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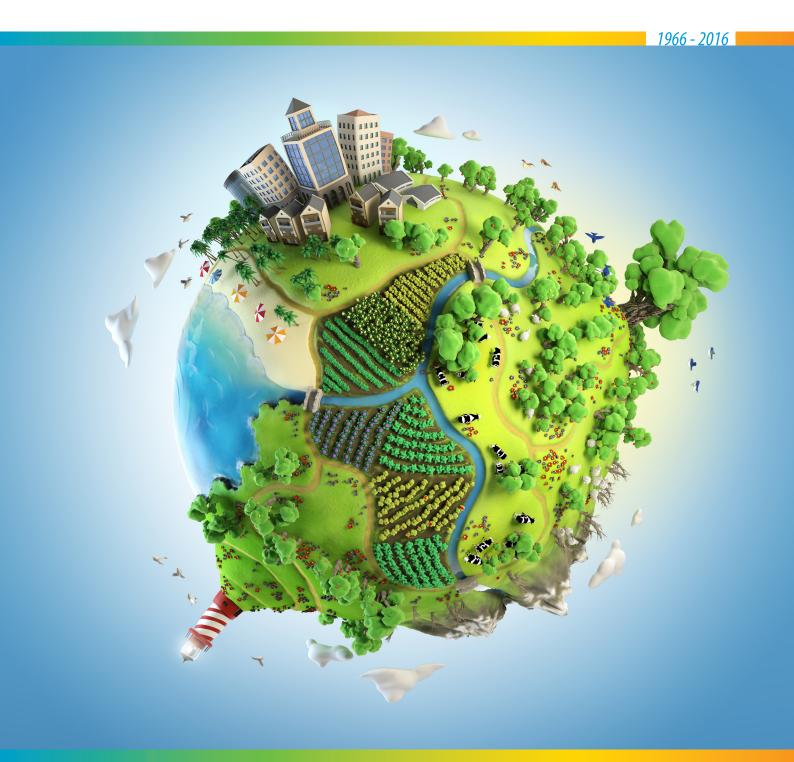
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Supporting vulnerable countries on their path to poverty eradication and prosperity



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FOREWORD BY THE DIRECTOR GENERAL



Since its establishment in 1966, UNIDO has paid special attention to the needs and development challenges of the world's most vulnerable countries, namely least developed countries (LDCs), landlocked developing countries (LLDCs), and small island developing states (SIDS). Now, as the global community embarks on the 2030 Agenda for Sustainable Development and the ambitious targets of its 17 Sustainable Development Goals (SDGs), these countries need our support and combined development assistance more than ever.

The 2008 financial and economic crisis had an especially devastating effect, piling additional burdens on already fragile economies. Turmoil on international markets had a profound economic impact, with falling commodity prices depriving many fragile countries of vital export earnings and slowing growth considerably.

This year, as UNIDO celebrates its 50th anniversary, it is an opportune time to reiterate our commitment to providing assistance to countries with special needs. UNIDO has a unique mandate of inclusive and sustainable industrial development (ISID) that is a vision to address economic, social, and environmental challenges and ensure that no one is left behind in benefiting from industrial growth. It guides our programmatic approach to technical assistance in countries, in areas such as agribusiness, trade capacity building, sustainable energy, and partnership building. The importance of ISID is recognized explicitly in the 2030 Agenda, not only in SDG9 to "build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", but also in the industry-related targets of all the SDGs.

We at UNIDO also believe that building prosperous, inclusive and equitable countries is not possible without women's full economic participation. We therefore focus on mainstreaming greater social inclusion and the empowerment of women in all our activities, since the inclusion of women is a catalyst for fostering countries' sustainable socio-economic development.

UNIDO stands ready to assist vulnerable countries with strategic advice and policy support on structural transformation and economic diversification. In cooperation with our UN sister agencies, we remain committed to becoming an even stronger partner for prosperity.

LI Yong

Director General, UNIDO

ACKNOWLEDGEMENTS

This brochure was prepared under the overall guidance of Ms. Amita Misra, Director of the Department of Regional Programmes and Field Representation (RPF), and was coordinated by Mr. Bashir Condé, Programme Officer, Africa Division, and Ms. Shirel Gertan, UNIDO Consultant.

Contributions and helpful comments from UNIDO Staff Mr. Jacek Cukrowski, Mr. Carlos Chanduvi-Suarez, Mr. Edme Koffi, Ms. Azza Morssy, Mr. Zhen Wang, Ms. Matilda Muweme, Ms. Gloria Adapon, Ms. Thouraya Benmokrane, Ms. Lamis Kabalan, and UNIDO Consultants Mr. Thayyib Kadher-Mohien, Mr. Abdelkader Kadi, Mr. Bashir Alhaji-Shehu, Ms. Hawa Kebe, Mr. Yann Huguenard, Ms. Milica Dimitrijevic, and Mr. Rajanish Das, are gratefully acknowledged.

Further thanks go to UNIDO's Technical Cooperation Departments: Partnerships and Results Monitoring; Agribusiness Development; Trade, Investment and Innovation; Energy; and Environment, for their technical inputs.

Citation: Supporting vulnerable countries on their path to poverty eradication and prosperity.

Vienna, Austria: United Nations Industrial Development Organization (UNIDO), 2016.

Cover photo: Shutterstock

Editor: St. John Communications, LLC

Designer: Designers Projects

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INTRODUCTION

The United Nations Industrial Development Organization (UNIDO) supports countries with special needs by providing them with custom solutions aimed at helping them generate inclusive growth and sustainable industrial development, ultimately leading to a broader structural transformation of their economies.

As UNIDO celebrates its 50th anniversary in 2016, under the leadership of its Director General, Mr. LI Yong, the Organization is resolved to strengthen and expand its commitment to vulnerable countries by helping them use sustainable industrial development as an engine to advance poverty eradication, inclusive globalization, and environmental sustainability.

UNIDO's multi-faceted approach includes a variety of highly specialized and differentiated services that promote social inclusion and economic competitiveness, as well as cross-cutting activities such as the promotion of knowledge networks, institutional partnerships, women's empowerment, and youth inclusion. All of these services, and their underlying aims, are mainstreamed into UNIDO's four enabling functions:



Technical cooperation activities, through which UNIDO designs and implements projects that build the capacity of Member States to initiate and carry out their own programmes in the field of industrial development. UNIDO's technical cooperation is focused on five elements: partnerships and results monitoring; agribusiness; trade, investment, and innovation; energy; and environment.



Analytical and policy advisory services, through which UNIDO conducts applied economic research and provides Member States with tools to shape appropriate industrial strategies and policies that improve the contribution of industry to the achievement of development goals.



Standard-setting and compliance, by which UNIDO assists Member States and their industries in complying with a number of existing and emerging international standards, while also contributing to the development of new global standards related to its mandate.



Convening and partnership activities that UNIDO undertakes to bring together Member States, private and public sector institutions, civil society, academia and other partners for the purpose of networking, transferring knowledge, and fostering industrial cooperation.

From the General Assembly in 1971 that established the LDC status, to the adoption of the Sustainable Development Goals (SDGs) in 2015, this brochure will highlight the evolution of the different international mandates supporting the UN's most vulnerable countries, and UNIDO's intervention within them, taking into account previous achievements and unmet challenges.



The brochure concludes with a discussion of the future path for these countries, emphasizing issues that development strategies must address in order to reach their goal of poverty eradication and increased prosperity. Effort is being made to highlight selected UNIDO interventions, however the mentions in this brochure are non-exhaustive.

Among the Member States to which UNIDO provides technical assistance, three groups distinguish the 90 most vulnerable Member States of the UN, namely the least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS). While statistics show that most of these countries are experiencing relatively high economic growth rates, upon closer look much of this growth is volatile, and does not result in sustainable job creation. Rather, it is being driven by the exports of a limited number of commodities and low value-added products, leaving the countries vulnerable to swings in global markets; essentially what occurred in commodity markets since the 2008 global financial crisis.

While more than 12 percent of the world's population, or 800 million people, live in LDCs, they account for less than 2 percent of global GDP and about 1 percent of global trade. LLDCs, many of which are also LDCs, typically suffer further challenges on account of their distance from the seaports that are their main access to world markets. Similarly, more than 6 percent of the world's population, or 450 million people, live in LLDCs and yet they account for only about 1 percent of global trade.

For example, Kazakhstan is 3,750 kilometers away from the sea, while Afghanistan, Chad, Niger, Zambia, and Zimbabwe are all at least 2,000 km from a port. One LLDC, Uzbekistan, is in a particular dilemma as the country is doubly landlocked, meaning that it is entirely surrounded by other landlocked countries (Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, and Turkmenistan).

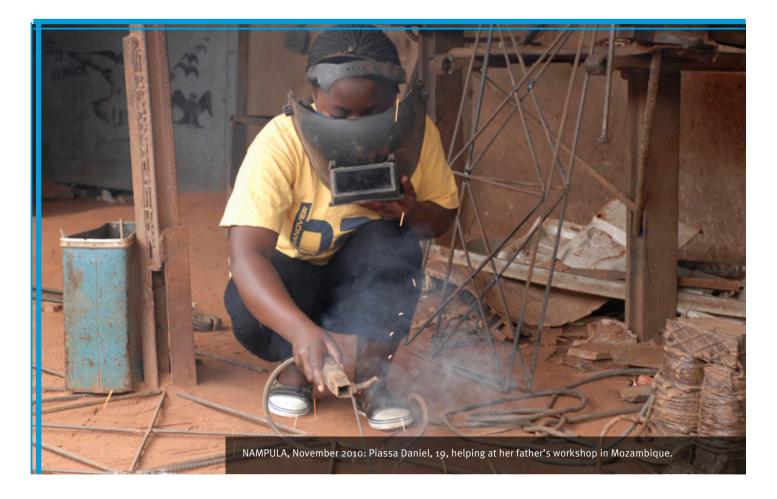
For their part, SIDS tend to confront similar constraints to other LDCs, such as a narrow resource base, heavy dependence on a few external and remote markets, and high costs for energy, infrastructure, transportation, and communication. In addition, SIDS typically face higher exposure to extreme and damaging weather events.

Reversing these trends will require a significant scaling up of international support customized to these groups of countries and concretizing the agendas and strategies at the national, regional, and international level.









IUN CLASSIFICATION OF VULNERABLE COUNTRIES



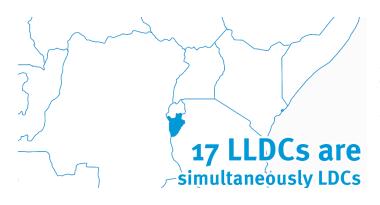
The United Nations identifies three groups of vulnerable countries – **least developed countries** (LDCs), landlocked developing countries (LLDCs), and small island developing states (SIDS) – across which there are a range of commonalities and differences with regard to the challenges they face and the hurdles they need to overcome. For instance, 17 of the LLDCs, as well as nine SIDS, are also classified as LDCs.

With the specific challenges that LDCs, LLDCs, and SIDS face in mind, the international community decided to group these them in order to generate an effective strategy and approach that will provide these countries with specialized solutions and tailor-made support.

The LDC classification was officially established by the UN General Assembly in 1971, with the aim of attracting special international support for the most vulnerable members of the UN family. SIDS gained recognition as a specific group as part of the Agenda 21 plan that came out of the UN Conference on Environment and Development, the "Earth Summit", held in Rio de Janeiro in 1992. Formal recognition of LLDCs came in 2003 at an "International Ministerial Conference of LLDC and Transit Developing Countries", which was the first conference to put landlocked developing states at center stage, thereby rallying international solidarity and partnership to support them in addressing their often unique development challenges.

What are LDCs, LLDCs and SIDS?

Least developed countries (LDCs) are characterized by low indicators of socio-economic development, as reflected in the Human Development Index (HDI) ranking. As of May 2016, there are 48 LDCs world-wide, of which 35 are African, 12 are Asian-Pacific, and one is Caribbean. The identification of LDCs is currently based on three criteria: (i) Income criterion, which is measured by the gross national income (GNI) per capita; (ii) Human Assets Index (HAI), which is a measure of the level of human capital; and the (iii) Economic Vulnerability Index (EVI), which measures the structural vulnerability of countries to exogenous economic and environmental shocks.



Small island developing states (SIDS) are low-lying coastal countries that tend to share similar development challenges with the other two groups, including small but growing populations, limited resources, remoteness, susceptibility to natural disasters and climate change, vulnerability to external shocks, excessive dependence on international trade, and fragile natural environments. SIDS are among the first countries to experience the phenomenon of "climate refugees", people forced to leave their homes because of climate-related environmental disruption.

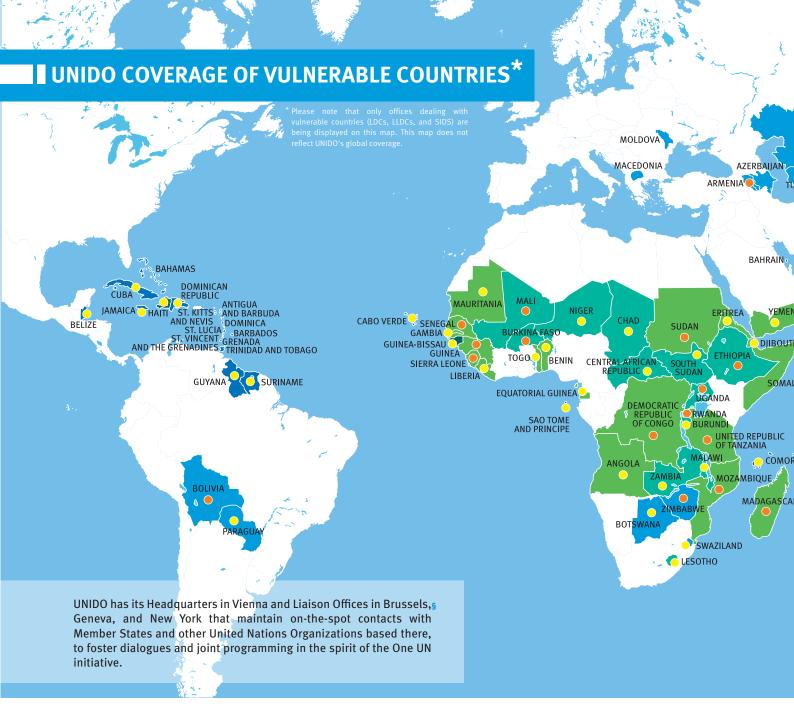


Landlocked developing countries (LLDCs) face a lack of territorial access to the sea, remoteness and isolation from world markets, and high transit costs, all of which continue to impose serious constraints on their overall socio-economic development. Currently, there are 31 LLDCs, of which 15 are African, 12 are Asian, two are Central and Eastern European, and one is Latin American. The seaborne trade of these LLDCs, and thereby most of their access to global markets, unavoidably depends on transit through other countries. Additional border crossings and long distances from the markets substantially increase the total expenses for the transport services, as does the lack of maintenance of the transportation network. LLDCs are generally among the poorest of the developing countries, with the weakest growth rates, and are typically heavily dependent on a limited number of commodities for their export earnings.



Countries	LDC	LLDC	SIDS
	LDC	LLDC	פתוכ
Afghanistan			
Angola			
Antigua and Barbuda			•
Armenia			
Azerbaijan		•	_
Bahamas			•
Bahrain			•
Bangladesh	•		
Barbados			•
Belize			•
Benin	•		
Bhutan	•	•	
Bolivia		•	
Botswana		•	
Burkina Faso	•	•	
Burundi	•	•	
Cabo Verde			•
Cambodia	•		
Central African Republic	•	•	
Chad	•	•	
Comoros	•		•
Cuba			•
Democratic Republic of			
the Congo			
Djibouti	•		
Dominica			•
Dominican Republic			•
Equatorial Guinea	•		
Eritrea	•		
Ethiopia	•	•	
Fiji			•
Gambia, Islamic	•		
Republic of The			
Grenada			•
Guinea	•		
Guinea-Bissau	•		•
Guyana			•
Haiti			•
Jamaica			•
Kazakhstan			
Kyrgyzstan			
Kiribati			
Lao People's Democratic			
Republic	•	•	
Lesotho			
Liberia		•	
Macedonia, Former			
Yugoslav Republic of			
Madagascar			

Malawi Maldives Mali Marshall Islands Mauritania Mauritius Micronesia, Federated States Moldova, Republic of Mongolia Mozambique Myanmar Nauru Nepal Niger Palau Papua New Guinea Paraguay Rwanda Samoa Sao Tome and Principe Senegal Seychelles Sierra Leone Singapore Solomon Islands Somalia South Sudan St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines Sudan Suriname Swaziland Tajikistan Tanzania, United Republic of Timor-Leste Togo Tonga Trinidad and Tobago Turkmenistan Tuvalu Uganda Uzbekistan Vanuatu Yemen Zambia	Countries	LDC	LLDC	SIDS
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Zambia		•		
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With the progressive decentralization of decision-making processes at the national level, including those related to the UN Reform and the One UN initiative, the presence of UNIDO in the field is becoming increasingly critical to the delivery of value and impact in and near vulnerable countries. Accordingly, UNIDO maintains a field network of 47 regional and country offices around the world, some of which cover more than one country. In addition, the Organization operates eight Investment and Technology Promotion Offices (ITPOs) and two South-South Cooperation Centers.

UNIDO AROUND THE WORLD§

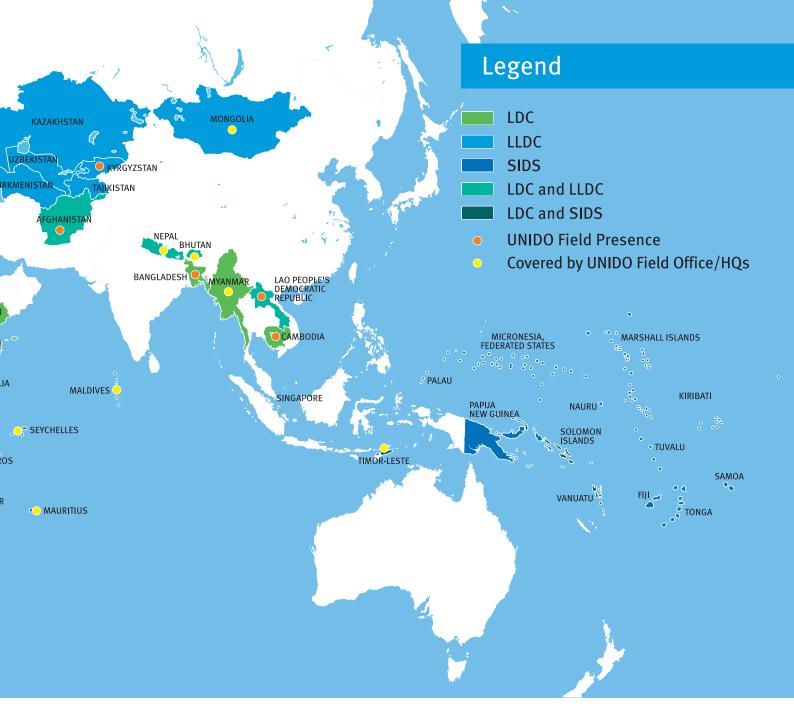


§ This figure reflects UNIDO's global coverage, taking into account all UNIDO offices around the world.

47 REGIONAL AND COUNTRY OFFICES COVERING MEMBER STATES

8 INVESTMENT AND TECHNOLOGY PROMOTION OFFICES (ITPOs)

2 SOUTH-SOUTH COOPERATION CENTERS





INTERNATIONAL CONTEXT

Since 1971, when the UN first acknowledged LDCs as a vulnerable group of UN Member States, the international community has continuously developed agendas and instruments to support them and the other more recently identified groups, LLDCs and SIDS, in addressing their specific developmental challenges.

Foundational international agendas and instruments

Over the past two decades, development cooperation involving LDCs, LLDCs, and SIDS has operated within the context of a range of international agreements that were specifically aimed at advancing the economic and social progress of the aforementioned vulnerable countries. For its part, UNIDO has aligned its programmes and activities with these agreements, particularly with regard to the technical cooperation it has provided to its Member States in need:

2000: The Cotonou Agreement

Description

The Cotonou Agreement was a treaty between the European Union (EU), and the African, Caribbean, and Pacific Group of States (ACP). The agreement targeted the reduction and eventual eradication of poverty while promoting sustainable development and the gradual integration of ACP countries into the world economy.

UNIDO Intervention

Under this agreement, UNIDO has been a key partner to the ACP group in developing programmes relating to: agroindustry policies and capacity building; the strengthening of competitive industries and the private sector in order to increase global trade access and capacities; and developing environmentally-friendly industries.

2001: The Brussels Programme of Action (BPoA)

Description

The Brussels Programme of Action (BPoA) was adopted at the Third UN Conference on LDCs in Brussels. It provided a framework calling for a strong global partnership to accelerate sustained economic growth and development in LDCs. The BPoA was built around 7 commitments, relating to building human and institutional capacities, enhancing the role of trade in development, reducing vulnerability and protecting the environment.

UNIDO Intervention

UNIDO contributed to the BPoA by focusing on the following priorities: a significant reduction in extreme poverty; developing human and institutional resources to support sustained growth and sustainable development; removing supply-side constraints, enhancing productive capacity, and promoting the expansion of domestic markets to accelerate growth, income, and employment generation; and environmental protection.

2003: The Almaty Programme of Action (APoA)

Description

The objective of the Almaty Programme of Action (APoA) was to address the special needs of LLDCs and to establish a new global framework for action for developing efficient transport systems in landlocked and transit developing countries. The APoA was structured around 6 priority areas, relating to transit policy issues; infrastructure development; international trade; regional integration; and structural economic transformation.

UNIDO Intervention

UNIDO contributed to the priorities set out in the APOA by supporting LLDCs in developing their national networks through enhanced global partnerships, and establishing legal and institutional frameworks for quality, standardization, metrology, and testing. For instance, in 2004, UNIDO supported the Government of Afghanistan in its emergency customs modernization and trade facilitation, by assisting in the establishment of the Afghan national standards and metrology authority.

2005: Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of SIDS (MSI)

Description

The MSI strategy, covered 19 priority areas, including the original themes of 1994's Barbados Programme of Action on SIDS and sought to address the unique vulnerabilities that island states faced by building their resilience and capacity. The strategy placed special emphasis on South-South cooperation, as being critical at the bilateral, subregional, and regional level in key strategic areas. Areas of focus included information and communications technology, trade, investment, capacity building, disaster management,

environment, food, agriculture, water, and energy.

UNIDO Intervention

UNIDO contributed to the MSI strategy by launching a Center for South-South Industrial Cooperation (UCSSIC) in China in 2008 and, with its support, a feasibility study was carried out in Bahrain to investigate the local conditions for housing construction. Following the study, three low-cost pilot houses were built. The Government of Bahrain praised the quality and fast construction of the houses. Furthermore, UNIDO contributed to the strategy by implementing further projects in SIDS related to capacity building, trade, environment, food, and energy.

Recent international agendas and instruments

Recent international agendas and instruments have sought to build on prior achievements and thereby ensure the continuation of the international commitment to the development of vulnerable states. Accordingly, these have placed special focus on productive capacity building as an agent of reducing poverty and fostering economic inclusion, while also emphasizing that promoting knowledge, innovation, and technological flows, along with the strengthening of value creation networks, are paramount to spurring inclusive and sustainable growth:

2011: Istanbul Programme of Action (IPoA)

Description

UNIDO Intervention

The IPoA was adopted by the Fourth UN Conference on LDCs, held in Istanbul, Turkey, on 9-13 May 2011. The IPoA charts out the international community's vision and strategy for the sustainable development of LDCs for the decade of 2011-2020, with a strong focus on developing their productive capacities. The IPoA focuses on eight interlinked priority areas: productive capacity; agriculture, food security and rural development; trade; commodities; human and social development; multiple crises and other emerging challenges; mobilizing financial resources for development and capacity-building and good governance at all levels.

UNIDO contributes to the IPoA through the strengthening of agro-industries and value chains, thereby increasing the competitiveness of products in LDCs, e.g. through its 3ADI initiative, in countries such as Afghanistan, Burkina Faso, Rwanda, and Haiti. UNIDO also assists countries in the development of clusters and business linkages, as well as the building of quality and compliance infrastructure, and providing them with industrial policy advice. These projects are encompassed in UNIDO's Country Programmes (CPs), which foster ISID on the ground. UNIDO strongly believes in building partnerships to enhance fund mobilization, partnering with DFIs and the private sector, developing Programmes for Country Partnerships (PCPs), to help client countries engage in investment and technology promotion.

2014: SIDS Accelerated Modalities of Action (SAMOA) Pathway

Description

UNIDO Intervention

The SAMOA Pathway, adopted in Samoa during the Third InternationalConferenceonSIDSinSeptember2014, focuses on affirming the sustainable development goal on gender equality, mainstreaming the rights of indigenous people, addressing the economic and social challenges faced by youth, and taking urgent and ambitious action on climate change adaptation, mitigation, and damage. The pathway recognizes the need to achieve sustainable development by promoting inclusive and equitable economic growth and promoting the integrated and sustainable management of natural resources and ecosystems.

UNIDO contributed to the implementation of the SAMOA Pathway by facilitating access to modern energy services and enhancing energy security in SIDS by promoting the adoption of renewable energy and energy efficient technologies and services. UNIDO helped establish the Caribbean Centre for Renewable Energy and Energy Efficiency (CCREEE) in 2014, and officially inaugurated during a high-level ceremony in Barbados on 28 October 2015. UNIDO has also assisted the Secretariat of the Pacific Community and the Pacific Islands Forum Fisheries Agency by raising awareness of the fisheries sector's potential to improve livelihoods and food security in the Pacific region.

2014: Vienna Programme of Action (VPoA)

Description

UNIDO Intervention

The VPoA was adopted at the Second UN Conference on LLDCs, heldin Vienna in November 2014. Its goal is to address the special development needs and challenges of LLDCs arising from landlockedness, remoteness and geographical constraints in a more coherent manner and thus contribute to an enhanced rate of sustainable and inclusive growth. The VPoA is built around six priorities: fundamental transit policy is sues; infrastructure development and maintenance; international tradeand tradefacilitation; regional integration and cooperation; structural economic transformation and means of implementation.

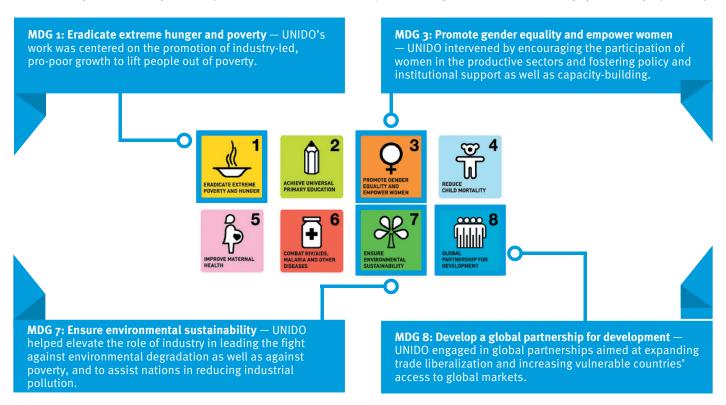
UNIDO contributes to the VPoA by engaging in trade capacity building activities in LLDCs, as well as trade facilitation, regional integration and cooperation. UNIDO especially focuses on structural economic transformation, with an emphasis on fostering industrial development by way of productive capacity building, value addition, diversification, and reduction of dependency on commodities.

UNIDO's contribution to the MDGs and SDGs

With the advent of the Millennium Development Goals (MDGs) in 2000, UNIDO embraced the important role competitive and environmentally sustainable industries would play in accelerating the economic growth of vulnerable countries, and the impact that would have on reducing poverty and achieving many of the other MDGs. The adoption of the 2030 Agenda for Sustainable Development and its accompanying Sustainable Development Goals (SDGs) in 2015, represents a further shift in emphasis toward sustainability and inclusive growth. Following the shift in the international development landscape, there is now further opportunity for UNIDO to leverage its knowledge, experience, and network of relationships toward their fulfillment. While industrialization was not explicitly encompassed in the MDGs, it now strongly features as a key engine toward building a sustainable future for all in the SDGs. As such, UNIDO has been acknowledged as one of the first UN agencies to operationalize the SDGs, specifically SDG9, namely to "build resilient infrastructure, promote sustainable industrialization and foster innovation". Going forward, with its own mission and goals further aligned with the will of the international community, UNIDO fully intends to deliver on its potential in helping foster progress and prosperity in countries with special needs.

The MDGs were the eight international development goals established following the Millennium Summit of the United Nations in 2000 and the adoption of the Millennium Declaration. As such, the MDGs galvanized unprecedented efforts to meet the needs of the world's poorest countries.

Four of the eight MDGs were particularly relevant to UNIDO and the subject of the Organization's focus leading up to the target year 2015:



Despite the special attention given to LDCs, LLDCs and SIDS in the process, they were among the groups that recorded the slowest progress towards reaching the MDGs, which likely was the result of recognized biases in the goals against countries that started from low levels. As the MDGs reached their target date in 2015, the UN officially launched the transformative 2030 Agenda for Sustainable Development, which led to the creation of the SDGs.

The 17 SDGs of the 2030 Agenda for Sustainable Development were adopted by world leaders in September 2015 to follow and expand on the MDGs, and to further inspire all countries to mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. The international community recognizes that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while furthering environmental protection and combating climate change.





Many of our international partners including international financial institutions and development agencies have been actively supporting our energy sector over the past 14 years. With such international support, Afghanistan has been increasingly promoting sustainable energy including renewable energy sources such as hydroelectricity, bioenergy, solar energy, and wind energy (in particular in Western Afghanistan). Deregulation and privatization of Afghanistan's electricity sector has also been underway over the past few years. This coupled with a sound investment environment could potentially unlock vast amounts of renewable energy for the country and the region.

While many SDGs carry relevance for UNIDO, the Organization's technical cooperation has strongly resonated with the targets of SDG9, particularly through the following objectives:

- Developing quality, reliable, sustainable, and resilient infrastructure, including regional and trans-border infrastructure;
- Promoting inclusive and sustainable industrialization and, by 2030, significantly raising the industry's share of employment and GDP;
- Increasing access of small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and markets;
- Upgrading infrastructure with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes; and
- Facilitating sustainable and resilient infrastructure development through enhanced financial, technological, and technical support to LDCs, LLDCs, and SIDS.



Promote sustained, inclusive and sustainable economic growth, full and productiveemployment and decent work for all. UNIDO aims to contribute to economic growth and facilitate the regional integration of economies by increasing the capacities of local industries for value-addition, economic diversification, export promotion, and employment creation.

SDG 8

Ensure access to affordable, reliable, sustainable and modern energy for all. UNIDO seeks to provide access to affordable modern energy sources. Its energy-related program portfolio focuses primarily on the promotion of energy efficiency policies, technologies and practices, as well as renewable sources of energy for the facilitation of productive activities, with a special focus on rural areas and in industrial processes.

SDG 7



Achieve gender equality and empower all women and girls. As a major driver of poverty reduction and social integration, UNIDO's vision of inclusive and sustainable industrial development encourages the full integration of women and promotion of gender equality in all industrialization policies, programmes, and processes.

SDG 5









SDG 9



SDG 13

Build resilient infrastructure, promote sustainable industrialization and foster innovation. SDG9 is at the core of UNIDO's mandate of inclusive and sustainable industrial development, calling for the promotion and acceleration of ISID around the world.

Take urgent action to combat climate change and its impacts. UNIDO works to promote the adoption of technologies and practices that decouple natural resources use and environmental impacts from economic growth.

SDG 17

Strengthen the means of implementation and revitalize the Global partnership for Sustainable Development. UNIDO's active participation in multi-stakeholder platforms and networks further helps scale up corporate sustainability, mobilize public and private inputs, and achieve transformational impact across industry sectors in line with sustainable development priorities.



■ CHALLENGES AND DEVELOPMENT PRIORITIES OF LDCs, LLDCs AND SIDS

Taken as a whole, the IPoA, VPoA, and the SAMOA Pathway encompass an ambitious and forward-looking plan for the world's most vulnerable countries to achieve sustainable development, economic and social progress, and a better quality of life for their citizens. Furthermore, these plans set the criteria for strong country ownership, as well as the creation of genuine partnerships to help see them through. These plans have laid the groundwork for new and more innovative approaches that enable a shift from a crisis narrative, where countries are often seen as helpless victims, to one of sustainable progress, in which countries are seen as the authors and lead actors of change.

Addressing the challenges

While LDCs, LLDCs and SIDS can often be differentiated by the specific challenges they face, they are also confronted with many common challenges, particularly those related to the economic, social, and environmental factors that are global in scale:

Technological flows, innovation, and knowledge management are important sources of inclusive and sustainable growth for almost any country. In addition to importing and adopting foreign technology in order to stay competitive, there are important benefits associated with investments in home-grown research and development (R&D) capacity and activities, which enable countries to experience the entire process of innovation and thereby spur high-tech development with the knowledge that is gained.

UNIDO has proven expertise in this area and provides a range of technical services to foster technology transfers, while giving policy advice to promote innovation and institutional capacity building for industrial competitiveness.

In 2014, UNIDO completed a project on growth through entrepreneurship in Rwanda, where UNIDO assisted the National Curriculum Development Centre (NCDC) in designing entrepreneurship syllabi, teacher guides, and textbooks in both English and French. UNIDO implemented the Entrepreneurship Curriculum Programme (ECP) in cooperation with the Government of Rwanda, to address the challenges faced by youth and spur their entrepreneurial spirit. As part of the project, 1,400 teachers and school administrators have been educated in entrepreneurship and effective teaching methods. Additionally, 3,000 ECP teachers have been trained. From the 534,712 students that have taken the entrepreneurship course, 278,050 (52 percent) were female. Thus far, 121,277 students have graduated from the ECP.

Inclusive employment creation, with a focus on vulnerable communities such as women and youth, can catalyze economic development and point the way to national prosperity. For instance, while women constitute the largest part of the LDC population, they are less actively engaged in the labor force and are at much higher risk of being in vulnerable employment. Furthermore, the youth population of LDCs is expected to reach 300 million by 2050, which is why it is of utmost importance to ensure they are adequately prepared to enter the workforce and that there are job opportunities available to them.

UNIDO assists these countries by investing in training, education, and job creation for women and youth. UNIDO continues to focus on the promotion of training centers, as well as conduct workshops fostering women and youth entrepreneurship and provide assistance to small and medium-sized enterprises (SMEs) in vulnerable countries in order to help strengthen and diversify their economies.

For instance, UNIDO completed a project in Cambodia in 2015 which aimed at ensuring effective e-waste management and creating employment opportunities in the electronics industry. The project, jointly funded by the Korean Government and Samsung Electronics, focused on interrelated economic, social, and environmental components such as supporting the local economy through capacity building measures that improve the skills of youth. The project's training of trainers (TOT) approach equipped a corps of local resource persons with enhanced expertise and state of the art knowledge that they used to help young people enhance their job skills. Six TOTs were conducted in total and 16 trainings were organized across five target areas. As a result, a total of 241 youths received training, among which 48 reported a doubling of their monthly income while 16 set up new repair shops and 95 found employment.





"SMEs are the missing link to inclusive growth as they account for approximately 60-70 percent of total global employment. They make up over 95 percent of all firms and account for approximately 50 percent of GDP. In Liberia, MSMEs are the primary source of income for approximately 80 percent of Liberian households."





Environmental sustainability and energy efficiency has emerged in the past several decades as a critical priority for development, as pollution, climate change, and over-exploitation of natural resources are increasingly linked to diminished prospects for economic resilience, growth, and prosperity. In the industrial development context, governments and enterprises are looking to clean energy and more efficient use and sustainability of resources as prerequisites for investment. Meanwhile, addressing the climate challenge requires industries and institutions, both public and private, to be able to innovate and implement strategies that will result in resource efficient societies and low emission growth.

UNIDO supports vulnerable countries as they implement multilateral environmental agreements and pursue economic competitiveness and growth on a platform of clean energy and energy efficient technologies. Its services also include capacity building and direct technical support to enterprises and assistance to government institutions in line with the Cleaner Production concept that was developed by UNIDO and UNEP at the 1992 Rio Summit.

UNIDO promotes sustainable energy solutions for making industries more productive and climate resilient, which in turn promotes green jobs and green growth, including the deployment of industrial energy efficiency standards, smart grids based on renewable energy, and renewable energy for industrial applications, as well as capacity-building for the industrial sector to improve water productivity, reuse and recycling.

In December 2014, UNIDO completed a project on the promotion energy efficiency technologies in the beer brewery sector in Burkina Faso. The project aimed at empowering women brewers with the provision of technical assistance to more than 500 women entrepreneurs to improve their efficiency of production, for instance via fuel savings with improved stoves. As a result of the project, the brewers adopted improved cooking stoves (ICS), which occurred in part as a result of the training of 48 local masons in the construction of ICS (250 ICS were installed). By adopting ICS, the quantity of firewood used in the brewing process decreased, improving the women's health. This more efficient dolo brewing process also consumes less of the women's time, allowing them to improve the wellbeing of their households, as well as enabling them to take up additional livelihood activities potentially increasing their income. Four clusters in the microbrewery sector were developed in four villages. As a result of this, 26 associations of dolo brewers were established. Additionally, 22 master project developers were trained on the design of a carbon market project.

Market access is a prevalent concern for all three vulnerable groups. While weak transit routes and the remote geographic location of some countries largely contribute to their lack of access to regional and international markets, many countries also face difficulties in accessing markets due to their inability to meet

market quality standard requirements. Therefore, challenges such as food security and quality infrastructure need to be addressed to ensure that countries can increase the competitiveness of their products and thereby boost economic progress and enhance opportunities for people to lift themselves out of poverty.

UNIDO's technical assistance in this regard focuses on, among other things, quality programmes that strengthen the regional economic integration and trade of a country by creating an environment that facilitates compliance with international trade rules and technical regulations, such as UNIDO's Better Work and Standards Programme (BEST), which intends to strengthen the national quality infrastructure for selected products by helping countries comply with international norms and practices on safety and quality requirements for export. Burundi and Sudan are two examples of countries that benefitted from the BEST programme's efforts to help them improve their industrial competitiveness and thereby take advantage of global market opportunities. The programme is also working with key economic actors in Bangladesh to improve industrial productivity and the competitiveness of the private sector, while enhancing export capabilities in the fisheries, textiles and garment sectors. A project on Better Quality and Safety of Fish and Fishery products for improving fish trade development was launched in Cambodia, while the programme is helping Afghanistan develop standards for seven sectors: petroleum products, food, construction materials, pharmaceuticals and cosmetics, metrology, electrical goods, and textiles.

Partnerships for economic transformation are part of another priority that cuts across both developed and developing countries as UNIDO seeks to identify and mobilize new sources of funding, innovation, and knowledge to promote sustainable industrial development. In many cases, traditional development approaches centered on financing depend on access to knowledge, technology, and business innovation that only the private sector can reliably deliver. Initiatives that bring together public institutions, multilateral organizations, and the private sector can help create a stronger foundation for cooperation that spans countries and regions and supports accelerated development to improve lives.

In fulfilment of its mandate of ISID, UNIDO recognizes that stakeholder engagement and building solid partnerships are necessary to achieve development results. UNIDO's partnership approach fosters collaboration among various development partners in the public and private sectors and among multilateral organizations. These partnerships assist in the promotion of value-added manufacturing through capacity building, appropriate technology transfer, and the expansion of export capacity for manufactured goods in LDCs. UNIDO's convening role brings Member States, the private sector, civil society, and other partners together in forums to exchange and disseminate knowledge and information, facilitate collaboration, and forge common positions and plans of action for ISID.

Specific challenges

While all LDCs face similar economic challenges despite their varying geographical positions, LLDCs and SIDS are much more economically diverse and often face a unique set of challenges, specific only to them.

Challenges of Least Developed Countries (LDCs)

While many LDCs have recently seen increases in their GDP due to their growing exports and an expanding consumer base, a closer look shows that their export growth is often based on primary commodities, thereby leaving them exposed to further gyrations in global commodity markets and without a way to translate export-led growth to poverty reduction and more comprehensive development. What is needed is a more robust manufacturing infrastructure and technology investments aimed at building domestic capacity to produce finished and semi-finished products and thereby move away from dependence on a small number of commodities. The experiences of the newly industrialized economies show that manufacturing and trade capacity building are essential to diversifying economic performance and through that achieve a sustainable socio-economic transformation.



CASE STUDY: MADAGASCAR

A great challenge Madagascar is currently facing is the growth of its labour force -people seeking employment - which is expected to rise to 473,400 new entrants per year by 2045. To meet this demand, the country will need to create new jobs at a staggeringly high rate. This employment challenge is getting harder to address due to its complexity, as in the past the labor force in LDCs could have been absorbed by the agriculture sector. But with the current population growth, farm sizes are declining and farms are now more likely to be located on marginal land. It is therefore paramount to ensure that LDCs are able to generate sufficient productive off-farm jobs.

Challenges of Landlocked Developing Countries (LLDCs)

LLDCs face unique challenges, even though they present themselves across various regions and have wide-ranging HDI scores. LLDCs as a group are associated with a lack of direct access to the sea and their remoteness from world markets. Their dependence on other countries' transit systems for international trade compounds the challenges they face in developing their industries and becoming more integrated in regional and global value chains.

There are three main challenges that LLDCs must address in order to place themselves on a path to sustainable development: dependence on foreign transit infrastructure, dependence on political relations with transit neighbors, and dependence on internal peace and stability within transit neighbors.



CASE STUDY: BURUNDI

While Burundi has relatively stable internal road networks, producers are unable to export their goods using the most direct and efficient transit route to the sea because of the poor inland infrastructure through neighboring Tanzania to the port of Dar es Salaam. Instead, Burundi has relied on Kenya's port in Mombasa for export. When this route was blocked brieflyinthe1990s due to the deterioration of political relations with Kenya, a third alternative through Mozambique was also blocked do to a civil conflict in that country. During this time, the only option for Burundi's producers was to export their goods from the port of Durban, South Africa, more than 4,500 kilometers away.





"LLDCs remain marginalized largely as a result of long distances from the nearest seaports coupled with a lack of critical transport infrastructure, productive capacity constraints, and additional border crossings entailing complex procedures that result in high cost of trading. The average import and export costs, as well as other trade logistics, are far worse for LLDCs than most other groups of countries. These high costs reduce competitiveness, diminish export profits, inflate the prices of imported inputs for manufacturing and discourage investment and undermine the efforts of LLDCs to fully gain benefits from global flows of knowledge, technology, capital and innovation. This is the reason so little structural transformation has taken place in these countries. Therefore, a holistic approach is critical."

Challenges of Small Island Developing States (SIDS)

Like LLDCs, SIDS are diverse in the challenges they face. While some SIDS, such as Singapore and the Bahamas, are relatively prosperous by developing country standards, this grouping also includes some of the poorest countries in the world, such as Haiti, Kiribati, and Timor-Leste.

Despite these variations, all SIDS face a set of similar challenges that are of higher risk to them than they are to most other countries, namely their vulnerability to economic shocks and their elevated exposure to natural hazards. Due to their very nature, they also face an increased risk from sea-level rise and climate change.

Many SIDS experience volatile fluctuations in GDP growth per capita. The problem is most acute among SIDS in the Pacific region, while those located in the African and the Caribbean regions, despite faring better, still experience considerably more volatility than SIDS in more developed regions of the world. One reason for this is their heavy reliance on exporting a limited range of commodities to drive economic growth, which makes them vulnerable to swings in export demand and commodity prices.

The high population density of most SIDS increases the pressure on already limited resources, and leads to an overuse of resources and premature depletion. As SIDS are subject to relatively small watersheds, this threatens their supply of fresh water.

Their size and geographical position also makes them especially vulnerable in the wake of natural hazards. The occurrence of a natural disaster is an almost constant threat in many SIDS, and many experts say that the occurrence of extreme weather events will increase as climate change intensifies.

While the countries cannot affect their geographical position and the occurrence of natural disasters (with the exception of reducing their environmental footprint), there are many things that can be done in order to better the response to natural disasters, such as the building of resilient infrastructure.



CASE STUDY: HAITI

Haiti ranks 149 out of 182 countries on the HDI index. The devastating earthquake that hit the country in January 2010 killed more than 100,000 people and shook the entire economy to its foundation. Already one of the poorest countries in the world, at the time of the disaster Haiti had not yet recovered from three hurricanes and a storm that wrecked 80 percent of the country's agriculture in 2008.



UNIDO'S RESPONSE

UNIDO's mandate of inclusive and sustainable industrial development (ISID) is based on three components: creating shared prosperity, advancing economic competitiveness, and safeguarding the environment. In carrying out its mission to support countries in their efforts to achieve a higher level of industrialization and prosperity, UNIDO focuses on the socio-economic development of countries with special needs, particularly LDCs, LLDCs, and SIDS. Accordingly, UNIDO intervenes at both the national and regional levels with policy, strategic, and programmatic solutions to promote ISID.

Policy and strategic response

UNIDO has put in place a number of policies and strategies aimed at supporting the industrial development of countries with special needs: its mandate of inclusive and sustainable industrial development (ISID); UNIDO's LDC Operational Strategy; UNIDO's policies for LLDCs and SIDS; global forums; cooperation with UN sister agencies, other international organizations, and regional economic communities; and cross-cutting issues such as gender, youth employment, and entrepreneurship.

Inclusive and sustainable industrial development (ISID)

The Lima Declaration, adopted by UNIDO's Member States in 2013 during the 15th session of UNIDO's General Conference, set the foundation for a new vision of inclusive and sustainable development (ISID), and highlighted the role of industrialization as a driver for development. Through this mandate, UNIDO aims to harness the full potential of industrial development to achieving sustainable economic and social progress for all vulnerable countries, including LDCs, LLDCs, and SIDS.

The ISID mandate addresses the multi-faceted causes of poverty through the creation of shared prosperity, advanced economic competitiveness, and safeguarding of the environment. The mandate is operationalized through three pillars: advancing economic competitiveness, creating shared prosperity, and safeguarding the environment. Furthermore, by introducing SDG9 on inclusive and sustainable industrialization to an international agenda, this mandate has been recognized as essential in alleviating poverty on a global scale.

Since its conceptualization, UNIDO has held four ISID forums (with the fifth forum taking place on 14-15 November in Dakar, Senegal). The first Forum was held on 23-24 June 2014, engaging Member States in a strategic dialogue on how to formulate strategies and policies that promote inclusive and sustainable industrial development. The second Forum was held on 4-5 November 2014, and piloted the development of innovative partnership "business models" to implement ISID strategies. Of prevalent importance was the mobilization of external partners and resources to extend the impact of UNIDO's technical cooperation. The third Forum, held on 14 July 2015, as a side-event on the margins of the third International Conference on Financing for Development was co-organized with the Governments of Ethiopia and Senegal, and the Economic Commission for Africa (ECA). The objective of this event was to demonstrate how multistakeholder partnerships can mobilize and scale up financing for industrial infrastructure, and industrial projects. The fourth Forum, held on 30 October 2015, addressed how UNIDO could contribute further to advancing industry, infrastructure and innovation in the context of SDG9. It highlighted the achievements of UNIDO's new Programme for Country Partnership (PCP).





"The forum has a special significance in both its timing and focus [...]. I believe that the concept of inclusive and sustainable industrial development goes right to the heart of the Sustainable Development Goals. It is needless to say that a high state of economic and social development is unthinkable without having a developed and advanced industrialized sector. Neither history nor practice proves otherwise."

UNIDO LDC Operational Strategy 2012-2020

UNIDO has long supported LDCs' efforts towards structural change and economic growth. The current UNIDO LDC Operational Strategy 2012-2020 aims to fill the gap of inclusive and sustainable industrial development in LDCs, thereby helping guide operations within these countries. The strategy encompasses UNIDO's commitments around key development priorities as defined in a series of international Programmes of Action promulgated over the past two decades, with special emphasis on empowering the poor and vulnerable communities and ensuring gender equality, inclusive and equitable economic growth, and sustainable development.

The strategy is focused on three pillars:







With this strategy, UNIDO offers customized solutions to meet the diverse needs of vulnerable countries as they address industrialization's many challenges. The Organization's Regional Programmes and Field Representation (RPF) Department further addresses these challenges through a regional lens with an approach that is tailored to the specific developmental constraints that countries face based on their vulnerability classification and their region. Through the expansion of their industrial capacity and a focus on inclusive growth, this operational strategy helps vulnerable countries achieve a coherent structural transformation of their economies, putting them on a path to sustainable economic growth and bringing a reduction in poverty and a better quality of life for all.

UNIDO's strategy on LLDCs and SIDS

The strategy set up by UNIDO to assist LLDCs and SIDS are centered on their structural transformation and economic diversification with the goal of generating the emergence of a stable and sustainable industrial sector. This has involved a shift in policy objective from simple poverty reduction to the advancement of social and inclusive development. Accordingly, the strategy focuses on strengthening relationships between countries, with a special emphasis on South-South cooperation. UNIDO's strategy also focuses on creating partnerships with the private sector in order to further boost the economies of vulnerable countries.

UNIDO continues to assist LLDCs through technical cooperation programmes that facilitate trade and thereby contribute to structural transformation of the countries' economies. In the Asia and Pacific Region, UNIDO assists five LLDCs (Afghanistan, Bhutan, Lao PDR, Mongolia, and Nepal), all of which, with the exception of Mongolia, are also LDCs.

In 2014, UNIDO participated in the Second United Nations Conference on LLDCs, which was held in Vienna, Austria, as well as the Third International Conference on SIDS held in Apia, Samoa. At this conference, UNIDO offered its expertise and ideas in sessions on developing low-carbon economics to combat climate change, advance youth employment, and promote fisheries and aquaculture as a trade and food security solution for SIDS.

Global forums

UNIDO organizes high-level international dialogue on developing countries and regularly shapes global discussions, particularly with regard to LDCs, LLDCs, and SIDS. It organizes global forums focusing on the development of these countries, such as the LDC Ministerial Conference, which focuses particularly on LDCs, and the ISID forums, with a focus on the three aforementioned vulnerable groups, as well as the world's first international agro-industry investment forum, which took place in Addis Ababa on 5-7 October 2016.





UNIDO's sixth LDC Ministerial Conference was held in the context of the 2030 Agenda for Sustainable Development, from 26 to 27 November, 2015, in Vienna, Austria. The conference connected more than 250 participants, including ministers from LDCs and representatives from UN agencies, regional economic communities, and institutions in emerging countries, donors and private sector entities. Conference participants discussed the best path to graduation out of the LDC category and explored innovative ways to sustain structural change and capitalize on achievements. Other topics from the conference's six panel discussions included mainstreaming ISID into national policies and programmes and making partnerships work.

In addition, UNIDO also organizes numerous discussion events that indirectly target countries with special needs, such as the Vienna Energy Forum (VEF) and the Round Table Asia 2050: the sustainable route to prosperity. The scope of these events also includes technical working groups or expert meetings, as well as events organized around the presentation of UNIDO publications. The Organization's convening function serves as an important and cost-effective tool to share knowledge and discuss best practices with large audiences, and it often leads to the elaboration of new norms and standards, as well as to new avenues of research and technical cooperation.

UNIDO also contributes to other global conferences, such as the Conference of African Ministers of Industrialization (CAMI), the Ministerial Meeting of African LDCs, and the Ministerial Meeting of Asia-Pacific LDCs. Most recently, UNIDO has participated in the "Marshall Plan for Africa?" forum, organised by the Austrian Chamber of Commerce, discussing the importance of financing and private sector involvement in the development of Africa.





Under the CAMI framework we have developed the Accelerated Industrial Development for Africa (AIDA) plan, and in recent years, since 2011, we have developed in cooperation with the REC's, some 21 development programmes and 53 projects[...] We have used the opportunity through our global forum activities, to share knowledge and to share best practices.



Conference of African Ministers of Industrialization (CAMI)*

As a response to the need to accelerate sustainable industrial development in Africa, the Conference of African Ministers of Industrialization (CAMI) was established in 1975 in collaboration with the African Union Commission (AUC). Under this pan-African initiative, UNIDO helped formulate the Plan of Action for the Accelerated Industrial Development of Africa (AIDA).

The years 2012 and 2013 were instrumental in advancing the overall industrialization agenda of the continent through the AIDA initiative. In March 2012, a Steering Committee was launched and it endorsed additional project concepts designed by the Regional Economic Communities (RECs) within the framework of the AIDA. The fourth LDC Ministerial Conference, held in November 2012, reached agreement on the need to expedite funds mobilization to enable the implementation of selected projects. UNIDO provided assistance to various RECs to elaborate a selected number of the following projects:

- Regional Investment Promotion and Monitoring for Private Sector Led Development [COMESA, EAC, ECCAS, ECOWAS and SADC]
- Industrial Upgrading and Modernization Programme [EAC, ECOWAS, SADC]
- Regional Enterprise Development and Investment Promotion Programme (REDIP) for Private Sector Led Industrialization [EAC]
- Regional Programme on Improving Competitiveness of the Private Sector and Harmonization of Standards and Quality [SADC]
- Regional Waste Management Project [SADC]
- Study on the Strategic Development of the Packaging Industries in North Africa [UMA]
- Creation of an African Observatory for Agribusiness [UMA]
- Developing a Green Industries' Programme in Central Africa [ECCAS]

^{*}CAMI was replaced by the African Union's Specialized Technical Committee (STC) on Trade, Industry, and Minerals in May 2016

Programmatic response

In addition to the policies and strategies it implements in support of LDCs, LLDCs, and SIDS, UNIDO has a programmatic response to the developmental issues these countries face. This consists of Programmes for Country Partnerships (PCPs), Country Programmes, and stand-alone projects that are implemented nationally but often include regional projects, such as those which benefit West African LDCs and LLDCs. UNIDO's programmatic response also includes regional and intra-regional programmes that are intended to foster South-South cooperation for the development of LDCs, LLDCs, and SIDS.

Programme for Country Partnerships (PCPs)

In order to operationalize the partnership approach with its beneficiary countries, UNIDO has developed the Programme for Country Partnership (PCP), a custom-built partnership formula with each beneficiary country maintaining ownership of the complete process by defining its needs and required support, and finally ensuring the success of its delivery.

PCPs are aligned to the national industrial priorities and development plans of the beneficiary countries, and are embedded into their national resource mobilization strategies. Two LDCs (Ethiopia and Senegal) were selected to pilot this new, custom-built business model. Further aims of the PCPs are to scale up partnerships for technical cooperation and to leverage additional resources by setting up a national coordination and funds mobilization mechanisms for partnership management and implementation. PCPs also feature rigorous monitoring and reporting mechanisms, allowing Member States and partners to better measure the concrete benefits of this innovative approach.

At the same time, the selected countries need to be fully aligned with ISID objectives and demonstrate full ownership of the programme. They need to embed the PCP into their national resource mobilization strategies and remain open to partnerships for scaling up technical cooperation services and leveraging additional resources.



Programme for Country Partnership in Ethiopia

The PCP for Ethiopia 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:



1) Agro-food processing



2) Textiles and apparel



3) 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.

As of April 2016, the PCP achieved great results in the agro-food, textiles and garments, and leather sectors. In the agro-food sector, a feasibility study was conducted, and a master plan for Integrated agro-industrial parks (IAIPs) were completed and endorsed. An institution for the development and management of IAIPs was also established. Furthermore, value chain development projects are ongoing. In the textiles and garments sector, project investment profiles were developed, promoting 11 large textile and garment industries. In the leather and leather products sector, a feasibility study and master plan was finalized for Modjo Leather City (MLC). The MLC will boost foreign and local direct investments, and economic, trade, and service activities in the area. Leather products cluster development programmes are under implementation.



Programme for Country Partnership in Senegal

The PCP for Senegal mobilizes development partners, UN agencies, development finance institutions (DFIs) and the private sector – under the leadership and ownership of the Senegalese Government – to advance ISID within the framework of Senegal's new national development strategy, titled Plan Sénégal Emergent (PSE). The PCP focuses on three main areas:



1) Industrial policy development



2) The establishment of Agro-poles for agricultural value chains



3) The operationalization of existing industrial parks and the development of new ones

The PCP also integrates complementary cross-cutting support according to priorities defined by the national government, which include: private sector development and investment promotion; environment; energy; trade facilitation; South-South and Triangular Industrial Cooperation; and innovation, science, and technology for industry.

As of April 2016, the PCP made great progress and achievements in agro-poles and rural development (with linkages created between large-scale companies and rural SMEs, and enhanced capacities of women and youth through skills training and rural entrepreneurship), the SME regional industrial mining hub in Kedougou, (with the creation of industrial activities in remote areas, local SMEs linked with the international supply chains of mining companies, and the attraction of international private sector and foreign investors) and in the local cluster development programme, as well as youth and women entrepreneurship and employment.





I applaud UNIDO and the Governments of Ethiopia and Senegal for their dedication and hard work towards advancing inclusive and sustainable industrialization in their countries through the Programme for Country Partnership. They set an example for the rest of us on how to partner together to accelerate public investment and attract private finance in key industrial sectors. These Programmes for Country Partnership can serve as a model for realizing the other SDGs too."

Country Programmes (CPs)

UNIDO's Country Programmes are based on a tailored, multi-stakeholder formula whereby each beneficiary country maintains ownership of the process by defining its own needs and outlining the support it requires. This approach helps ensure successful delivery of UNIDO's technical cooperation.

The CPs are strategic instruments that foster ISID on the ground and contribute to the 2030 Agenda and to the SDGs. As of 2016, UNIDO developed CPs for LDCs Burkina Faso (also LLDC), Chad (LLDC), the Democratic Republic of the Congo, the Gambia, Guinea, Lesotho (LLDC), Niger, Senegal, Sierra Leone, Togo, Uganda, Rwanda, the United Republic of Tanzania, Zambia, Myanmar, Mozambique, Angola and Vanuatu. Other countries whose CP's are in development are Benin, Burundi (LLDC), Equatorial Guinea, Eritrea, Mauritania, Madagascar, Cambodia, Afghanistan (LLDC), Moldova (LLDC), and Kazakhstan (LLDC). In addition, the following LDCs in Asia benefited from UNIDO's technical cooperation services from 2012 to 2015: Bangladesh (CP completed 2014), Bhutan (LLDC), the Lao People's Democratic Republic (LLDC), Nepal, Timor-Leste (also SIDS), and Tuvalu (SIDS).

As a demand-driven organization, UNIDO ensures that its CPs are developed through a careful strategic methodology that is based on best practices and consists of the following steps:

- 1. Strategy demand analysis
- 2. Development of programme screening forms
- 3. Needs assessment report of the country
- 4. Formulation mission
- 5. Development of the Country Programming Framework
- 6. Development of Project Documents
- 7. Country Programme implementation



Tanzania Country Programme

The Tanzania Country Programme was developed in 2011 and lasted until 2016. It comprised of three areas of intervention:

- Industrial policy and statistics support
- 2. Investment promotion and enterprise support for enhanced competitiveness
- 3. Cleaner production and renewable energy for productive uses

Since the CP's launch, it brought with it many achievements. A successful project under the CP was the establishment of four slaughterhouses in the cities of Mbeya and Iringa, helping advance the agro-industry and resulting in the creation of 270 new jobs. Additionally, butchers have received training on meat and skin handling and on entrepreneurship. Through the Tanzania Industrial Upgrading and Modernization Programme (IUMP), 19 enterprises operating in diary, edible oil and food processing sectors were upgraded, and 50 national experts were trained on industrial upgrading methodologies.



Myanmar Country Programme

Cooperation between Myanmar and UNIDO was re-established in 2011 and UNIDO formulated a Country Programme with Myanmar in 2015. The programme interventions are focusing on the following components, and include 19 projects based on UNIDO's ISID framework, and its Technical Cooperation service modules:

- Elaboration and implementation of industrial strategies and policies
- 2. Building a vibrant and inclusive SME sector
- 3. Productive employment generation in the rural sector
- 4. Developing Myanmar's export potential
- 5. Ensuring sustainable industrial development

Stand-alone projects

As of September 2016, UNIDO is implementing a portfolio of 802 projects, with total programmable resources of more than \$480 million. Detailed information about the projects can be found on UNIDO's Open Data Platform, which was launched in December 2015 as part of the Organization's transparency initiative. The platform displays an interactive world map with details of programmes and projects in various regions and countries. The information portrayed includes outcomes and outputs, timelines, financial information, information on gender equality, and project documents, as well as country statistics and donor information. The Open Data Platform can be accessed from: https://open.unido.org.



Development of Robust Standardization, Quality Assurance, Accreditation and Metrology (SQAM) Infrastructure in Malawi (LDC and LLDC)

This project seeks to enhance the performance of the Malawi Bureau of Standards (MBS) by developing a more efficient, effective, and sustainable National Quality Infrastructure (NQI) in accordance with international and regional principles and practices. The key goal is to improve the quality, safety, and marketability of Malawian goods and services by removing technical trade barriers.

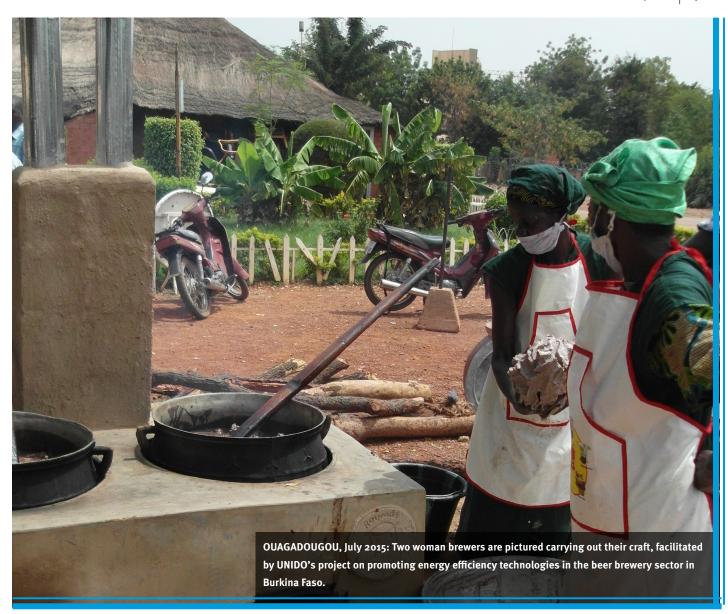
UNIDO developed and disseminated a National Quality Strategy (NQS) and assisted in the strengthening of the capacity of the Malawi Bureau of Standards to deliver business services and achieve financial sustainability. UNIDO also reviewed the technical regulations to promote efficient, effective, and accountable delivery of the information in accordance with SQAM legislation and regulations. On the margins of the project, 6 out-of-country trainings were held in: Botswana, Maryland USA, Mozambique, France, South Africa, and Vietnam, with 1-2 participants per training. Additionally, 7 in-country trainings were held, where each course comprised of 8-18 participants.



Productive work for Youth in Armenia – Supporting Young Entrepreneurs (LLDC)

This UNIDO project supports youth-led enterprise creation and expansion, thus promoting a conducive business environment for youth-led businesses and sound private sector development in Armenia, which is an integral part of ISID.

After 14 rounds of training and calls for proposals, UNIDO facilitated entrepreneurship training for 230 youth, 36% female. And received 179 loan applications, of which 119 were preliminary approved, for the total amount of around €740,000. Additionally, the project created 57 jobs at the initial (start-up) stage, with more jobs expected to be created at the growth stage of the businesses (particularly ones that were recently funded).



Regional and intra-regional programmes

UNIDO engages in many regional and intra-regional projects, such as the Regional Trade Capacity Building Training Programme in the Central Asian region, specifically in Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. These countries continue to face supply-side capacity and trade-related infrastructure constraints that can inhibit their ability to compete on international markets. In this regard, UNIDO, in close cooperation with the Network on Metrology, Accreditation and Standardization for Developing Countries (DCMAS), designed this programme to encourage systemic trade development along value chains.

UNIDO facilitates the regional integration of quality goods to make them market compliant, such as the West Africa Quality Programme (WAQP). Following a successful first phase in 2001-2005, the second phase of the WAQP was implemented from 2007-2013. As a result of the programme, regional and national quality policies were adopted, a regional quality infrastructure scheme was established, regional standards were adopted, 20 enterprises were certified as per ISO 9001 and ISO 22000 standards, and more than 4,000 staff members of laboratories, inspection bodies, and private companies were trained. In order to further support the region and deepen regional integration, the West Africa Quality System Programme (WAQSP) was established in 2015.

UNIDO also engages in trade capacity building in the Mekong Delta (including Cambodia) through strengthening institutional and national capacities related to standards, metrology, testing and quality (SMTQ). Also, as part of a large-scale project for vulnerable countries in South Asia, UNIDO provided support to Bhutan on market access and trade facilitation through strengthening the country's institutional and national SMTQ capacities. This project has helped Bhutan accelerate its economic growth by reducing technical barriers to trade through the strengthening of institutional structures and national capacities in SMTQ and conformity assessment.

UNIDO's cooperation with UN sister agencies, and other international organizations

UNIDO cooperates with its UN sister agencies and other international organizations, such as UN-OHRLLS, UNCTAD, UN Women, Enhanced Integrated Framework (EIF), the World Trade Organization (WTO), and UN Women, by engaging in joint projects and co-authored publications. UNIDO regularly collaborates with other UN agencies with regard to its ISID mandate with an eye toward increasing overall impact in client countries, as well as globally and regionally. These collaborations include, for example, UNIDO's work with the United Nations Environment Programme (UNEP) in areas related to energy development and climate change (such as the Green Industry Platform), as well as its cooperative efforts with the UN Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD), Enhanced Integrated Framework (EIF), and the African Development Bank (AfDB).



3ADI - Accelerated Agribusiness and Agro-industries Development Initiative

UNIDO's 3ADI initiative, launched in 2010, in partnership with AfDB, FAO, and IFAD, aims at enhancing the productivity and profitability of agribusinesses. In support of this goal, UNIDO designs and implements action-oriented technical assistance programmes and provides integral policy support. Its interventions concentrate on the several key pillars of agribusiness development: upgrading entire value chains, strengthening technology, promoting innovative sources of financing, stimulating private sector participation, improving infrastructure, and facilitating market access.

As a knowledge-based organization, UNIDO also organizes seminars and trainings, and publishes research and reports, constantly looking to expand its work with organizations and enterprises beyond the multilateral system by engaging in partnerships with the private sector, academia, and civil society for the benefits of LDC, LLDCs, and SIDS.

Below is a non-exhaustive list of UNIDO's partners for progress, prosperity, and sustainable development:

UN system and affiliate partners				
ON System and annual	e partifers			
Enhanced Integrated Framework (EIF)	Food and Agriculture Organization (FAO)	International Fund for Agricultural Development (IFAD)	International Labour Organization (ILO)	
International Trade Centre (ITC)	Office of the Special Adviser on Africa (OSAA)	UNAIDS	UNICEF	
UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN- OHRLLS)	UN Women	United Nations Conference on Trade and Development (UNCTAD)	United Nations Development Programme (UNDP)	
United Nations Economic and SocialCommissionforAsia and the Pacific (UNESCAP)	United Nations Economic Commission for Africa (UNECA)	United Nations Environment Programme (UNEP)	United Nations Human Settlements Programme (UN-Habitat)	
United Nations Peacebuilding Fund (UNPBF)	United Nations Population Fund (UNFPA)	United Nations Trust Fund for Human Security (UNTFHS)	Sustainable Energy for All (SE4ALL)	
World Intellectual Property Organization (WIPO)	World Trade Organization (WTO)			





"[UNIDO is] certainly among our most important partners. We have worked well together for decades, as I'm sure we will continue to do in the future. Why? Because of our shared values and visions, and our shared mandates and missions. Inclusive and sustainable industrial development and decent work for all are complimentary and mutually supportive."

Development finance	institutions (DFIs), fund	ds, and mechanisms	
African Development Bank (AfDB)	Agence Française de Développement (AFD)	Arab Bank for Economic Development in Africa (BADEA)	Asian Development Bank (ADB)
European Bank for Reconstruction and Development (EBRD)	European Investment Bank (EIB)	Global Environmental Facility (GEF)	Inter-American Development Bank (IDB)
Islamic Development Bank (IsDB)	Montreal Protocol Multilateral Fund	Small Industries Development Bank of India (SIDBI)	World Bank (WB) / International Finance Cooperation (IFC)
Regional commissio	n Initiatives		
African Union Commission (AUC)	European Commission (EC)	Secretariat of the Pacific Community (SPC)	SIDS DOCK
Private sector partne	rs		
AEON Group	Bank of Khartoum	Carlsberg Group	Chemical Leasing
Chevron	Dell International LLC	Deutsche Messe AG	DNV GL – Business Assurance
EON Reality	Festo Didactic	Green Industry Platform (GIP)	Heineken
НР	Illycaffe	Intel	Ipack IMA
Komatsu	Leaning and Knowledge Development Facility (LKDF)	METRO Group	Microsoft
Nomura Kohsan	OCP Foundation	Orange	PIND Foundation
Russian Railways	Samsung	Scania	Tetra Laval
VDMA	Volvo Group		

Cross-cutting issues of gender and youth employment

UNIDO places special emphasis on issues that are vital to any country's socio-economic development, most notably the inclusion of women and youth in employment opportunities. Nearly all developing countries, whether they are LDCs, LLDCs, or SIDS, are experiencing high rates of youth unemployment and high rates of vulnerable employment among women and a lack of job opportunities for both groups. An inclusive approach to industrial development ensures that the most vulnerable communities are provided with the skills they need to contribute to the economic growth of their country and are thereby enabled to work their way out of poverty.

Gender

UNIDO's Gender Equality and Empowerment of Women Strategy 2016-2019 recognizes that women are key agents of change, who, as economic actors, leaders, and consumers, play a vital role in every country's drive towards a higher level of industrialization. It draws from the Organization's policy on Gender Equality and the Empowerment of Women, issued in 2015, which sets out UNIDO's gender equality commitments and set overall guidelines for establishing a gender mainstreaming strategy that:

- · Ensures that a gender perspective is reflected in its programmes, policies, and organizational practices
- Advances the overall goal of gender equality and the empowerment of women, and particularly their economic empowerment
- Benefits from the diversity of experiences and expertise within the United Nations system to advance the internationally
 agreed-upon development goals related to gender equality, in line with UNIDO's mandate on ISID
- Accelerates UNIDO's efforts to achieve the goal of gender balance, especially at decision-making levels

Youth

Furthermore, UNIDO developed IDEA (Inclusive Development and Entrepreneurship for All), a strategy aiming at addressing, in an integrated approach, the main constraints faced by youth when trying to enter the labour market. IDEA's main focus is to engage youth in economic and productive processes through enhancing youth employability, and in providing young aspiring entrepreneurs with the necessary tools to effectively start and run their businesses. Through the capacity building of youth and women, with a view to create jobs by means of entrepreneurship development, IDEA also contributes to reducing the vulnerability of economies to crises, and strengthening their resilience to absorbing and overcoming sever economic shocks, while supporting strong growth in post-crises situations.



THE WAY FORWARD

A half-century after its founding, UNIDO's mandate is more relevant than ever. The recent adoption of the 2030 Agenda for Sustainable Development has underscored the key challenges that need to be taken into account to achieve poverty eradication and prosperity for vulnerable nations.

In 2016, for the first time, the G20 Presidency requested UNIDO to actively participate in the G20 processes, in which regard a paper on the industrialization of African LDCs was written, and successfully presented by UNIDO's Director General, Mr. LI Yong to the G20. Additionally, the UN General Assembly adopted the Third Industrial Development Decade for Africa (2016-2025) on 25 July 2016, specifically calling on UNIDO "to develop, operationalize and lead the implementation of the programme for IDDA3".

Ever mindful of its mission to help the world's most vulnerable countries achieve inclusive and sustainable industrial development, UNIDO has sought to align its strategies and operations with the international community's vision for ending poverty, protecting the planet, and ensuring prosperity for all. In order to achieve this, UNIDO employs many policies and strategies, with a focus on a programmatic response, consisting of two main drivers:

Country Programmes (CPs) Programmes for Country Partnership (PCPs)

UNIDO's CPs and PCPs allow for the alignment of ISID on the ground, and ensure that UNIDO programmes address national development priorities, and simultaneously promote government ownership. Furthermore, the two approaches provide a practical instrument for programme development and donor consultations, which enhances fund mobilization for the industrialization of vulnerable countries.

While UNIDO has long supported vulnerable countries through the design and implementation of technical cooperation, the Organization's innovative programme approach became a critical component to the Organization's success. The CP approach, for instance, is now expanding at a high rate with increasing demand from Member States in all regions. The results indicate the clear value of the approach and the importance of structuring and monitoring activities, but also prioritizing the needs and challenges identified by the beneficiary countries themselves. Even more recently, UNIDO started implementing a strong client-centred approach to development through its PCPs, through which it scales up partnerships for technical cooperation and leverages additional resources in vulnerable countries.

In regard to financing, UNIDO, through its Department of Regional Programmes and Field Representation and network of field offices, will further expand the development of innovative strategies to build on previous successes, namely with regard to the donors' roundtables. UNIDO aims to replicate the model across multiple LDCs, LLDCs, and SIDS, to facilitate access to public and private sector investments for industrialization for all vulnerable nations.

It is through these endeavors that UNIDO will expand and deepen its cooperation with these states amid ongoing economic and social challenges. UNIDO will continue to extend a hand of cooperation to enterprises and organizations in both the public and private sectors, academia, the research community, and civil society in an effort to build successful partnership approaches and scale up its successes. Special attention will be geared towards building partnerships and systematizing donors' roundtables involving public and private sector organizations, development financial institutions, as well as other financial technical partners. UNIDO will continue fostering successful partnerships to intertwine the public and private sectors with research and academia as well as with civil society. Inter- and intra-regional programmes, included in respective CPs, will be promoted to strengthen cooperation between regions and trading blocs for a more inclusive, harmonized policy direction based on resource endowments and comparative advantages.

UNIDO remains determined to fulfill its essential promise: delivering its experience, expertise, and guidance to the world's most economically vulnerable countries as they seek to promote inclusive and sustainable industrial development as a pathway to poverty eradication and prosperity.



■ LIST OF ABBREVIATIONS AND ACRONYMS

o A D I	African Agribusiness and Agra industries	MBS	Malawi Buraay of Standards
3ADI	African Agribusiness and Agro-industries Development Initiative		Malawi Bureau of Standards
ACP	African, Caribbean, and Pacific Group of	MDGs	Millenium Development Goals
ACI	States	MSI	Mauritius Strategy for the Further
ADA	Austrian Development Agency		Implementation of the Programme of Action
AfDB	African Development Bank		for the Sustainable Development of SIDS
AIDA	Accelerated Industrial Development of Africa	NQI	National Quality Infrastructure (Malawi)
APoA	Almaty Programme of Action	OFID	OPEC Fund for International Development
AU	African Union	PCPs	Programmes for Country Partnership
AUC	African Union Commission	PMPA	Pharmaceutical Manufacturing Plan for Africa
BPoA	Brussels Programme of Action	POPs	Persistent Organic Pollutants
CAMI	Conference of African Ministers of Industry	PPP	Public Private Partnership
CEMAC	Central African Economic and Monetary	RECP	Resource Efficient and Cleaner Production
	Community	RECs	Regional Economic Communities
COMESA	Common Market for Eastern and Southern	REDIP	Regional Enterprise Development and
	Africa		Investment Promotion Programme
СР	Country Programme	SADC	Southern Africa Development Community
DFI	Development Finance Institutions	SIDBI	Small Industries Development Bank of India
EAC	East Africa Community	SIDS	Small Island Developing States
ECCAS	Economic Community of Central African States	SDGs	Sustainable Development Goals
ECOWAS	Economic Community of Western African	SMEs	Small- and Medium-sized Enterprises
	States	SQAM	Standardization, Quality Assurance,
ECREEE	,		Accreditation and Metrology
EDE	and Energy Efficiency	SSTIC	South-South and Triangular Industrial
EDF	European Development Fund		Cooperation
EIB EIF	European Investment Bank	TC	Technical Cooperation
EU	Enhanced Integrated Framework European Union	UCSSIC	UNIDO Center for South-South Industrial
FAO	Food and Agriculture Organization		Cooperation
FDI	Foreign Direct Investment	UMA	Arab Maghreb Union
GEF	Global Environmental Facility	UNDAF	United Nations Development Assistance
GTP	Growth and Transformation Plan		Framework
HDI	Human Development Index	UNDG	United Nations Development Group
ICT	Information and Communications	UNDP	United Nations Development Programme
	Technologies	UNECA	United Nations Economic Commission for
IFC	International Finance Corporation	OHEO!	Africa
IGAD	Intergovernmental Authority on Development	UNEP	United Nations Environment Programme
ILO	International Labour Organization	UN-	UN Office of the High Representative for the
IOC	Indian Ocean Commission		· ·
IPoA	Istanbul Programme of Action	OHRLLS	Least Developed Countries, Landlocked
ISID	Inclusive and Sustainable Industrial		Developing Countries and Small Island
	Development	VD - A	Developing States
ITC	International Trade Center	VPoA	Vienna Programme of Action
ITPO	Investment and Technology Promotion Offices		West African Economic and Monetary Union
LDCs	Least Developed Countries	WB	World Bank
LKDF	Learning and Knowledge Development Facility	WHO	World Health Organization
LLDCs	Landlocked Developing Countries	WTO	World Trade Organization
LLDCS	Landiocked Developing Countiles		

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