooperation with other UN agencies. It provided farmers with technical support ranging from the production of the oil seed, to processing and marketing, along with soft skills on self-organization and the management of cooperatives. Vegetable oil produced by the various cooperatives can now be found on the shelves of supermarkets across the country. The Government's Food, Beverage and Pharmaceutical Industry Development Institute has since taken up the initiative and will bring it to the required scale that will enable Ethiopia cut down its annual edible oil import bill of around US\$200 million.

In 2014, UNIDO supported the Government of Ethiopia in developing a five-year Programme for Country Partnership, which placed special focus on the food, leather and textile sub-sectors. A feasibility study on the establishment of four Integrated Agro-Industrial Parks, one in each of the country's four regions, funded mainly by the Italian Development Cooperation, has recently been completed, and the Government is actively courting potential investors.

The current trend shows that low wages, cheap power and a stable political situation have made Ethiopia one of the top investment destinations for companies like H&M, Huajian and the George Shoe Corporation, to mention just a few.

Ethiopia's industry-led transformation under the second Growth and Transformation Plan, and the establishment of the Integrated Agro-industrial Parks and other industrial parks such as the ones in Bole Lemi and Hawassa, bolster optimism for the attainment of Sustainable Development Goal 9 and the other 16 goals of the 2030 Agenda for Sustainable Development, as well as of the Paris Agreement on Climate change, and a number of other international and national development priorities. Ethiopia will then be the African Lion that has loudly roared.

## Nigeria

Nigeria is a middle-income country, with expanding financial, service, communications and technology, and entertainment sectors. It is ranked as the 21st largest economy in the world in terms of nominal gross domestic product (GDP), and the 20th largest in terms of purchasing power parity. It is the largest economy in Africa. Its re-emergent, though currently underperforming, manufacturing sector is the third largest on the continent, and produces a large proportion of goods and services for the West African sub-region. Oil and gas sales make up over 70 per cent of government revenues and over 90 per cent of foreign exchange, even though oil and gas contributes just 14 per cent to GDP.

UNIDO was set up 50 years ago to help countries like Nigeria and other developing countries, particularly in Africa, to add value to their natural resources, thereby further contributing to their national wealth and strengthening their capacity to feed their people, create jobs and then manufacture goods for the overall good of the people.

In the early years of our cooperation with Nigeria, UNIDO provided advice on industrial strategies and policies for a competitive industrial sector. Issues addressed included the identification of strategic options for further development, the constraints impeding the development of an efficient and self-sustaining industrial sector, the management of plan formation and implementation, and the need to encourage private sector-led industrialization.

UNIDO has always emphasized the need for the Nigerian economy to diversify away from oil. In terms of practical development assistance, UNIDO has focused on supporting agribusiness development, providing assistance in skills development to the micro, small and

medium-sized enterprises, improving trade capacity, supporting renewable energy development especially for productive uses in rural areas and promoting cleaner production.

UNIDO's cooperation with the Government of Nigeria has left some sizeable footprints in the sands of time that need highlighting. One notable achievement was the establishment of – thanks to UNIDO's technical assistance and support - the Standards Organization of Nigeria (SON) in 1971. The entity's tasks are to prepare standards relating to products, measurements, materials, processes and services; certify products; assist in the production of quality goods and services; improve measurement accuracies; and circulate information relating to standards.

Another achievement was the establishment of the Geo-environmental Research Centre (GRC) at the University of Ibadan. The GRC carries out analysis on sites contaminated by Persistent Organic Pollutants (POPs) and other toxic pollutants across the country. UNIDO started the process of refurbishing the GRC laboratory in September 2010, through a local contractor, in order to install the infrastructure needed to operate a state-of-the-art analytical laboratory.

The establishment in 2013 of Common Facility Centres in Kano, Aba and Asaba, Delta State, was a UNIDO initiative to support micro-entrepreneurs in leather and leather products sector, a response to the Government's plan to revive the sector by providing an enabling business environment.

Another candle that UNIDO has lit is the use of small hydropower for productive uses, especially in the rural areas. With the establishment of the UNIDO Regional Centre for Small Hydro Power in Abuja in 2006, Nigeria is now considered a leader for the systematic capacity development in small hydropower technology in Africa. UNIDO has also recently expanded its renewable energy

programmes to biomass projects, and built local capacity to manufacture turbines.

Recently UNIDO opened an Investment and Technology Promotion Office in the capital, Abuja. The first of its kind in Africa, the office will support Nigeria, as well as countries of the Economic Community of West African States (ECOWAS), on their path to inclusive and sustainable industrialization by identifying, attracting and mobilizing investments and appropriate technologies, especially for small and medium-sized enterprises in the region.

Despite many challenges, the fundamentals of the Nigerian economy remain strong in the medium to long-term. One factor is the demographic dividend. With over 170 million people, Nigeria has the largest population in Africa and is the seventh largest in the world. This presents a large domestic market which currently constitutes half of the West African market. There is a large unskilled and semi-skilled labour force with potential to significantly improve labour productivity. In addition, the country has abundant natural resources. For instance, Nigeria has the 10th largest proven oil reserves and ninth largest natural gas reserves. There are also several other types of minerals in commercially viable quantities and a large arable land area, 60 per cent of which is currently unutilized.

The focus of the current administration is to ensure that Nigeria achieves an inclusive economic growth and that it diversifies its economic base with growing export revenues. The Government is committed to providing a thriving business investment environment. This approach closely aligns with UNIDO's mandate of inclusive and sustainable industrial development.

UNIDO supports the Government of Nigeria as it attempts to fix disparities in the real sector of the economy, but further steps are needed to enable industrial development and growth. To be specific, the country needs to fix its

energy supply and build an ultra-modern nationwide rail transport system to take advantage of its demographic dividend and turn its abundant resources into a competitive edge.

As the Organization celebrates its 50th anniversary, UNIDO reaffirms its support for Nigeria as an important and innovative development partner in the region and beyond. UNIDO will stand beside Nigeria and support the Government and all Nigerians in their aspirations towards an equal, just and prosperous future in the decades ahead.

## Senegal

UNIDO became active in Senegal shortly after the country's independence, which took place in 1960. During 50 years of operations in the country, the nature of the services provided throughout that period has evolved in line with the various industrial policy choices made by the different successive governments.

Between 1960 and 1970, the first decade after independence, industrial policy choices were based on import substitution, as they were at the time in most African countries. One of the central elements of import substitution was to protect local businesses from foreign competition and to support large companies. Thus, the cooperation between UNIDO and Senegal focused on technical assistance to heavy industries including the aluminum smelting industry.

The second post-independence decade was marked by a willingness of the Government to develop small and medium enterprises. This commitment was expressed by establishing industrial policy instruments including the

creation of the Société nationale d'étude et de promotion industrielle and Dakar's industrial free trade zones and promoting certain local resources with UNIDO's technical support.

As the policy of import-substitution had proven to have limitations by the early 1980s, as demonstrated by a sharp contraction in domestic demand and stagnation in industrial production, a change in strategy was necessary. Thus, a New Industrial Policy (NIP) was adopted in February 1986 and a Plan of Action in July of the same year. In the late 1980s, services related to the field of environment management made their debut in Senegal; including the development of a sanitation plan and the environmental management of the Mbeubeuss site. With the implementation of methods allowing the industrial sector to possess reactivity capabilities when faced with a sudden transition to a generalized policy of de-protection, we have witnessed the collapse of the industrial system with the disappearance of a whole section of industry, the decline in production and employment and the loss of tax revenue. Therefore, due to the advent of the devaluation of the franc in the French colonies of Africa in 1994 and the partial failure of the NIP, the Government of Senegal had to implement structural reforms, notably in the context of the Adjustment Programme and the Competitiveness of the Private Sector.

UNIDO's technical cooperation in Senegal, particularly in the areas of investment promotion and in different sectors such as: quality, standardization and metrology, the development of female entrepreneurship, increased mechanization of rice processing, productive employment and income generation, and the promotion of industrial clusters, contributed to improving the business environment and reinforcing the capacity of industrial enterprises in high-priority value chains. There were also intervention that mainstreamed environmental management and renewable energy production such as:



the start of the first initiatives under the Montreal Protocol that assisted companies in the refrigeration and foam production industry. In 1999, Senegal was selected as a pilot country for a new UNIDO programmatic approach called the Integrated Programme. This has promoted the optimization of intervention synergies for the maximum impact of cooperation services.

In addition to UNIDO's support in formulating documents for national and sectoral strategies, UNIDO's technical cooperation responded to national priorities by developing Integrated Programmes I (2000-2004) and II (2005-2009), the most important of their kind in sub-Saharan Africa. Thus, cooperation was strengthened by introducing new services such as: business upgrading, technical support to improve competitiveness, local clusters' development, establishing business networks in rural and urban areas, entrepreneurship development with a focus on gender mainstreaming and improving young people's chances of being employed after having completed vocational and technical training, etc. The initiatives that were started in the previous decade were taken to a new level in the context of successive Integrated Programmes aiming to strengthen productivity while respecting the environment. Particular attention was given to the textile industry to improve its competitiveness in an effort to preserve one of the jewels of Senegalese industry.

In the first half of the 2010s, Senegal has changed strategy by introducing a new development path, a paradigm change according to a socioeconomic perspective. A new economic and social development plan – the Emerging Senegal Plan (PSE according to the French acronym) – was adopted in 2014 for a twenty-year period. The PSE puts a special emphasis on the areas of structural transformation and sustainable growth for all in order to break away from the previous cycles of low growth. The strong desire of national authorities to revive industrial production was a key factor in UNIDO's selection of Senegal as a

pilot country for a new approach, which operationalizes inclusive and sustainable industrial development (ISID) as defined in the Lima Declaration of December 2013.

The commitment of the Senegalese authorities to implement UNIDO's Programme for Country Partnership (PCP) reflects their strong belief in the ISID approach and its potential to revive and accelerate the industrialization of Senegal. Placing ISID at the core of the State's planning and budgeting reflects a strong commitment to depart from traditional modes of intervention and move towards a more holistic approach to the development of more complete ecosystems, in line with ambitious industrial development objectives, in order to boost manufacturing.

## South Africa

South Africa has made significant progress in both economic and social development since the end of apartheid in 1994. Human rights are part of the national discourse, enshrined in one of the most progressive constitutions in the world; governance issues and challenges are freely and openly debated in a free press; and there is a dynamic civil society.

While applauding the country's overall progress, it is equally important to recognize some of the major developmental challenges facing the country, namely persistently high levels of poverty and inequality, and the associated problems of a lack of adequate skills to meet market demand, high unemployment and crime.

The economy, best known for its precious metals, fruit and wine, is no longer dominated by mining and agriculture. Manufacturing and financial services now contribute a larger share of gross domestic product (GDP).

Manufacturing accounts for around one-fifth of total GDP. Metals and engineering, particularly steel-related products and the automotive industry, drive the sector.

Shortly after South Africa joined UNIDO in the year 2000, the preparation of a UNIDO Country Service Framework (CSF) began. From September 2002 until December 2008, UNIDO's technical cooperation in South Africa was organized and implemented under the CSF, which focused on the areas identified by UNIDO and the Department of Trade and Industry.

The CSF had two main components: developing small, medium and micro-sized enterprises (MSMEs), and reducing the impact of industrial activities on the environment. Of the numerous initiatives carried out under the CSF, of particular note are the partnership programme with the Automotive Industry Development Centre (AIDC), which focused on supply chain development and backward linkages; the provision of technical assistance for leather goods development, fruit-processing and essential oils production; and the launch in 2002 of a National Cleaner Production Centre.

More recently, UNIDO's programmes have developed a supplier benchmarking tool and trained AIDC staff members in cluster development and cleaner production. The aim is to enable the AIDC to provide continuous improvement services on a stand-alone commercial basis, thereby improving the competitiveness of South Africa's SMEs in the automotive industry.

Other notable programmes and projects over recent years include the industrial energy efficiency improvement programme, which aims to put the Energy Management Standards system in place and ensure that companies in the agro-processing, chemical and liquid fuels, mechanical engineering, automotive and mining sectors use it; and

the Montreal Protocol programme, which will bring an end to the use of ozone-depleting substances in machines and processes.

Mention should also be made of the joint Global Environment Facility/UNIDO Global Cleantech Innovation Programme for SMEs in South Africa. The programme aims to accelerate local innovations in energy efficiency, renewable energy, waste management and water efficiency, while realizing the potential of participants' chances of success and supporting their prospects of commercial viability.

UNIDO looks forward to continuing helping South Africa in its efforts to industrialize. The partnership with South Africa will be in line with the country's policies, especially the National Development Plan. UNIDO will endeavour to focus on the new Industrial Policy Action Plan (IPAP) 2016/17 – 2018/19, in line with the Government's priorities for structural change in the economy and a move to a more diversified base in which increasing manufacturing-based value addition, employment creation and export-intensity will come to define the country's growth trajectory. The new IPAP envisages nothing less than a massive, concerted and focused national industrial effort, intimately involving all the key stakeholders and economic partners.

UNIDO is committed to continuing to partner with the Government of South Africa in dealing with the economic challenges that the country is facing, including ensuring that the country is in line to achieve inclusive and sustainable industrial development.





# Arab region



The Arab region is composed of a variety of sub-cultural countries, ranging from high-income to least developed. The focus of the United Nations Industrial Development Organization (UNIDO) has been to strengthen and initiate new partnerships with the 20 countries in the region with the aim of achieving steady economic growth and facilitating foreign direct investment inflows.

In recent years, UNIDO has taken several initiatives to diversify the region's economies by implementing projects to facilitate the processing of existing agricultural and mineral resources.

In response to the youth bulge and rising unemployment rates in the region, UNIDO has worked with the Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT) in Bahrain to develop an enterprise development and investment training programme for micro, small and medium-sized enterprises. The Enterprise Development and Investment Promotion (EDIP) model is a specialized programme to create awareness and stimulate economic empowerment for Arab entrepreneurs.

Another regional initiative is the partnership with Hewlett Packard (HP) to address entrepreneurship and IT training needs, thereby fostering employment and the creation of enterprises. The UNIDO-HP partnership programme has set up 14 Learning Initiative for Entrepreneurs (LIFE) training centres in Algeria, Egypt, Morocco, Saudi Arabia, Tunisia and the UAE.

UNIDO has also provided support to the Middle East and North Africa (MENA) Businesswomen's Network, which leverages the collective energy of businesswomen's organizations throughout the region to shape the role of women in business and leadership positions. In January 2015, during the International Entrepreneurs Investment Forum in Bahrain, UNIDO officially inaugurated the Arab-African Businesswomen's Council, in cooperation with the Arab Bank for Economic Development in Africa and the Arab Businesswomen's Council.

To help women-led small enterprises transition from the informal to the formal sector, UNIDO has supported the establishment of a 'Bank of Innovation' with branches in Bahrain, Egypt, Jordan, Lebanon, Sierra Leone, Sudan, Syria and Yemen. The bank aims to provide



micro-financing schemes without collateral to potential entrepreneurs to help them boost their businesses.

In terms of environmental management, an important intervention across the Arab region has been the assistance provided to the authorities in many countries to help them carry out obligations under the Montreal Protocol on Substances that Deplete the Ozone Layer and the Stockholm Convention on Persistent Organic Pollutants.

Since 2011, UNIDO has also focused on recovery and post-conflict interventions, initiating several projects addressing social cohesion and human security in various countries including Egypt, Jordan, Lebanon, Sudan and Tunisia.

As part of its global commitment to promoting inclusive and sustainable industrial development (ISID), UNIDO has recently been playing an important role in assisting with the migration problems with post-crisis assistance which has included restoring economic activity for affected refugees in the form of micro and small-scale enterprises, and rehabilitating damaged agricultural processes.

Through its Arab Regional Division as well as its field offices UNIDO will continue to promote inclusive and sustainable industrial development programmes to reduce poverty, empower women and create jobs for the youth through green innovative technologies.

## Egypt

As a co-founder of UNIDO, Egypt has been a key member state since the organization was created as a special organ of the UN in November 1966. The first UNIDO Executive Director was Egyptian: Ibrahim Helmi Abd El-Rahman, former Egyptian Minister of Planning. He led UNIDO between 1967 and 1974 and contributed significantly to its expanding global network and outreach.

In the 1970s and 1980s, UNIDO's interventions in Egypt were focused on supporting the Government in developing its national industrial infrastructure and upgrading the capacities of the industrial labour force. In the subsequent decade, UNIDO assisted the Government of Egypt in substantially transforming its economy from a public to a private sector-led one. Since 1993, UNIDO has been instrumental in supporting Egypt, through the Egyptian Environmental Affairs Agency, as it complies with its commitments as a signatory to the Montreal Protocol, carrying out many projects to phase out ozone-depleting substances in industry and agriculture. These pioneering projects in the field of green industry have expanded, over time, to a wide range of industrial and consumer applications, including refrigerators, air conditioners, crop fumigation, aerosol propellants, solvents and foams.

Towards the end of the 1990s, areas of technical assistance focused more and more on increasing the competitiveness of Egyptian industries in light of the growing competition created by globalization and trade liberalization. The cooperation agreement signed in 1999 laid the groundwork for numerous programmes to upgrade the quality and competitiveness of the Egyptian leather, textile, food, building materials, agro-waste and agricultural machinery sectors. For example, in the economically vibrant industrial region of Borg El-Arab, close to Alexandria, UNIDO has helped improve

the competitiveness of more than 100 enterprises by assisting them to achieve the ISO 9000 set of international standards on quality management and quality assurance, and the Hazard Analysis Critical Control Point (HACCP) certifications, and by facilitating a better access to markets through the formation of export consortia.

Today, UNIDO provides technical expertise and capacity-building measures to help Egypt respond to the different development challenges it is facing (e.g. rising youth unemployment, economic instability, climate change and an energy crisis) in an integrated and sustainable manner. To achieve this, the UNIDO - Egypt partnership has evolved from narrowly focused industrial assistance to a broader and more comprehensive “3P” approach that combines economic growth (prosperity) with the means to raise the skills of local communities (people) and the tools to preserve the environment (planet). In this respect, UNIDO’s current programmes in Egypt will render a range of environmental, social and economic benefits and help the country achieve inclusive and sustainable industrial development and the Sustainable Development Goals (SDGs), particularly SDG 9 on building resilient infrastructure, promoting sustainable industrialization, and fostering innovation.

With agriculture still being one of the pillars of the national economy, UNIDO recognizes agro-industry as one of the drivers of inclusive development in Egypt. Strengthening the sector and adding value to agricultural commodities is instrumental to enhancing food security, stimulating economic growth and reducing poverty in a sustainable manner.

UNIDO’s work on value chains in the Egyptian agro-industrial sector includes a pro-poor dimension since it looks into the inclusion of small-scale farmers and producers in formal and durable business opportunities, with a special focus on Upper Egypt. In Minya Governorate, for instance, UNIDO is supporting local farmers and small

and medium-sized enterprises (SMEs) in adding value to their produce by applying good packaging and storing practices, enhanced logistics, and advanced drying and processing methods, as well as by participating in national and international exhibitions for better market access. This has led to a doubling in the productivity and profitability of small farmers and has created hundreds of jobs for unemployed youth.

Micro, small and medium-sized enterprises (MSMEs) play an important role in the Egyptian economy. In line with the strategy pursued by the Government of Egypt, which is prioritizing support to SME development, UNIDO endeavours to improve the performance of Egyptian enterprises by targeting sectors with proven market potential (for instance, the waste management, textiles and furniture sectors) and promoting trade, while ensuring environmental sustainability and social equity.

Special regard is given to MSMEs led by or employing youth and women. With UNIDO’s support, several youth entrepreneurs in the Governorate of Qena, for example, are now successfully running their small enterprises offering biogas solutions, recycling glass, plastic and electronic waste or turning agricultural waste into compost or highly nutritious silage for animal feed.

Sustainable industrialization entails the creation of quality jobs. Egypt is endowed with a large and young population which gives the country an entrepreneurial advantage if well-supported and nurtured.

The UNIDO approach within this complex framework is giving special attention to facilitating a better match between the demand and supply of jobs, aligning the skills of local jobseekers with the demands of the private sector, and addressing the structural need to develop entrepreneurial attitudes and capacities among youth and women. In this regard, UNIDO is currently advocating with its Egyptian education and industry partners for a

nationwide adoption of the UNIDO Youth Entrepreneurship Curriculum which has been successfully applied and integrated into several vocational schools in Upper Egypt.

UNIDO helps Egyptian industries to improve their resource productivity and environmental performance through the adoption of resource-efficient and cleaner production practices, as well as through enhanced recycling, resource recovery and treatment of waste materials, and phasing out commonly used ozone-depleting substances from industrial processes and products. To achieve these objectives, UNIDO provides technical assistance at policy, institutional and enterprise levels to help establish the market-oriented policy instruments needed to support the sustainable progression of Egyptian industries. In the many years of cooperation with Egypt in this field, one of the essential milestones has been the establishment of the National Cleaner Production Centre (now part of the Technology Centre Network within the Ministry of Trade and Industry).

Since the 1980s, UNIDO has been assisting Egypt in the field of energy. The first project for energy conservation in the industrial sector dates back to 1985 and the first project to develop renewable energy technologies started in 1988. Today, in view of the pressing need for Egypt to diversify its energy sources and manage the industrial consumption in a more effective way, UNIDO is assisting Egypt by helping set standards and promoting the adoption of processes and technologies that allow industries to save up to one third of their energy bill. At the same time, UNIDO is also actively promoting the substitution of fossil fuel with solar energy in industrial processing in sectors such as textiles, chemicals and food processing.

The global context for development cooperation has changed significantly in the past years – both in terms of “what” the international community wants to achieve in the next 15 years and “how” it will go about it. However,

with the support of our donors and in partnership with other UN agencies, and with the Government of Egypt, its private sector and civil society, UNIDO will continue to play a crucial role in promoting policies, programmes and projects that will help the country achieve inclusive and sustainable industrial development.

## Lebanon

During the late 1960s, Lebanon was in the era of state building and institutionalization. Defined by some contemporary diplomats as one of the most precious jewels in the Middle East crescent, Lebanese writers, musicians, thinkers and businesspeople were conquering the world. Beirut was called the ‘Paris of the Middle East’.

Since then, scores of UNIDO technical cooperation projects have been executed with a broad range of local partners. In retrospect, the evolving nature of this cooperation has mirrored a timeline of parallel mutations in the Lebanese economy, while UNIDO itself was adjusting to changing demands.

The early years saw a strong focus on the establishment of modern industrial bases to satisfying internal demand, attracting investment and facilitating the availability of Lebanese products on the international market. In the 1990s, after the signature of the Taif Agreement to end the civil war and with the creation of UNIDO’s Office in Beirut, support for Lebanon’s reconstruction and development plan was accelerated by focusing on the rehabilitation of industries and encouraging industrial investment.

At the turn of the new millennium, UNIDO and the Government of Lebanon signed their first medium-term cooperation strategy agreement, focusing on industrial partnership and investment, enhancing the

quality and safety of food products made in Lebanon, and strengthening industrial infrastructure, cleaner technologies and environmental protection.

UNIDO's assistance achieved its greatest impact in the area of food safety, with the drafting of a new law and the deployment of the first countrywide awareness campaign for the public and industrial sectors. In this context, following the liberation of south Lebanon in the year 2000, UNIDO was among the first UN organizations to deploy resources to that area in order to help local producers to process agro-based goods. As one of the executing agencies of multilateral environmental agreements like the Montreal Protocol on Substances that Deplete the Ozone Layer, UNIDO assisted Lebanon's strawberry farmers with the adoption of ozone friendly soil disinfection techniques, and contributed to the issuance of a decree that limited the import of ozone depleting substances.

In the aftermath of the 2006 conflict, UNIDO concentrated its assistance on rehabilitating the food, textile, leather and furniture industries operating in the most war-affected areas of Lebanon, enabling them to resume production and upgrade their technologies. This support produced a significant number of jobs and led different enterprises to adopt new production techniques for better products and of a higher quality than those of pre-war times.

By 2010, Lebanon's economy started to boom again. UNIDO shaped its strategy to consolidate Lebanon's economic recovery by enhancing the competitiveness of the industrial sector in order for it to access global markets. The plan focused on strengthening institutional capacities for industrial development, and increasing the capacity of rural youth and women and engaging them in agro-industrial entrepreneurial initiatives.

In the context of the economic slowdown resulting from the impact of the Syrian crisis, the Ministry of Industry's ambitious "Integrated vision for the Lebanon Industrial

Sector 2025" was a well-calculated effort to enhance the contribution of the manufacturing sector to the Lebanese economy and stimulate growth and job opportunities. In line with this new strategy, in 2015 UNIDO readjusted its cooperation strategy to support the development of industrial parks, improve the competitiveness of small and medium-sized enterprises (especially in the agro-industrial sector), promote sustainable investment in energy efficiency solutions in the industrial sector, and include women and youth in economic activities in rural areas affected by the crisis.

Looking back at these 50 years of UNIDO-Lebanon cooperation, one can be proud of the impact of UNIDO's projects. Today, Lebanon is benefitting from successes like the LibanPack, the innovative packaging support centre established in collaboration with the Government of Switzerland and the Association of the Lebanese Industrialists; and Creative Lebanon, supported by the European Union and the Government of Italy. Located in the heart of Beirut, the Creative Lebanon hub showcases successes of artisans and creative cooperatives in the fields of food, jewelry, furniture, etc., giving the entrepreneurs the opportunity to sell their products and tell their stories, and disseminating a message that Lebanon is resilient through creativity.

The impact of our projects that support industrial companies has been substantial. Examples include helping micro, small and medium enterprises and cooperatives in the Bekaa Valley and North Lebanon to manufacture products capable to compete on the international market; greening industries and reducing their production costs with innovative production technologies through the Lebanese Cleaner Production Centre, in partnership with the Ministry of Environment and the Industrial Research Institute; and delivering training and business counselling services on enterprise creation, growth, and investment promotion.



The adoption of Sustainable Development Goals (SDGs) was a sign of endorsement by all UN Member States of the role of inclusive and sustainable industrialization in achieving shared prosperity and environmental sustainability.

Over the last 50 years, UNIDO was on the side of Lebanon to promote environmentally friendly industrialization for poverty reduction and inclusive globalization. Today, supporting the productive sectors of the Lebanese economy is more critical than ever. At a time when unemployment is growing, the economy is slowing down and the labour pool expanding, industry has the potential to be a major driver to creating jobs and economic opportunities for young women and men.

With the support of our donors and in partnership with other UN agencies, and the Government, private sector and civil society of Lebanon, we are determined to play our part in facilitating the implementation of the SDGs in Lebanon.

In the longer run, we aspire to witness and celebrate the success of Lebanon as a model of inclusive and sustainable industrialization, which promotes social cohesion and inclusion for all. There is no doubt that this will be a challenge, but it is one to which, Lebanon, as it has done many times in past, will rise.

## Sudan

The birth of UNIDO was timely in the context of the wave of independence of developing countries, especially on the African continent. Sudan initiated its first cooperation with UNIDO with the establishment of the Industrial Research and Consultancy Centre and witnessed the establishment of its first Ministry of Industry as a separate national entity in 1968.

Capacity and institution-building, along with industrial policy advice, were the first services UNIDO provided in Sudan, followed by several interventions reflecting the evolvement of the needs and national priorities in industrial development.

The civil conflict, which started in the 1980s, has drained vital government resources, caused large-scale human displacements, created supply-side rigidities and infrastructural bottlenecks, and made developmental efforts to achieve rapid economic transformation largely ineffective, despite the country's huge reservoir of natural resources. As the peace process gathered momentum two decades later, UNIDO's refocused Integrated Programme, signed with the Ministry of Industry, offered, within the framework of the Organization's mandate, an industrial agenda for poverty relief and sustainable development. The programme, officially launched in 2003, aimed to address one of the root causes of conflict, namely the constant search for sustainable sources of livelihoods and the prolonged state of joblessness.

The programme had four major components: social stabilization; sustainable agro-business; the environment and rural energy; and industrial governance. The accent was on creating economically viable and peaceful communities through community-based sources of sustainable livelihoods, and technical support for using manufacturing as a dynamic force in the sphere of reintegration and recovery assistance.

A number of UN organizations and other agencies have been heavily involved in humanitarian relief-related activities in Sudan for decades. But recently, international assistance is gradually shifting towards a humanitarian-plus approach, from saving lives to saving livelihoods.

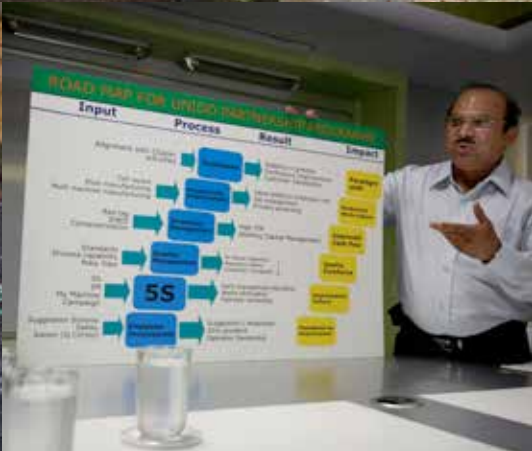
In this context, with the specific concerns of Sudan's post-conflict environment in mind, in 2013, UNIDO, in collaboration with the public and private sectors, launched the Industrial Modernization Programme of

the Republic of the Sudan (IMPS). The new programme aims to unleash the productive potential of target groups by promoting productive activities, industrial policies, institution-building and industrial support services in the following priority sectors: leather and leather products manufacturing, fisheries, edible oil and groundnuts, fresh fruit, vegetables and food-processing, cotton lint, spinning/textiles, agricultural machinery and animal feed and agricultural fertilizers.

Furthermore, the IMPS addresses the issue of the inclusion of internally displaced persons and flood victims, particularly youth and women, in productive activities by means of vocational training with a market-oriented approach, integrating them into the labour market and/or initiating them into entrepreneurship.

The implementation of the IMPS represents a living tool of UNIDO's mandate to promote and accelerate inclusive and sustainable industrial development (ISID) with the aim of achieving shared prosperity and environmental sustainability around the world. The concept of ISID is included in the Sustainable Development Goals, namely Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

For five decades, UNIDO has been engaging an active dialogue with both public and private sectors, while strengthening national ownership in all activities, and supporting Sudan as an active player in several South-South cooperation schemes in both the sub-Saharan Africa and Arab regions.





# Asia and the Pacific region



The Asia and the Pacific Region is widely diverse and has benefitted from UNIDO's assistance from its very beginning in the 1960s. Since then, UNIDO has given careful consideration to the region's diversity and its unique physical and economic characteristics in order to facilitate design-specific development interventions for each country. Its interventions have helped middle-income countries to avoid the "middle-income trap", supported least developed countries to graduate from this category, addressed small island developing states' environmental and economic challenges, and assisted landlocked developing countries to develop their trade capacities and enter global value and supply chains. During the past 50 years, a number of bilateral trade agreements have been signed, improving partnerships and growing South-South trade in the region. In order to address challenges in the Asia and Pacific region, national development plans reflected in UNIDO's Technical Cooperation Programme have led to economic growth and human development, and increased regional integration and connectivity.

In operationalizing inclusive and sustainable industrial development (ISID) in the Asia and the Pacific region, UNIDO's expertise and capacities are being applied through an integrated strategy. It consists of tailored programmes, including industrial policy analysis, support for building multi-stakeholder partnerships, improving South-South cooperation and strengthening partnerships with financial development institutions. UNIDO's technical cooperation with the Asia and the Pacific region has also featured programmes for social inclusion, economic d

velopment and environmental sustainability. In addition, it includes regional and interregional programmes and projects. Priority action areas under this regional approach generally include: peer review and coordination mechanisms, regional infrastructure programmes, adoption of common practices for environmental norms, improved market access and strengthened market presence, accelerated progress in improving education and training, and harmonization of policies, procedures and standards setting.

UNIDO's long history of cooperation with India serves as an ideal example for its successful endeavours. India is one of the founding members of UNIDO. Over the past 50 years, in cooperation with the Government of India, UNIDO has implemented approximately 420 projects with a total technical cooperation delivery over US\$120m. The UNIDO-



India collaboration has been extensive and multifaceted. UNIDO's projects in India have laid special emphasis on small and medium-sized enterprise development, partnerships with the private sector, research, and an increased emphasis on the energy and environment portfolio. UNIDO has also assisted India in fulfilling its obligations under various multilateral agreements, as well as becoming a key player for South-South cooperation.

UNIDO has a long history of cooperation with China since 1972. Over the years, UNIDO in cooperation with the Government of China has implemented about 400 projects with a US\$200m portfolio of technical cooperation. Thanks to various UNIDO capacity-building projects, thousands of Chinese technicians have upgraded their technical skills and hundreds of technical centres and institutions have enhanced their capacity, contributing to structural transformation and inclusive and sustainable industrialization in China. China's role in fostering ISID in other developing countries and economies in transition through UNIDO's projects has also been reinforced. UNIDO has also partnered with a number of leading institutions in China, resulting in the successful implementation of a large number of projects both in China and in other developing countries.

At all levels of development, industry can be the primary driver in fighting poverty, ensuring food security and preventing social polarization. Thus, UNIDO's Asia and the Pacific regional priorities focus on assisting countries in the region to reach these goals and make shared prosperity and sustainable development a reality for everyone.

## China

Fifty years ago, UNIDO was created to support developing countries in their quest for industrialization after the process of decolonization had doubled their number in the UN General Assembly. China has been a strong partner and supporter of UNIDO throughout. The 50th anniversary of UNIDO invites us to reflect on this partnership - to look back and also take a glance at the future.

Cooperation between China and UNIDO began in 1972 after the People's Republic of China became the lawful representative of the Chinese people in the UN system. Since then there have been three broad phases of cooperation. Each has been a response to historical developments within China at the time. With each phase, this cooperation has been strengthened.

Until the pre-reform era in China came to an end in 1978, the country was not a recipient of technical assistance from UNIDO. Rather, it was China that provided contributions to UNIDO to support projects to promote self-reliance in other developing countries.

In the late 1970s, China started to embark on its well-known economic reforms and opened up to the outside world, ushering in a period of dynamic growth of its productive forces. The years from 1979 onwards thus witnessed a second phase, in which UNIDO began to actively assist China's industrialization process.

Since the beginning of the new millennium, and after China's accession to the World Trade Organization in 2001, the country has become the industrial powerhouse it is today - the biggest exporter globally and the second largest economy in the world. UNIDO's cooperation with China has entered a third stage, in which the focus has shifted away from promoting industrial growth. Awareness

that China’s impressive economic growth process has come at a price has meant that cooperation is now centred more on protecting the environment.

Looking back, UNIDO’s cooperation with China over the past 50 years has covered a wide range of areas. These range from technology and knowledge transfer, skills development, institutional capacity-building, trade and investment promotion, to programmes for resource efficiency, cleaner production and energy management. There are few doubts that these programmes have played an important role in China’s economic and social development. President Xi Jinping himself recognized UNIDO’s contribution recently, emphasizing that the organization has made a positive contribution to China’s reforms. Two stories serve to underline this notion.

When the Government of China under Deng Xiaoping opened up the country to create “Socialism with Chinese characteristics”, special economic zones (SEZs) played a major role. But back then the country had limited cooperation with the outside world. It was difficult, if not impossible, for China to study other countries’ practices, especially those of the West. UNIDO was one of the few international organizations willing to play the role of intermediary. Utilizing its international networks, UNIDO organized study tours for a Chinese delegation led by Jiang Zemin, who later became China’s President. The insights gained fed directly into China’s legislation for the operation of SEZs and planted the seed for the establishment of the first zones. Today, other developing countries are experimenting with SEZs and industrial parks in order to try and replicate China’s successes.

Another recent success story is the joint work to help China meet its obligations under major multilateral environmental agreements (MEAs), especially the Montreal Protocol on Substances that Deplete the Ozone Layer, the Stockholm Convention on Persistent Organic Pollutants, and the Minamata Convention on Mercury. Joint projects

under these MEAs have played a significant role in promoting China’s transition to green industry. As of today, China’s phase-out of ozone-depleting substances accounts for a remarkable 55 per cent of the total phase-out in developing countries.

With the adoption of the 2030 Agenda for Sustainable Development by world leaders in September 2015 and its attendant 17 Sustainable Development Goals (SDGs), a new stage of cooperation between China and UNIDO is about to begin. China has already signalled strong ownership of the SDGs, which are indeed well reflected in priorities in the 13th Five Year Plan (2016-2020). The so-called “five new normals” of innovation, greening, opening, sharing and coordination contained in this plan will provide momentum for the implementation of key SDGs in China - especially those on “infrastructure, inclusive and sustainable industrialization and innovation” (SDG 9) and “sustainable consumption and production (SDG 12).

UNIDO aspires to play a strong role in supporting China in achieving these and other SDGs and in realizing a green, innovation-based economy that pays particular attention to inclusiveness and the demands of women and youth. The aim will be to further strengthen inclusive and sustainable industrial development and to support the Government in its efforts to build “Made in China” into an international brand, as envisioned by the initiative of the same name (“Made in China 2025”).

There is ample reason to be confident, not least because the Government has recently assumed leadership in the international development debate. This leadership role has been most obvious in China's strong role in last year's climate change negotiations. It also comes to the fore in China's current Presidency of the G20, which places premium on advancing industrialization in Africa and least developed countries, as well as the "New Industrial Revolution", also known as Industry 4.0. UNIDO had the privilege to support the Chinese government in these efforts too, and shall continue to do so in the future.

Further testimony to the new role China is willing to assume in international development was President Xi Jinping's announcement, during the UN Summit that adopted the SDGs, of the establishment of a South-South Cooperation Fund for developing countries, with an initial volume of US\$2bn.

For UNIDO, China's commendable new role provides an opportunity to live up to two demands, namely continuing to cooperate "with China for China", while at the same time joining hands with China in its cooperation with other countries. This will include the One Belt One Road initiative and the Forum on China-Africa Cooperation. As UNIDO is celebrating its 50th anniversary, its long-standing cooperation with China seems to have come full circle, as it is returning to where it started when China provided contributions to UNIDO for projects in developing countries in the early days.

China's sheer size requires UNIDO to place an increased emphasis on assistance at the normative and policy levels by supporting the Government in developing standards for green industry, eco-industrial parks and corporate social responsibility. Another focus will be food safety management standards. The same standards will find application when supporting China's cooperation with other countries.

What does this mean in conclusion? During China's reform period Deng Xiaoping famously said "If we can increase production, it doesn't matter whether operations are run privately - just like as long as a cat catches mice, it doesn't matter whether it is white or black." While this may still be true, it certainly matters a lot today whether that same production is green or not. UNIDO's cooperation with China in the next 50 years shall be guided by this wisdom.

## India

India is now the sixth largest manufacturer in the world. Industry contributes approximately 30 per cent of India's gross domestic product (GDP), with a 9.5 per cent annual growth rate of the manufacturing sector in 2015. With a forecasted GDP growth rate of 7.6 per cent in 2016, the industrial sector has the potential to drive economic growth in India. In this scenario, the concerted effort for the India-UNIDO partnership is critical to strengthen inclusive and sustainable industrial development in the country.

When UNIDO was established on 17 November, 1966, with a mission to 'accelerate industrial development in developing countries', India was one of UNIDO's founding member states.

UNIDO implemented its first project in India in 1968 and the project portfolio has expanded consistently ever since. India has the second largest technical cooperation portfolio of UNIDO and at the same time is one of the top 10 donors to the Organization. India is also a source of expertise and knowledge for other developing countries.

As UNIDO celebrates its 50<sup>th</sup> anniversary, the continuing UNIDO-India collaboration has displayed great scope, growth, diversity and mutual benefit over the years.

Historically, the cooperation has gone through various stages of transitions in line with the changing requirements and emerging challenges of India's economy over time. During the period of the newly independent India, UNIDO's interventions focused on industrial capacity-building and expansion. UNIDO assisted the Government in developing heavy and basic industries that established the foundation of manufacturing industries.

By the 1970s, there was a shift of programmatic focus from heavy to light industries, with emphasis added on employment creation to entrench industrialization as a key mechanism for inclusive economic growth. UNIDO not only provided manufacturing-related expertise, but also other industry-related services, such as metrology, standards compliance, and research and policy advisory to complement manufacturing. Later, as international awareness on environmental sustainability rose, UNIDO's activities started to address environmental issues in India.

Starting in the 1980s, in the wake of economic liberalization, UNIDO's efforts were directed towards facilitating foreign direct investment and raising productivity and the competitiveness of Indian products on the global market.

By the late 1990s, UNIDO focused its interventions on industry-related institutional capacity-building, making the development of small and medium-sized enterprises (SMEs) a priority to ensure greater employment generation, poverty alleviation and a more equitable distribution of wealth. By fostering inter-enterprise linkages, economies of scale and collaborative associations, UNIDO assisted SMEs with energy efficiency, productivity enhancement, value chain inclusion, investment and technology transfer, as well as access to markets.

More recently, UNIDO's portfolio in India reflected a strong emphasis on environmental management and the energy sector. With the direct accession of UNIDO to the Global

Environment Facility (GEF), the interventions relating to energy efficiency, new and renewable energy, low carbon technology, waste to energy, chemical management, resource efficiency and cleaner production started to become crucial elements of industrial development in India and subsequently UNIDO's activities.

UNIDO's interventions in India have been multi-faceted and extensive in the form of technical cooperation projects, research and analysis, policy advisory and various global forum activities. The support has also been given on the basis of industrial sub-sectors, both at the central and state government levels.

In the early years of UNIDO's technical cooperation in India, such interventions were organized individually, however, in the wake of globalization and as industrial linkages require a holistic approach, UNIDO's support has become increasingly integrated and streamlined.

The Country Service Framework and Country Programmes of UNIDO thus emerged as an important framework for UNIDO to address India's industrial development challenges in a cohesive manner. Concomitant to the Five Year Plans executed by the Government, the consolidated programmes executed by UNIDO have proved to be very effective in streamlining its efforts towards sustainable and inclusive development.

UNIDO's current Country Programme in India (2013-2017) with the budget of approximately US\$170m will continue to explore the new areas of interventions and identify innovative partnerships with national, regional and international stakeholders.

While tuning in to the national priorities has always been put as a centrepiece of UNIDO's programmes, recent development initiatives launched by the new Government clearly support the core mandate of UNIDO: inclusive and sustainable industrial development. This makes the



involvement of UNIDO duly complimentary to the national development agenda. The ‘Make in India’ initiative, for example, aims to make India a global manufacturing hub by developing the necessary infrastructure, implementing suitable enabling policies, fostering new and renewable energy, promoting both traditional and modern industrial sectors, and calling in direct investment both domestically and internationally. Other national initiatives, such as Smart Cities, Swachh Bharat (Clean India), and Skill India are also in close alignment with UNIDO’s mandate and programmatic interventions.

India has been and will continue to be actively involved in the regional and global development initiatives. With its abundant expertise and knowledge, India has played a crucial role in technology transfer to and among developing countries. South-South cooperation was and has been the major thrust of development cooperation for India and, with its status as an emerging economy, the role of India in South-South cooperation, particularly with the neighbouring countries and the Least Developed Countries (LDCs) in Africa, has become increasingly important to boost economic partnership and development.

In 2015, with the support of the Government of India, UNIDO inaugurated a new centre of excellence, namely the International Centre for Inclusive and Sustainable Development, merging both technology transfer and South-South cooperation. UNIDO will carry forward the advancement of manufacturing technology within India as well as the transfer of technology and expertise to other developing countries, especially LDCs in Africa.

Looking forward, the UNIDO-India partnership will aim at actively contributing to national development priorities, furthering UNIDO’s mandate, integrating with the 2030 Agenda for Sustainable Development, facilitating South-South cooperation and applying a consolidated approach to relevant and dynamic industrial sectors in India.

## Iran

The Islamic Republic of Iran was a founding member of the United Nations back in 1945, and since then has played a significant role in the development of the organization. Today, Iran actively participates in the work of the UN, its specialized agencies, programmes and funds. Iran joined UNIDO in 1985 and the UNIDO Country Office opened in Tehran in 1999.

The UNIDO office in Iran works in partnership with the Government to respond to national development priorities through tailor-made programmes, developed together with various government and non-government organizations, as well as private sector counterparts. Some of these programmes are partly funded by the Government, others by the private sector and multilateral funds.

As agreed with the Government of Iran, the aim of UNIDO’s work is to support Iran’s efforts to reduce social imbalance by creating employment opportunities, adding value to non-oil related products, promoting sustainable development through the development of non-oil industries, and mitigating the environmental impact of industrial activities. UNIDO’s core work covers four strategic areas, namely: strengthening small and medium-sized enterprises (SMEs); improving business environment; modernizing agro/rural-based industries; and improving resource efficiency and addressing environmental and climate change-related issues.

Since 1963, UNIDO has implemented projects in Iran with a total value of US\$78m., and the present portfolio is about US\$23m. The nature of UNIDO’s projects in Iran has followed the evolving international industrial scenario. It shifted from assisting with the heavy industry sectors including pulp and paper, iron and steel, and fertilizer

industries in the 1970's and 1980s, to the tertiary sector that developed in the 1990s and 2000s.

From the 1990s, UNIDO has been assisting Iran in the implementation of international environmental agreements, such as the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Stockholm Convention on Persistent Organic Pollutants. Today, UNIDO is extending its assistance to the implementation of the Minamata Convention on Mercury, and to comply with the greenhouses gas emissions targets agreed at the COP21 conference on climate change in Paris in December 2015.

With regard to Montreal Protocol, with the assistance of UNIDO, the Government of Iran was one of the first to meet the 2015 HCFCs phase-out target. HCFCs are ozone-depleting substances which are utilized in everyday life, including in refrigerators and air conditioning devices. In this regard, in an effort to integrate ozone-layer protection with industrial development, UNIDO introduced hydrocarbon technology in Iran's polyurethane foam production. This technology protects the ozone layer and reduces the negative impact of polyurethane foam manufacturing on climate change. In addition, the project has created a number of jobs because the equipment used is entirely manufactured in Iran.

UNIDO is now at the forefront of assisting Iran with coping with new challenges in the context of the 2030 Agenda for Sustainable Development. UNIDO will work together with the Government of Iran to achieve the Sustainable Development Goals (SDGs), in particular two of them: Goal 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation; and Goal 13 - Take urgent action to combat climate change and its impacts.

The tasks ahead are paramount, both for the international community and the Iranian people. Therefore, the Government of Iran needs UNIDO's assistance more than ever to achieve inclusive and sustainable industrial development. Complex challenges, such as creating jobs, ensuring environmental sustainability, gaining market access, diversifying the economy away from reliance on the oil sector, fostering resource efficiency, and providing government subsidies, have to be integrated into a renewed industrial and social strategy with policies that carefully balance costs and benefits.

In terms of strategy, when implementing UNIDO's projects in Iran, particularly in the area of energy and environment, it is clear that technology is not the main barrier, rather, the lack of awareness and financing are impeding sustainable development in Iran.

In terms of awareness, there is the need for a change in the production and consumption patterns. UNIDO's Energy Management System project has demonstrated that the Energy Management System alone can deliver an annual 8 per cent of reduction in energy consumption in key industries, at nearly zero cost.

In terms of financing, when addressing global environmental issues such as climate change, the size of the task is so big and complex that no single government or international fund can combat the problem alone.

In the upcoming years, UNIDO is going to assist the Government of Iran in assessing the impact of energy and environmental policies on industrial development, job creation and the environment, and establishing the basis for behavioural change and resource mobilization required to deliver sizeable impacts, thereby achieving inclusive and sustainable industrial development.

## Vanuatu

UNIDO is engaged in development cooperation with six Pacific island countries: Fiji, Papua New Guinea, Samoa, Timor-Leste, Tuvalu and the Republic of Vanuatu. Cooperation with Vanuatu began when the country gained independence in 1980 from France and the United Kingdom, after 76 years of joint administration. During the period of 1980 to 1992, UNIDO implemented around 18 projects, most of them focusing on the promotion and development of small and medium-sized enterprises (SMEs).

While there was no active cooperation between the Government of Vanuatu and UNIDO from the early 1990s until 2013, UNIDO was active in the Pacific region during that time, engaging in particular with regional organizations. The implementation of regional response mechanisms as a means of addressing common development challenges has led to effective and sustainable resource utilization. Therefore, in the areas of renewable energy, agro-industry and fisheries, a number of initiatives are currently being developed for Vanuatu and the wider Pacific region. With the participation of Fiji, Vanuatu and Samoa, UNIDO is currently planning to develop regional projects in the energy, fishery, agribusiness and bamboo sectors. To execute these projects, UNIDO will be working in close collaboration with the Secretariat of the Pacific Community (SPC) and the Pacific Islands Forum Fisheries Agency (FFA) for project coordination.

In March 2014, UNIDO signed a memorandum of understanding with the Government of Austria and SIDS-DOCK -an initiative aimed at supporting the energy sector in small island developing states. The purpose of the memorandum was to establish regional renewable energy centres to assist SIDS in the Caribbean, Pacific, and Indian Ocean regions in increasing their uptake of renewable energy. UNIDO officially launched the network of centres at the UN Third International Conference on small island developing states (SIDS), held in Samoa in September 2014.

UNIDO initiated the development of the current Country Programme for Vanuatu upon receiving an official request from the Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business in September 2013. The overall objective of the programme is to support the Government in achieving the strategic goals set out in the National Sustainable Development Plan (2016-2030), the National Industrial Policy (2011), the Vanuatu Trade Policy Framework (2012) and the Vanuatu Strategic Tourism Action Plan (2014-2018), as well as in the recent National Recovery Plan prepared after Cyclone Pam. The strategic priorities and outcomes highlighted in the United Nations Development Assistance Framework will also be taken into account. The Country Programme will enable UNIDO to build on the comparative advantages of Vanuatu and contribute towards the efforts of the Government in achieving national development and the Sustainable Development Goals (SDGs).

The four major areas/components of the Country Programme for Vanuatu (2016-2020) are : 1) facilitating industrial policy and stakeholder interaction; 2) building a vibrant, and inclusive SME sector and creating productive employment in the rural sector; 3) developing Vanuatu's export potential; and 4) improving access to sustainable energy services.

The proposed Country Programme for Vanuatu is expected to launch in 2016 with the aim of supporting the economic transformation of Vanuatu from a predominantly rural and agriculture-based economy into an economy with a developed agro-based industry and an inclusive tourism sector. The design of the programme recognizes the potential and importance of tourism-related sectors to economic development. Vanuatu's major value chains, such as fruit and vegetables (coconuts, kava, cocoa and coffee), livestock (beef) and fish, present an entry point for industrial growth. Current exports are mostly focused on primary or semi-processed products, thus signifying big potential for further value addition.





# Europe and Central Asia region



UNIDO's Europe and Central Asia (ECA) region embraces 28 countries in Central and Eastern Europe, South East Europe, the Caucasus and Central Asia. Most of the ECA region countries have gone through a unique and unprecedented transformation process that started in the early 1990s. Today, after more than 20 years of transition to market economies, the countries are highly diverse in terms social and economic levels of development and also geopolitical issues. The group includes low, middle and high-income countries, which face common but also specific development challenges.

The transition to a well-functioning market economy and to inclusive and sustainable industrialization is the overarching development goal in the ECA countries. Challenges include the need to address skills shortages; inadequate business climate conditions; rapidly ageing populations; relatively high levels of unemployment; uneven sub-national development patterns; unstable and inefficient financial intermediation; energy and transport infrastructure constraints; inefficient public spending; and insufficient revenue mobilization. All countries are also confronted with the dilemma of how to deal with structural changes stemming from globalization and increased international interdependences, not to mention environmental degradation and climate change.

All three of UNIDO's thematic priorities—creating shared prosperity, advancing economic competitiveness, and safeguarding the environment—are equally promoted in the ECA region. Efforts are made to develop and increase UNIDO's technical cooperation portfolio in such

programme components as investment, technology and small and medium enterprises (SMEs) development; competitive trade capacities and industrial export promotion; entrepreneurship development; agro-business and rural development; women and youth in productive activities; and business support infrastructure.

In response to the demands of recipient countries, UNIDO projects are focusing on resource efficient and low-carbon industrial production, clean and renewable energy for productive use, energy efficiency and the implementation of multilateral environmental agreements, such as the Montreal Protocol on substances that deplete the ozone layer.

Due regard is given to the promotion of global forum events for enhancing UNIDO's convening role, facilitating

regional policy debates with a view to mainstreaming sustainability and inclusiveness in industrialization, and partnership building at national, sub-regional and regional levels.

UNIDO's strategic priorities for Europe and Central Asia are carefully tailored to reflect sub-regional priorities and country needs, and they vary significantly by region. In Central Asia, the Caucasus and Eastern Europe, UNIDO interventions focus on inclusive and sustainable industrialization. In the Western Balkans and Southern Europe, UNIDO assists countries in meeting European Union (EU) accession requirements and EU industry standards. With member states which have recently joined the EU, UNIDO cooperates to assist countries in upgrading industries, and helps countries to absorb EU Structural and Cohesion Funds and to share their transition experience and promote their industries abroad.

## Armenia

In 1991, twenty-five years after the creation of UNIDO, Armenia gained its independence from the Soviet Union. A difficult economic situation in the following years led to increased unemployment, poverty and inequalities between regions within the country. In this context, radical economic reforms and reindustrialization were required and UNIDO has worked with the authorities to assist in this process.

Although the UNIDO office in Armenia was established only in 2005, cooperation with the Armenian government dates back to the early 1990s. During this period, UNIDO provided industry assessments and policy advice, technical and preparatory assistance, and initiated the establishment of a National Cleaner Production Centre

(NCPC). The NCPC provides policy advice on environmental management, demonstrates cleaner production techniques and technologies, and trains industry professionals and government officials to understand the benefits of environmentally friendly production.

In addition to cleaner production, another important UNIDO intervention to support the development of green business in Armenia has been the promotion of resource efficiency in industrial production. The Resource Efficiency and Cleaner Production programme has shared information, trained professionals and provided policy advice and support for technology transfer and investment in order to demonstrate how environmental protection mechanisms can lead to a win-win situation for both businesses and the environment. With a focus on the mining, chemical and food processing sectors, the programme has contributed to wealth creation, poverty reduction and the sound management of the production process by maximizing the use of resources, decreasing energy costs and reducing waste and emissions.

Since 2002, when Armenia's Ministry of Nature Protection requested UNIDO's help, the Organization has been lending its expertise in implementing several multilateral environmental agreements, namely the Stockholm Convention on persistent organic pollutants; the Basel Convention to protect human health and the environment against the adverse effects of hazardous wastes; and the Minamata Convention on Mercury. Having first worked with the authorities to identify priority areas of intervention in terms of implementing these agreements in relation to productive activities, UNIDO then secured funding from the Global Environment Facility (GEF) to implement a technical assistance programme between 2008 and 2012. This programme included the establishment and equipping of a laboratory to test water and soil for the presence of residual persistent organic pollutants. In line with Armenia's 2008 Country Needs Assessment,

UNIDO has provided technical cooperation for the development of small and medium-sized enterprises (SMEs). These businesses can not only significantly contribute towards the sustainable development agenda but are also an important contributor to the country's GDP growth rate and employment.

More recently, UNIDO has shifted its focus to entrepreneurial youth in Armenia. Since the start of an Austrian government-funded project in March 2013, over 280 young Armenian business owners and prospective entrepreneurs in the Shirak and Lori Marzes regions have benefitted from UNIDO's training sessions in business management. Youth-led businesses and start-ups have also received affordable loans via the Armenia Youth Entrepreneurship Fund, financed by UNIDO and Armenia's Small and Medium-sized Enterprises Development National Centre.

In 2013, Armenia became the first country in Eastern Europe to join UNIDO's Global Cleantech Innovation Programme (GCIP) for small and medium-sized enterprises. Financed by GEF, the programme promotes clean technologies, including renewable energy and energy efficiency technologies, in order to make small and medium-sized enterprises more productive and competitive, as well as to decrease their carbon footprint and greenhouse gas emissions.

UNIDO has also advanced access to diverse energy services in rural areas in Armenia by establishing biogas units and providing technical assistance for their use and management. Financed by the Government of Japan, through the United Nations Human Security Trust Fund, these efforts have promoted the empowerment of poor and vulnerable rural households in remote and often refugee-populated communities.

Since 2015, UNIDO's experts on product development and pattern-making have been helping the Armenian textile industry realize its great potential. The brand, 5900 BC, is co-designed by Armenian and Italian designers and exclusively produced by Armenian companies. 5900 BC has presented three collections at national and international exhibitions and is currently preparing a fourth collection for Spring/Summer 2017. UNIDO's intervention has helped Armenian textile companies to gain access to international markets, and thereby create jobs and boost exports. The success of the brand has sparked the interest of large Russian retail chains, and their involvement could bring about a long-lasting and fruitful cooperation for the sustainable growth of the textile and clothing sector in Armenia.

In terms of rural development, UNIDO provides technical support for the European Neighbourhood Programme for Agriculture and Rural Development in Armenia, which was launched in 2015. With 36 per cent of the Armenian population living in rural areas, the programme is vital for the development of sustainable agriculture as a means of alleviating poverty and facilitating rural development. Together with the UN Development Programme, UNIDO is working to strengthen existing producer groups and establish new ones, and to engage them effectively in value chain development.

Finally, UNIDO has provided assistance to the Armenian Development Agency in its efforts to strengthen business linkages between the Wallonia region of Belgium and Armenian business communities by identifying and appraising business partnership opportunities and developing a package of investment projects. At the same time, entrepreneurs in Walloon have benefited from the programme as it has facilitated their access to new markets in Eastern Europe, providing opportunities for the export of technology and equipment.

Throughout the past decades, UNIDO has had a visible impact in Armenia. The Organization is a strategic and reliable partner for advancing the 2030 Agenda for Sustainable Development and the implementation of the Sustainable Development Goals. UNIDO's efforts are helping the country reduce poverty, create jobs, foster business partnerships and investment opportunities, and increase productive capacity in a sustainable and environmentally friendly manner.

## Kyrgyzstan

Fifty years ago the General Assembly of the United Nations founded the United Nations Industrial Development Organization (UNIDO) which became a unique window for developing countries to access foreign technology and know-how.

With UNIDO's assistance, the transformation of minerals and agricultural crops created value, generated employment and foreign exchange, and supplied local markets with the consumer goods. At the same time, manufacturing was seen as a key vehicle of economic development.

The years of industrial development experience have convinced us that no developing country has ever made the transition to a developed country status without a concerted policy focus on industrial development. It is for this reason UNIDO strongly promotes the notion of inclusive and sustainable industrial development.

UNIDO has been active in Kyrgyzstan since the first years of its independence in the early 1990s. UNIDO's technical cooperation has been tailored to meet the economic needs of Kyrgyzstan and the changing demands of the international community.

The early years of Kyrgyzstan-UNIDO technical cooperation was mainly oriented towards capacity-building, improving the investment climate, small and medium-sized enterprise (SME) development and export-oriented investment promotion within the framework of South-South economic cooperation. Capacity-building in project preparation and investment promotion using UNIDO's Computer Model for Feasibility Analysis and Reporting (COMFAR) software was one of the first projects in Kyrgyzstan. UNIDO also supported the work of the National Ozone Centre within the framework of the Montreal Protocol on Substances that Deplete the Ozone Layer.

A new phase of cooperation started with the establishment of the UNIDO Desk in the Kyrgyz Republic in January 2009, as requested by the Government of Kyrgyzstan. UNIDO has successfully participated in the UN DAO Programme, of which the development of alternative and renewable energy has been at the forefront.

In 2014, UNIDO contributed to the promotion of renewable energy sources in the country with the installation of 3kW photovoltaic plants for the First Aid Stations in rural areas. As a result, UNIDO has improved access to medical services for 3,000 people, including pregnant women. Another aspect of the programme was the strengthening of agricultural extension services and increased technical inputs and promotion of decent and safe jobs in rural areas.

It also helped small farmers and home gardeners in the fruits sector improve their domestic agricultural practices by introducing fruit tree management and crop-production technologies for a better quality. In addition, UNIDO modernized the Minovar self-help workshop in Kara-Su District of Osh Region by providing a fruit/vegetable drying machine with a capacity of 300 kg per shift. As a result of the project, the quality of the final product significantly improved, as did its competitiveness on the local market.



UNIDO's current operational activities are being driven by its new mandate to promote inclusive and sustainable industrial development. We at UNIDO consider the adoption of the 2030 Agenda for Sustainable Development, and SDG 9 - Building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation - as an indication of the global community's strong support for the inclusive and sustainable industrial development initiative and its particular relevance for both poverty reduction and economic growth.

It is important to stress the active role and relevance of the UNIDO - Russia partnership for inclusive and sustainable industrial development in Kyrgyzstan, especially the voluntary contribution of the Russian Federation to the UNIDO Industrial Development Fund. This Fund is a proven tool that has been actively used by the Russian Federation for many years.

Currently Russia is using this instrument to support several UNIDO projects. In 2012, UNIDO completed the regional project on strengthening industrial cooperation within Eurasian Economic Commonwealth with Kyrgyzstan's participation, and this helped prepare for accession to the Eurasian Economic Union. UNIDO is very active in the area of renewable energy, and we have responded to Kyrgyzstan's request to assist with small hydro development with funds from the People's Republic of China.

So, with the passing years, the UNIDO-Kyrgyzstan cooperation is standing on a solid foundation of successful experience and innovation, tailored to meet the development needs of Kyrgyzstan.

## Turkey

The United Nations Industrial Development Organization (UNIDO) has had a profound impact in Turkey since the establishment of its field office in Ankara in 1967, just one year after the founding of the Organization. There have been some remarkable milestones over the years and the following are just a sample.

In 1970, the Small Industry Development Centre (KÜSGEM) was established with the initial support of UNIDO. KÜSGEM was a local organization focused on assisting small and medium-sized enterprises (SMEs) in Gaziantep province. In 1983, it was replaced by a nationwide organization, the Small Industry Development Organization (KÜSGET), which, in turn, was transformed into an autonomous organization, the Small and Medium-Sized Industry Development Administration (KOSGEB) in 1990. These organizations proved to be very successful in providing technical assistance and training services to SMEs.

In 1972, UNIDO implemented two projects, one to strengthen the Textile Training and Research Centre in Bursa, operating under the Scientific and Technological Research Council of Turkey (TÜBİTAK), and another to help establish a Research and Development Centre at the Turkish Glass Works in Istanbul.

More recently, beginning in 2008 as part of a UN Joint Programme to enhance Turkey's capacity to adapt to climate change, UNIDO implemented an eco-efficiency (cleaner production) programme. The goal was to disseminate environmentally friendly technology and build capacity in this field by forming a bridge between competitive production and environmental requirements. The programme focused on reducing water consumption in the food and beverage, textile and leather, chemicals

and metal/machinery sectors in the Seyhan River Basin (in the provinces of Adana, Niğde and Kayseri). Eventually, a Cleaner Production Centre was established in the TÜBİTAK Marmara Research Centre.

Even more recently, in May 2015, UNIDO and the Istanbul Chamber of Commerce agreed to establish a Turkish Sub-contracting Exchange Department so that Turkish firms will be able to conclude agreements with international partners by taking advantage of UNIDO's networks, programmes and projects.

The UNIDO Field Office in Turkey supports the Government of Turkey by providing technical assistance on energy efficiency, renewable energy, climate change, clean energy technology, cleaner production, and the implementation of the Montreal Protocol and Stockholm Convention, as well as on cluster development which enhances the competitiveness of Turkey's private sector. In addition, UNIDO organizes annual international training programmes for experts and academics, mostly from Eastern Europe, Central Asia, the Middle East and Africa, in partnership with local institutes in Turkey.

Special mention must be made of the following initiatives to help Turkey achieve the recently agreed Sustainable Development Goals:

- » To help improve industrial energy efficiency, UNIDO is promoting new techniques and technologies, as well as the newly adopted ISO 50001 Energy Management System;
- » The Global Clean-tech Innovation Programme for SMEs is creating an enabling policy environment and institutional capacity, and will also assist Turkey in the establishment of a supportive innovation ecosystem through annual competitions with associated accelerator programmes;
- » The project to eliminate the legacy and release of persistent organic pollutants is permitting Turkey to comply with its commitments to the Stockholm Convention to get rid of the organic compounds that are resistant to environmental degradation. UNIDO has introduced a decontamination technology to deal with the polychlorinated biphenyls used as coolants and lubricants in transformers, capacitors, and other electrical equipment. This is just one example of the application of Best Available Techniques/ Best Environmental Practices in industry in order to increase resource efficiency and adapt clean and environmentally sound technologies for sustainable development;
- » To help Turkey comply with the Montreal Protocol on Substances that Deplete the Ozone Layer, UNIDO is implementing a hydrochlorofluorocarbon (HCFC) phase-out management plan. The main achievement of the plan in Turkey is the complete phase-out of the HCFC 141b and 142b at large manufacturing companies in the polyurethane and XPS sectors, and the full phase-out of HCFC 141b uses in all other foam applications.

In the context of the crisis in the neighbouring country of Syria, UNIDO is helping to mitigate the impact of the crisis in the region by strengthening the resilience of host communities, and addressing unprecedented migration by creating jobs and income in these communities. UNIDO has been working with the private sector to create development solutions in crisis-affected areas, and more are expected in the coming years. The transfer of vocational skills to Syrian refugees, in particular the youth and women, is very important because it will not only prepare them for a productive life once they return to Syria, but keep them busy and out of trouble during their stay in Turkey.

In this context, UNIDO has started to provide vocational training programme on ready-made garment assembly for 250 Syrian refugees every two months in three refugee camps in Turkey, in cooperation with the Prime Ministry Disaster and Emergency Management Authority and the Ministry of National Education, as well as the Istanbul Ready-made Garment Exporters Association. The programme has been very much appreciated by the Government of Turkey.



# Foro Global de Energías Renovables

Promoviendo las Energías Renovables  
León, México, 7-9 Octubre 2009



# Latin America and Caribbean region



Latin America and the Caribbean (LAC) is a diverse region with 33 UNIDO Member States, ranging from large, rapidly growing high and middle-income countries to small, fragile and vulnerable states, with vast differences in cultural and natural resources.

Since its creation in 1966, UNIDO has been contributing to the regional industrialization process at policy, institutional and entrepreneurial levels along the different economic development stages and paradigms.

In the framework of the ‘import substitution’ model widely adopted in the region during 1970s, UNIDO services aimed at strengthening and establishing the institutional, industrial and technological national capabilities needed for the economic development. Examples of UNIDO’s work include the establishment of science and technology national organizations like the National Council for Science and Technology in Mexico (CONACYT); several research and development centres such as the National Institute of Iron and Steel in Argentina, the Research Centre for Mining and Metallurgic in Chile, the Test Laboratory for Bauxite in Jamaica, the Centre for Plastic Technology in Colombia, and a pharmaceutical plant based on chemical synthesis in Cuba. The Second General Conference of UNIDO in 1975 was held in Peru and embraced the goal of promoting industrialization in developing countries and enhancing their contribution with a 25 per cent of global industry production - the First Lima Declaration.

During the 1980s, with the economic recession and the high debts of most countries, the region prioritized foreign

investment for new industrial projects using local human and natural resources. UNIDO aligned its services with these priorities, supporting the rehabilitation of the industrial structure and improving national capacities for energy saving, new product design and production technologies, and repair and maintenance. In this context, the UNIDO programme for investment promotion was reinforced and expanded at the national level in several countries including Argentina, Bolivia, the Dominican Republic, Ecuador, Mexico, Uruguay and Venezuela. At the regional level, in cooperation with other institutions/ mechanisms like the Andean Development Corporation – Development Bank of Latin America, a number of regional programmes for industrial recovery were launched in areas of biotechnology, electronics, agroindustry and human capacity-building.

Later, during the 1990s, UNIDO also started to expand services in response to countries' needs for sustainable industrial development, supporting national capacities for adopting cleaner production approaches, promoting energy efficiency and renewable energy uses, and accompanying countries in their implementation of multilateral environmental agreements like the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Stockholm Convention on Persistent Organic Pollutants. For example, regarding the Montreal Protocol, UNIDO has helped companies to reduce or completely phase out their hydrochlorofluorocarbon (HCFC) consumption and to use instead environmentally friendly means of refrigeration and air conditioning as well as introducing climate-friendlier alternatives to the blowing agents used in polyurethane (PU) production. Simultaneously, these initiatives have improved entrepreneurs' competitiveness and productivity, and maintained or even increased the number of jobs in the region. UNIDO has also supported methyl bromide (MB) phase-out projects, thus enabling producers to incorporate environmentally friendly techniques, while maintaining their production levels. Overall, UNIDO's assistance in phasing out HCFCs and reducing MB use has contributed to a 60 per cent regional (and 12 per cent worldwide) reduction of ozone depleting substances.

Following the Second Lima Declaration adopted during the UNIDO General Conference in 2013 in Peru, the Organization now promotes inclusive and sustainable industrial development (ISID) and is accompanying countries as they implement the Sustainable Development Goals (SDGs), particularly SDG 9. In this context, UNIDO efforts to leverage global value chain opportunities in the region have been honed through the promotion of regional productive value chain projects in collaboration with regional institutions and mechanisms. Concrete results include partnerships with regional technical centres for multi-disciplinary solutions and knowledge exchange, closer dialogue with national stakeholders using modern communication tools, utilizing Global Environment Facility and Montreal Protocol resources and other opportunities

and, finally, catalyzing the all-important follow-up dialogue with stakeholders.

The region's current challenges in terms of industrial development are related to the need for comprehensive industrial policies that promote more equitable growth based on productive development and that reduce the weight of the financial sector. There is also a need to strengthen public-private partnerships (PPPs) and policy instruments for promoting new business and fostering small and medium-sized enterprises, as well as to promote investment in research, development and innovation to generate greater value added and increase competitiveness.

As some of the LAC region countries are newly emerging middle-income countries they require more than a traditional technical assistance project approach. However, a transition phase of several years, when both approaches co-exist, is to be expected. UNIDO will rise to the challenge and will continue to provide its assistance for the new industrialization process in the region.

## Colombia

Colombia is recognized for its engineers and businessmen. There is even a trend called "industrial vocation". UNIDO was founded in 1966, and is therefore celebrating its 50th anniversary. Over the years, the organization has accompanied the country in creating an industrial sector generating dynamism and wealth.

Since its foundation, UNIDO has implemented more than 150 projects in the country. The first projects registered in the UNIDO database started in 1968: advising the government and the private sector in technological research on diverse topics, for example relating to the plastic industry, leather production, footwear production and the metallurgical industry. Subsequently, a wide

range of projects and programmes characterized by more horizontal interventions were implemented to strengthen the technological and business capacities of small and medium-sized enterprises (SMEs). Today, as industrial policy is again regarded with importance in the global context, UNIDO cooperates in Colombia on different levels, including the formulation of evidence-based industrial policies like the promotion of sectorial competitiveness of the private sector.

Colombia is one of the countries of the region which has opted for an open economy and free trade. This policy, combined with the solid macro-economic management, has encouraged investment, especially in the export sector and has generated significant income for the country, resulting in improved living standards. However, even if the industrial sector has received strong support, its share of the economy remains at just 12 per cent of GDP in 2015 (World Bank data) and there is still much potential for it to develop. For example, Colombia has high value added in the metallurgic industry and has technological capacity to meet the standards and requirements of international markets. Since the 1990s, supplier development programmes have been implemented resulting in local companies supplying parts that were previously imported at lower cost and in less time. Applying the methodology of “Productive mini systems”, the promotion of SME associations has been achieved. Today, they seek to strengthen the car industry as one of the sectors of strategic importance, including by fostering of quality and innovation.

One of the big challenges is to achieve inclusive industrial development, meaning an industrial concept which goes beyond big enterprises in big cities and a productive sector in which SMEs in the rural sectors benefit from access to international markets. Agro-industry fits perfectly for this objective. Over the years, UNIDO has supported companies in the leather and footwear sector to improve the quality of their products and their business management in order to ensure a value adding process, as

well as decent and stable work. Due to the international assistance provided by UNIDO many small businesses in the sector were able to improve their products through increased competitiveness. Recently, programmes were initiated to create agro-industrial product export consortia and to promote quality of cosmetics with natural ingredients, thus supporting small and medium-sized enterprises to enter international markets, and generating sustainable employment in Colombia.

The second major challenge is environmental sustainability. Fifty years ago the country did not have a Ministry of Environment and pollution problems were not considered a priority. Today, there are a number of environmental conflicts in Colombia in which the productive sector has to take action to preserve the environment. On the other hand, it is recognized that a protected environment leads to extensive benefits for all. Since the first environmental summit in Rio de Janeiro in 1992, UNIDO has committed itself to support countries in cleaner production and the efficient use of resources. In Antioquia and Choco, UNIDO has been introducing technologies which substitute the use of mercury in small-scale mining, significantly reducing pollution levels in some areas. Currently, the organization supports the Government to fulfill its commitments under the Minamata Convention which seeks to reduce mercury in all sectors. Another programme aims to reduce high-energy consumption in the industrial sector, reduce emissions of greenhouse gases and improve the efficiency and competitiveness of enterprises.

Getting back to the importance of the industrial sector in the Colombian economy, the Government recognizes the value adding achievement in the productive matrix of the country. However, in a context of limited public resources, industrial policy needs to be efficient and accurate. UNIDO has supported the Government in the introduction of methodologies facilitating decision-making, based on objective and relevant information, using indicators and measures detecting bottlenecks in sectors and value chains.

Colombia wants to reach the 17 Sustainable Development Goals (SDGs) of the “Agenda 2030”. Many of them are related to industrial development. In fact, there is currently no country which has achieved high levels of social and economic development without a strong industrial sector. UNIDO has fought for the inclusion of sustainable and inclusive industrial development in Agenda 2030, resulting in SDG 9. The Organization is a partner of Colombia in achieving these goals, clearly reflected in the commitments within the framework of cooperation of UNIDO in Colombia. The focus in the coming years will lie on the inclusivity and sustainability of industrial development, an essential topic for building lasting peace in the country. UNIDO has noted with joy the great interest of young people, and especially of Colombian women, in various topics such as environmental engineering, innovation and corporate social responsibility. The Organization must streamline its efforts to get them included in the production process.

## Cuba

Cuba is a founding Member State of UNIDO. Since its creation 50 years ago, the Organization has contributed to the Cuban industrialization process at policy, institutional and entrepreneurial levels. The long-standing and fruitful cooperation between UNIDO and Cuba is well-reflected in the more than 180 technical assistance projects which have been implemented in the country.

Throughout the first 20 years of cooperation, most of the technical assistance delivered by UNIDO for industrial development in Cuba was covered by UN Development Programme resources. The country made great efforts to diversify and develop its industrial sector, which at that time was mostly based on cane sugar production. The Government of Cuba relied on UNIDO for the provision of state-of-the-art industrial knowledge in support of the large investments made in association with many

countries. UNIDO’s main contribution to Cuba during these early years focused on the chemical production sector, including chemical synthesis, and pharmaceuticals, and paper and glass sectors, as well as the metallurgic and mining sectors specifically mechanical product, quality control, standards and metrology, and industrial design and maintenance.

From the 1990s onwards, UNIDO started to manage its own and donors’ bilateral/ multilateral resources in direct agreement with the stakeholders. In the decade of 1990 to 1999, the country’s economy took a new direction and so therefore did its industrial sector. Cuba defined its new development priorities to include boosting international tourism, while re-focusing its industries according to the new external conditions and generally increasing the efficiency of its productive sector. For this period, the technical assistance was oriented to the biotechnology and genetic engineering sector, quality management systems, energy efficiency and renewable energy sources, environmental sustainability and efficient resource use, entrepreneurial development and institutional strengthening.

At the turn of the millennium, UNIDO modified the system of delivering technical assistance and introduced the new Integrated Programme modality. With this initiative, the Organization aimed to concentrate all industrial development efforts of its Member States to achieve fast and tangible results. During this period, Cuba established its industrial development priorities under the so-called “Integrated Programme in Support of Cuba’s Industrial Competitiveness”. Two cycles of this programme took place and projects implemented under this framework included the enhancement of industrial management capacity, the introduction of computer-aided manufacturing and design techniques, and the construction of an oral contraceptive manufacturing plant in collaboration with the United Nations Population Fund.

Looking back on the history of UNIDO’s technical assistance to Cuba notable successes were achieved in areas of chemical production - with the scaling-up of technologies

for paper production and transfer of technology for pharmaceutical synthesis production; and resource efficiency and environmental sustainability - through transfer of technology for the cleaner management of solid wastes in Havana, and the nationwide introduction of new business models aiming to promote the use of renewable energy sources and reduce emissions of greenhouse gases.

Cooperation with UNIDO has prioritized capacity-building of human resources by introducing the most updated know-how and technology. The share of knowledge and technologies, including methodologies, tools and software packages, has been accompanied by advice from international experts by way of trainings workshops and seminars which have benefitted a large number of Cuban specialists from numerous industrial sectors. For example, since the establishment of the National Cleaner Production network, from 2001 to 2007 a total of 104 training sessions and courses were conducted for 1,647 specialists from different institutions and companies from different industrial sectors; 248 congresses and seminars were organized with the participation of more than 5,700 specialists and high-level officials; and 455 companies were provided with technical support.

In November 2014, the Government of Cuba and UNIDO agreed on the preparation of a Country Programme Framework (CPF) for the Inclusive and Sustainable Industrial Development 2016-2020. The signing of this CPF, on 4 December 2015, during the 16th session of the UNIDO General Conference, marks the beginning of a new stage of cooperation between UNIDO and Cuba. Taking into consideration that industrialization is a long-term endeavour which involves many stakeholders, efforts will be made to strengthen synergies and to minimize duplication of work by collaborating with development cooperation partners, state and non-state actors, and the private sector in the country. Since the CPF is based on established national priorities, it is expected that it will become a useful guideline for UNIDO's interventions in Cuba in the coming years.

## Mexico

There has been a fruitful collaborative relationship between UNIDO and Mexico; a country that has been awarded a distinctive priority due to its leadership position in Latin America and to its condition as one of the most dynamic and open emerging economies from the past quarter of a century.

Mexico is member of UNIDO since its foundation in 1966, and its transformation in 1985 to a specialized organization of the United Nations System. Between 1992 and 1997 a Mexican High Level Official, His Excellency the Ambassador Mauricio de Maria y Campos, served as Director General of the Organization. During this period the mandate went through a readjustment on the International Development Cooperation Agenda that led to an administrative restructure and a strong specialization on environmental issues involving the industry. This defined the approach of the Organization for the forthcoming years, culminating in the adoption of the concept inclusive and sustainable industrial development (ISID) during the 15th General Conference held in 2013.

Taking into consideration five decades of collaboration with Mexico, brings into perspective the fact that the country changed from a primary economy to a manufacturing base. This transition meant significant changes in the Mexican industrial model during the 1970s, resulting in the establishment of the first National Plan for Industrial Development 1979-1982. To respond to the requirements of the Mexican industry of the time, UNIDO provided advisory services and technical cooperation in the domain of metrology, industrial parks and centres for research and technology transfer.

In the course of the 1980s, Mexico tried to strengthen the domestic market and the national production, UNIDO supported by implementing projects on diverse areas of



the agroindustry. In the 1990s Mexico was incorporated in the emerging globalization of the time. During this period UNIDO provided expertise on competitiveness, industrial productivity, small and medium-sized enterprises (SMEs) development and cleaner production.

At this juncture, the last 15 years have unreservedly confirmed a large number of successful stories in which the role of UNIDO has enhanced the implementation of environmental policies in favour of the industrial competitiveness of the country. The fight against the ozone-depleting substances (ODS) has been considered the backbone of the cooperation with UNIDO, strengthening the leadership of the country in the compliance with international environmental standards within the industry.

During that period, a particular activity that expanded the services of the Organization in Mexico and that contributed decisively to the enhancement of the Mexican SMEs by linking them with their homologues SMEs around the world was the establishing of the Investment and Technology Promotion Office (ITPO).

Between 2006 and 2012 the ITPO implemented more than a hundred projects that generated an important influx of investment and technology, contributing to the advancement of competitiveness and international presence of Mexican enterprises that participated in the mentioned projects.

The best example of the capacity of UNIDO to generate partnerships between the government and the Mexican private sector is the successful implementation of the projects that comply with the Montreal Protocol regarding the ODS.

In this regard, UNIDO has implemented more than fifty investment projects in the refrigeration, air conditioning, aerosols, solvents, and fumigants sectors as well as capacity building and training projects. These joint efforts allowed the national industry to avoid the chlorofluorocarbons (CFCs) production in 2005 and in 2010 to totally forbid the production in Mexico.

In the same context, the work accomplished in the Mexican fields to eliminate the use of methyl bromide is to be highlighted. This substance was used as pesticide and is proven to cause harmful effects on living organisms and depletes the ozone layer. To substitute the use of the methyl bromide, which was completely eradicated in 2014, new (environmentally friendly) techniques were introduced such as the use of grafting, steam pasteurization, soil solarization, bio-fumigation, etc. and an integrated pest management was implemented as well. As a whole these alternatives represented a significant technological, economic and environmental improvement for the country's agricultural exports and product storage. The use of the grafting has resulted in additional benefits, given that the skilled workers were entirely young women with shared responsibilities in the family, thereby strengthening the empowerment of Mexican women in the industrial sector.

The UN 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) represent an opportunity for the Mexican industry in collaboration with UNIDO, supporting the achievement of the goals established in SDG 9 regarding industrialization, infrastructure and innovation.

The services of UNIDO will be of paramount importance for the industry in Mexico by contributing to the achievement of the SDGs in the country, improving the competitiveness and increasing the job creation so that the Mexican youth and a larger number of women become involved in an inclusive and sustainable industrial development.

## Uruguay

When UNIDO was founded 50 years ago, at the height of the Cold War, the world was divided in clearly defined political and economic blocks. East-West relations were determining the global political agenda, while, economically, countries of the so-called North were dominating global industry and trade. Many countries in the so-called South, mostly in Africa, Asia and Latin America, were merely exploiting their national resources, without or with only little transformation towards manufactured products. The result was a significant dependence of the South on the North and there was little in the way of indigenous industrial activities, seen as crucial to economic development. As a consequence, the South experienced a lack of employment and opportunities for their people. The launch of UNIDO then was set against those backdrops and represented, for many, a unique opportunity to gain neutral access to technology and know-how.

Uruguay has been part of UNIDO since its very outset and was a founding Member State when the Organization was established in 1966. Contributing to the country's development for 50 years, UNIDO has been continuously implementing cutting-edge technology projects, thereby contributing to the shaping of the country's industrial profile.

Fostering value-added production in the agro-industry sector, introducing new technologies in the cattle and crop sectors, and promoting new investments in the leather sector are only a few of the numerous sector-supporting projects which UNIDO has brought to Uruguay over the years. Moreover, UNIDO implemented a series of technology cooperation and industrial competitiveness projects, thereby laying the groundwork for more foreign investments. Already in the early 1980s, UNIDO introduced know-how, knowledge and expertise on renewable energy

technologies in Uruguay. Since the early days of renewable energy use, the Organization has been fostering change in the country's energy mix, and today Uruguay is considered the most successful example of using renewable energy in Latin America.

In 2006, the UN decided to promote a coherent approach by fostering the joint programme of UN agencies in one country, called "Delivering as One". Uruguay was one of the eight pilot countries where the approach was introduced first. In this process, UNIDO played a leading role in the UN Country Team, implementing four key projects on small business development and sustainable industrialization.

In recent times, two large scale programmes, the Centre of Agro-Industrial Modular of Excellence (CAIME) and the waste valorization project, *BIOVALOR*, are highlights of UNIDO's support as Uruguay more than ever seeks an enhanced industrialization that benefits all citizens and helps to mitigate the environmental challenges that industrialization brings about.

With programmes in support of the country's path towards inclusive and sustainable industrial development, UNIDO is further facilitating innovation, investment and research in the industrial sector. Thus the use of modern production methods, like robotics and automation, will be incorporated into the heart of the country's productive system.

Moreover, UNIDO's expertise in value chain integration, which is the predominant way of operating industries in a regional context in the Southern Cone of Latin America, will support the country in reaping the benefits of modern inclusive and sustainable industrialization.

The Regional Office in Montevideo covers UNIDO's work in four countries, namely Argentina, Chile, Paraguay and Uruguay, and coordinates regional programmes and initiatives, including the Renewable Energy Observatory, the current regional Global Environment Facility (GEF) project portfolio on agro-industrial waste valorization, and

the future GEF e-waste programme. Working jointly with all partners in the four countries, as well as in Brazil, allows everyone to learn from each other and thereby find better and more efficient solutions.

UNIDO has already commenced working with its Member States on translating the 2030 Agenda for Sustainable Development into concrete action, and supporting them in achieving the 17 Sustainable Development Goals (SDGs). Over the past decade, many developing nations have been following economic strategies that predominantly exploit non-renewable natural resources, resulting in a significant impact on growing disparities and inequalities within countries, as well as low competitiveness compared with many other nations which have followed distinct industrialization strategies. We can see this clearly in Latin America. Despite many years of economic growth, Uruguay has not yet reached the desired structural change towards a more value-added production and industrialization.

Thus UNIDO, within the framework on the 2030 Agenda, and based on its mandate towards inclusive and sustainable industrial development, will play a crucial role in promoting policies, programmes and projects that foster structural change towards an enhanced industrial development in Uruguay. Jointly with the Uruguayan International Cooperation Agency (la Agencia Uruguaya de Cooperación Internacional, AUCI), UNIDO is currently developing a strategic cooperation framework 2016–2020. On the one hand, the framework highlights the need for the strategic planning of modern industry sectors, which will enhance the overall competitiveness of the country. The strategic objective here lies in the further integration of Uruguayan industries into value chains in the Mercosur region. On the other hand, the development of modern sustainable and clean industries, with as little environmental impact as possible, will be at the core of UNIDO's activities over the next years.

Today's challenges in the region are substantial: Latin America still relies on a natural resource-based export model and new economic dependencies, in particular on Asia, have arisen. At the same time, the international landscape in development cooperation has changed significantly over the past decades, in particular for a high-income country like Uruguay. Required financing for programmes and projects in the region, in general, and the country, in particular, will come less and less from traditional donor funding. New innovative funding schemes, hand in hand with the concretization of South-South and triangular cooperation formats, will determine the way of bringing international programmes and projects to Uruguay. UNIDO, being at the forefront of international development, will support the country in designing those new schemes so as to ensure that Uruguay continues to benefit from new forms of international cooperation.

Moreover, being a country with a high level of education and institutional development, Uruguay itself will also be ever more closely involved in providing technical expertise and know-how in international cooperation programmes, which will anchor the country more strongly as an important and innovative development partner in the region and beyond. UNIDO will stand beside Uruguay and support the Government and all Uruguayans in their aspirations towards an equal, just and prosperous future in the decades ahead.



**TOGETHER**  
*for a sustainable future*

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