



**TOGETHER**  
*for a sustainable future*

## OCCASION

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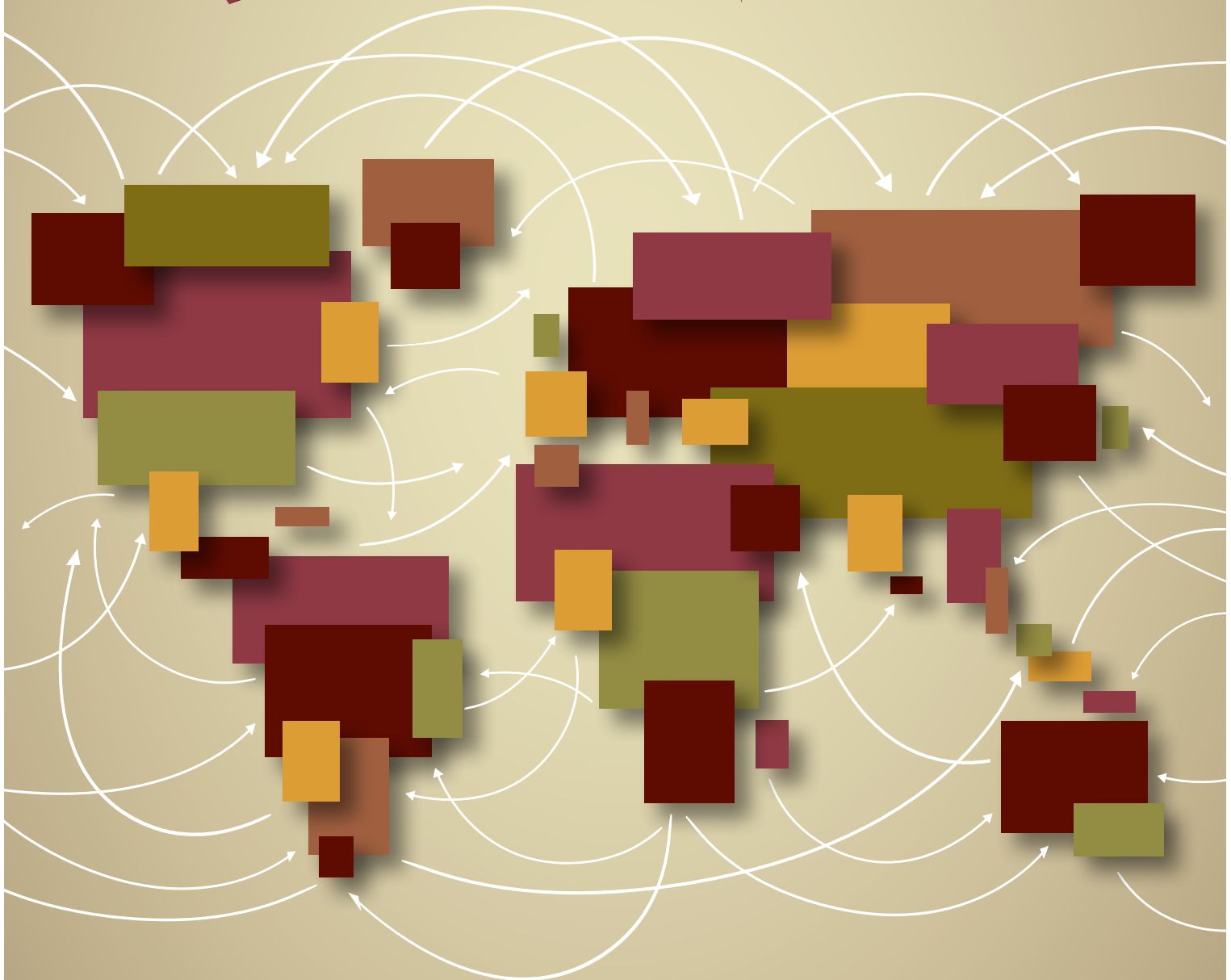
# LEAST DEVELOPED COUNTRIES

THE PATH TO GRADUATION AND BEYOND



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

*Inclusive and Sustainable Industrial Development*



BUILDING TRADE AND PRODUCTIVE CAPACITIES IN LDCs  
COOPERATION BETWEEN UNIDO AND THE ENHANCED INTEGRATED FRAMEWORK

### Promoting economic growth and sustainable development in LDCs

The Enhanced Integration Framework (EIF) is a multi-donor program with the goal of promoting economic growth and sustainable development, while reducing poverty, in Least Developed Countries (LDCs). Its strategy is to increase their ability to participate in world trade.

The United Nations Industrial Development Organization (UNIDO) is a key partner of the EIF to which it has already made a significant contribution. UNIDO is a leader in trade development in LDCs, based on its mandate to foster Inclusive and Sustainable Industrial Development (ISID) in order to eradicate poverty throughout the world. It has ample experience of building trade capacity, removing obstacles to trade and increasing food safety.

### UNIDO helps attain UN's Sustainable Development Goals

UNIDO's ISID-based programs help directly or indirectly to realise the 17 UN Sustainable Development Goals in LDCs.

The goals are: no poverty; zero hunger; good health and well-being; quality and education; gender equality; clean water and sanitation, affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions, and partnership for the goals.

## A STRONG PARTNERSHIP



### Inclusive and Sustainable Industrial Development

UNIDO is motivated by the belief that “no one should be left behind”. No person – regardless of ethnicity, gender, geography, disability, race or other status – should be denied universal human rights and basic economic opportunities.

UNIDO's new development approach is well suited to the needs of LDCs. It is holistic, considering society, economy, industry and the environment as a whole. The ISID approach adds value to UNIDO as an EIF Partner Agency.

### UNIDO's LDC policy framework

UNIDO's practical programs for helping LDCs are based on a strong policy framework.

Following the Ministerial Conference of the UN on LDCs in Istanbul in 2011, UNIDO was the first UN agency to incorporate the Istanbul Plan of Action within its operational strategy for LDCs for 2012-2020.

The UNIDO Ministerial Conference on LDCs in Lima, in which the 230 participants included 27 ministers, was a watershed event that resulted in the Lima Declaration selecting development priorities. The declaration identified industrialization as critical for economic growth and ISID as the path forward. It highlighted UNIDO as essential for realizing the post-2015 development agenda and confirmed UNIDO's mandate to implement ISID.

Subsequently, UNIDO articulated its operational strategy, emphasizing its Program for Country Partnerships (PCP). These align its initiatives with the national industrialization priorities of the country concerned, along with partnership with other UN agencies and public and business sector organizations.

The UN Secretary-General Ban Ki-moon has praised UNIDO and its PCPs, naming the programs with Ethiopia and Senegal as examples of how to attract public investment and private finance for developing key industrial sectors. He described the PCPs as models to help realize SDG goals.

### “No-one can do this alone!”

UNIDO brings to PCPs a strong ethos of working together with the beneficiary country, complementing and leveraging each other's strengths and encouraging “buy-in” through additionality (where external aid is reciprocated by internal effort).

UNIDO's EIF-related interventions are always linked to its programs at the national and regional levels, and it also works hard to promote linkages with the programs of partner organizations. It focuses strongly on “hands-on” implementation and achieving concrete results. The organization participates in EIF training, as well as organizing LDC training of its own.

In addition to UNIDO being an EIF Partner Agency, its links are strengthened by its observer status within the EIF global governance structures (EIF Board and EIF Steering Committee).



## INCLUSIVE AND SUSTAINABLE

### UNIDO's contribution to the Enhanced Integrated Framework

Overall Impact	LDCs integration into the global trading system with a view to contributing to poverty reduction and sustainable development				
	To enable EIF countries to become fully integrated and active players in, and beneficiaries of, the global trading system through mainstreaming trade.				
EIF Outcomes	Sufficient institutional and management capacity built in EIF countries to formulate and implement trade-related strategies and implementation plans	EIF countries mainstream trade into their national development strategies and plans	Coordinates delivery of trade-related resources (funding, technical assistance, etc) by donors and implementing agencies to implement country priorities following the adoption of the DTIS Action Matrix	EIF countries secure resources in support of initiatives that address DTIS Action Matrix priorities	
	UNIDO's Contribution	<ul style="list-style-type: none"> <li>Capacity building activities</li> <li>Pro-country ownership approach as an implementing agency</li> <li>Trainings</li> </ul>	<ul style="list-style-type: none"> <li>Improved trade diagnostics, particularly on quality infrastructure, TBT and SPS</li> <li>Trainings</li> </ul>	<ul style="list-style-type: none"> <li>Strong focus on building partnerships</li> <li>Strong advocate for the DTIS Action Matrix as the key LDC AFT guiding tool</li> </ul>	<ul style="list-style-type: none"> <li>Utmost focus on additionality and leveraging</li> <li>Strong supporter of generation of better project proposals for EIFTF and other funding</li> </ul>

### Quality along the Value Chain

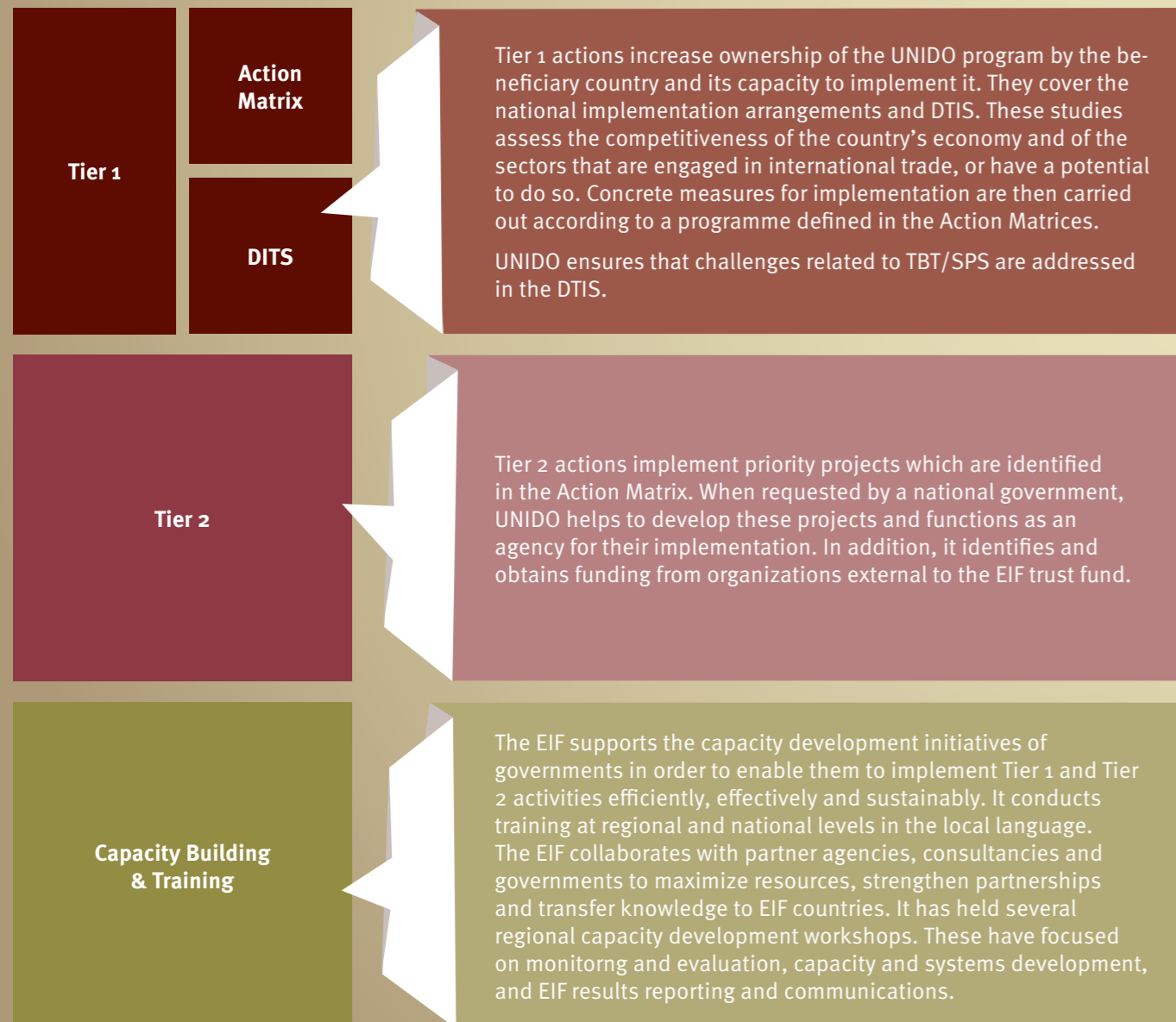
UNIDO's holistic approach to value chains complements and adds significance to the EIF in multiple ways. UNIDO has:

- Significantly improved EIF's analysis and programming on Quality Infrastructure, and Technical Barriers to Trade and Sanitary and Phytosanitary measures (TBT/SPS)
- Consistently worked towards further strengthening partnerships between all EIF stakeholders at global, regional and national levels
- Proven to be an effective partner of the EIF – and Aid for Trade (AFT) initiatives in general – in the implementation phase of programs
- Become invaluable in identifying and obtaining resources, thus increasing implementation of Diagnostic Trade Integration Studies (DTIS) Action Matrices (see below).



### BUILDING BLOCKS

#### The EIF Building Blocks



### TIER 1 SUPPORT TO DTIS

#### UNIDO's contribution to Tier 1 DTIS programs

UNIDO has so far contributed to 26 Diagnostic Trade Integration Studies (DTIS):

- |                                   |                                      |
|-----------------------------------|--------------------------------------|
| 1. Bangladesh                     | 15. Haiti                            |
| 2. Benin                          | 16. Lao People's Democratic Republic |
| 3. Bhutan                         | 17. Lesotho                          |
| 4. Burkina Faso                   | 18. Liberia                          |
| 5. Burundi                        | 19. Mali                             |
| 6. Cambodia                       | 20. Mozambique                       |
| 7. Cape Verde                     | 21. Myanmar                          |
| 8. Central African Republic       | 22. Nepal                            |
| 9. Chad                           | 23. Niger                            |
| 10. Comoros                       | 24. Rwanda                           |
| 11. Congo, Democratic Republic of | 25. Sudan                            |
| 12. Djibouti                      | 26. South Sudan                      |
| 13. Ethiopia                      |                                      |
| 14. Guinea                        |                                      |



### UNIDO SUPPORT TO TIER 2

#### UNIDO's contribution to Tier 2

The EIF gives LDCs customized support to help identify, prioritize and address their needs. It also provides a structure through which development partners can deliver coordinated support to a country's trade and economic growth agenda. UNIDO plays a key role in implementation and in leveraging required resources in addition to the EIF's Trust Fund in order to tackle the priority trade development challenges of LDCs.

UNIDO has developed 15 unique projects and is an implementing agency for Tier 2 projects. These Tier 2 projects are complementary to UNIDO's own activities and regional programmes.

With a special focus on production capacity building, UNIDO is contributing to a number of Tier 2 projects. Responding to country requests based on DTIS, UNIDO provides significant support to help the EIF achieve its aim of being recognized as the centre of excellence in Aid for Trade for LDCs. Many of UNIDO's LDC programs relate directly to the EIF DTISs.



## UNIDO as an implementing agency

Currently, UNIDO is implementing five EIF Tier 2 projects:

**Benin:** Quality policy and compliance infrastructure development; linked to ECOWAS Regional Programme (funded by the European Union - EU)

**Burundi:** Improve export capacity through enhancing SPS capacity; linked to East African Community Regional SPS Project (funded by the Norwegian Agency for Development Cooperation - NORAD)

**Cambodia:** Export diversification and expansion program; linked to World Bank's Cambodia Trade Development Support Program and Cambodia Export Diversification and Expansion Programme (CEDEP II): export of marine fishery (funded by EU)

**Chad:** Supporting value chain development; linked to regional Central African Economic and Monetary Community (CEMAC) project (funded by EU)

**Lao PDR:** Strengthening quality infrastructure and industrial statistics; linked to regional Mekong project (funded by NORAD)



## BURUNDI CASE STUDY

## TRADE CAPACITY BUILDING



### UNIDO-EIF trade capacity building efforts

To meet the most pressing needs of LDCs, the EIF specifically emphasizes the importance of implementing the World Trade Organization (WTO) Trade Facilitation Agreement (TFA).

Further to traditional trade facilitation technical assistance, from UNIDO's perspective the effective and efficient implementation of the TFA requires a robust Quality Infrastructure for testing, inspection and certification of products. LDCs need to be familiar with harmonized conformity assessment procedures and proficient in their use. Such procedures must comply with the WTO TBT Agreement and also meet the stringent requirements of external markets and consumers.

UNIDO's success in meeting the needs of LDCs is illustrated by the following concise case studies from Burundi, Chad and Lao PDR, along with the account of regional LDC training carried out in Mozambique.

### Introducing food safety principles in Burundi

UNIDO's project aims to enhance the export performance of the country and facilitate the access of its products, particularly fruits, vegetables and coffee, to global markets. The method is to introduce international quality standards and strengthen local institutions to support their capacity to comply with SPS measures.

Over the last three years, around 1 000 people from different value chains (including at least 800 from the coffee sector), plus 80 inspectors and more than 100 executives, have been trained on the importance of standards, regulations, food safety and food quality, needed to comply with SPS requirements.

Upgrading has benefited the following institutions: the laboratory of the national centre of food technology (CNTA); a food, feed and water chemistry laboratory of the Standards Bureau of Burundi (BBN); a food microbiology laboratory of the National Institute of Public Health (INSP), and an agricultural chemistry laboratory of the Agricultural Science Institute (ISABU).

They have received high-tech equipment, staff training in modern laboratory techniques, and quality management systems have been implemented. These measures enable them now to perform accurate physicochemical, microbiological and pesticide residue analyses to ensure that products meet SPS requirements and are safe to consume in Burundi and abroad.

The food microbiology laboratory of the University of Burundi (FABI) has been refurbished. With brand new equipment and infrastructure, and with well trained technicians, the laboratory is now able to analyse samples from coffee washing stations and provide advice to coffee producers on how to ensure product quality throughout the value chain.

Thanks to training and the upgraded laboratories serving the coffee value chain, particularly the Regulatory Authority of the Coffee Sector (AFRIC), more than 500 organizations have improved their quality systems, harvesting and bean washing techniques, and their implementation of higher social and environmental standards. In addition, training on improved coffee testing techniques has been organized and more than 20 coffee testers certified to identify best quality coffee.

The UNIDO project also supports the private sector in setting up export consortia and associations. Formerly, coffee producers tried to access the market individually, but competition has since given way to cooperation. By teaming up, coffee producers, including small-scale producers and women entrepreneurs, can guarantee quality and sufficient quantities for international buyers and so increase their income.

### Strengthening industrial statistics in Lao PDR

While the economy of Lao People's Democratic Republic (PDR) has been growing in recent years, it has been hampered by a lack of industrial statistics on which to base policy decisions regarding industrial development, such as identifying priorities and assigning resources. UNIDO, working with the Ministry of Industry and Commerce (MOIC), launched a project at the beginning of 2015 to tackle this challenge.

The current project has two concrete objectives. The first is to enhance the ability of the MOIC to conduct regular industrial surveys that will provide national statistics comparable to international best practice.

The second objective is to help MOIC carry out policy-oriented statistical analysis of the country's manufacturing sector. This entails establishing an integrated statistical information system within MOIC and training research, statistical and IT staff in how to maintain the system, carry out policy-oriented analysis, develop required statistical indicators, and apply statistical techniques.

By the end of the project, the staff will be able to conduct an annual industrial survey autonomously. In addition, MOIC should be capable of analysing the data in order to formulate development policies and strategies. Overall, MOIC will be proficient in identifying and developing required statistical indicators and methods.

## LAO CASE STUDY

Since the project began, training has taken place both within the country and on a study tour to Thailand. Some 10 MOIC officials gained first-hand experience in Thailand on the generation of industrial statistics. Furthermore, statisticians at the MOIC headquarters and 18 regional offices have been trained by external experts in international best practice and guidelines.

During the Laotian industrial survey, statisticians at regional level who had received pre-survey training have been able to put their knowledge into practice and receive further on-the-job training by international experts on industrial survey methodologies and business register maintenance. Meanwhile, related documentation has been translated into Lao and MOIC's IT infrastructure upgraded.

The UNIDO-MOIC statistics project is improving the capacity of the Lao PDR for evidence-based policy making. What is more, the country's enhanced capacity for producing timely, accurate and internationally comparable statistics supports its quest for sustainable industrial development, as well as facilitating integration with regional and global markets.



## CHAD CASE STUDY

### Value chain development in Chad

An agreement was reached between UNIDO, EIF and Chad's *Unité de mise en oeuvre du cadre intégré renforcé en Tchad* (UMOCIRT) on support and strengthening of the value chains for dates, sesame, and natron in order to unlock the economic potential of these products and link them to international markets. The agreement grew out of a stakeholder consultation workshop organized by UMOCIRT with participation from ministries, civil society, groups of producers, trade support structures and economic operators – which helped to obtain buy-in on a broad scale.

Out of 13 product families examined, dates, sesame and natron were identified as having the greatest potential for aiding the country's economic development and a technical support program was developed to realize their potential.

The work began with three feasibility studies and two development projects covering the assigned sectors (dates and natron being produced in the same regions of the country).

In the case of natron, the feasibility study highlighted the need to disseminate knowledge of natron resources, promote their use in animal feed and improve their extraction and transport.

The development of the date sector requires improving the currently inadequate knowledge of the Chadian palm. Knowledge also needs to be better disseminated about the water resources required for their maintenance and promotion of Chad's oasis system. These are prerequisites to producing better quality dates for domestic consumption and export.

Finally, the development of the sesame sector has several targets: to make production more efficient, both environmentally and economically; to render marketing more transparent and efficient in order to balance needs and resources better, and to ensure investment in the processing and promotion of products. These measures will ultimately have a positive impact on strengthening the position of Chadian sesame on international markets.

The studies and the proposed project interventions were validated by government officials, producers, UN agencies, and potential donors at a workshop that discussed development scenarios and selected the most promising. In addition, during this preparatory phase, UNIDO's experts worked on disseminating international best practice and capacity-building know-how for local producers and economic operators in the three chosen sectors.

## VALUE CHAIN DEVELOPMENT





## REGIONAL TRAINING

### Regional Trade Capacity Building Training for LDCs in Mozambique

A four-day regional workshop on Trade Capacity Building Training for LDCs took place in March 2015 in Maputo, Mozambique. It was attended by 21 participants from 10 African countries.

The event was organized by UNIDO and ISO (International Organization for Standardization) with the support of the EIF and in cooperation with the Network on Metrology, Accreditation and Standardization for Developing Countries (DCMAS).

Trade has long been recognized as a powerful engine for growth and wealth creation. Developing countries, particularly LDCs, continue to face supply-side capacity and trade-related infrastructure constraints which can inhibit their ability to compete on international markets.

Based on a solid analysis of trade challenges and opportunities, the Trade Capacity Building Training Program for LDCs is designed to encourage systemic trade development along value chains.

A critical area is the setting-up and operation of the national quality infrastructure (NQI), which concerns the technical institutions providing services in the fields of metrology, standardization, conformity assessment (testing, inspection, certification), and accreditation.

These institutions underpin industrial development and export promotion because they help meet the essential need for demonstrating compliance of products and services with standards required by the market, in particular international standards. An effective NQI also means that TBT are minimized, thus enhancing international trade.

The Maputo workshop followed a twofold strategy. Firstly, the training provided participants with the technical knowledge to understand the relationship between trade and Inclusive and Sustainable Industrial Development. Secondly, the training helped participants to develop skills for project design and monitoring. By the end of the workshop, participants had developed the competence to articulate national needs in an effective manner, and to tap available resources and funding at the international level.

The workshop specifically targeted technical experts from NQI areas and experts involved in EIF programs. On completion of the workshop, participants were able to:

- Develop standardization strategies
- Explain best practices and models for establishing a modern quality infrastructure and formulating a quality policy
- Outline the role of quality and standards in value chains
- Formulate, design and evaluate project proposals

## SEAMLESS COOPERATION



### Seamless cooperation between UNIDO and EIF

UNIDO and EIF base their seamless cooperation on the core values articulated by the latter:

- Partnership - Increased coordination between development partners and the LDC governments enables targeted support meeting LDC priority needs, avoiding duplication and maximizing synergy
- Country ownership - EIF support is demand driven with the LDCs managing their own trade and development agendas
- Sustainable development - EIF works on achieving a sustainable impact based on the LDCs using trade for national development

UNIDO, with its ISID approach, is uniquely placed to support EIF Tier 2 actions. It helps to strengthen the EIF's focus on partnership, implementation, additionality, leveraging and complementarity. UNIDO consistently contributes state-of-the-art technical expertise – particularly on Trade Facilitation, TBT and SPS – and adds value to services provided, specifically in training and capacity building.

UNIDO answers EIF's quest for coordination and leveraging. UNIDO's contributions are always related to its overall activities, with its interventions linked to other national or regional projects. UNIDO is a catalyst for establishing partnerships with other funds, donors, projects and programs.

## TOWARDS FULL HARMONIZATION



**44** LDCs SUPPORTED THROUGH UNIDO TRADE CAPACITY-BUILDING PROJECTS

**5** LDC MINISTERIAL CONFERENCES ORGANIZED

**48** LEAST DEVELOPED COUNTRIES WORLDWIDE

**2** REGIONAL TRAININGS ORGANIZED

**12,5%** OF THE WORLD POPULATION

**26** DIAGNOSTIC TRADE INTEGRATION STUDIES (DTIS) SUPPORTED

MILLION PEOPLE

**19** PREPARATORY ASSISTANCES CONDUCTED

**1** FEASIBILITY STUDY CONDUCTED

**898**

**15** PROJECTS DEVELOPED

**2** ANALYTICAL STUDIES CONDUCTED

**5** UNIDO-EIF PROJECTS IMPLEMENTED

**4** VALUE CHAINS ANALYZED (COFFEE, DATES, NATRON, SESAME)

## UNIDO'S CONTRIBUTION FACTS AND FIGURES

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