

LEAST DEVELOPED COUNTRIES

THE PATH TO GRADUATION
AND BEYOND



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



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

TWO STRONG PARTNERS

Promoting economic growth and sustainable development in LDCs

The Enhanced Integrated 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 in building trade capacity and removing obstacles to trade.

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

UNIDO’s 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 Programme 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. PCPs are currently ongoing in Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru and Senegal. New PCPs are being developed to support the industrialization goals of Côte d’Ivoire, Egypt, Rwanda and Zambia.



INCLUSIVE AND SUSTAINABLE

“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).



EIF BUILDING BLOCKS



UNIDO'S CONTRIBUTION

DTIS: UNIDO has supported more than 26 Diagnostic Trade Integration Studies (DTIS) and ensures that challenges related to trade, particularly TBT and SPS measures, are addressed in the DTIS.

Customized technical assistance: The DTIS form the basis for customized technical assistance. Through solid analysis of trade challenges and opportunities, UNIDO is able to design customized technical cooperation solutions to encourage systematic trade development along value chains, aimed at maximum impact.

Leveraging required resources: 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.

Capacity Building: UNIDO has consistently supported LDCs through targeted capacity building activities such as national and regional workshops, monitoring and evaluation trainings, and the strengthening of institutions. Capacity building also includes e-learning and online learning tools, which are available on UNIDO's Trade, Investment and Innovation (TII) Knowledge Hub.

Global Forum: UNIDO partnered with the African Union Commission (AUC) to deliver a forum on International Quality Infrastructure in Brussels. The forum was instrumental in strengthening UNIDO's role as a centre of excellence, the largest multiplayer in quality infrastructure development and a preferred partner of many LDCs and developing countries.

Communication: UNIDO puts strong emphasis on communication and outreach, bringing much-needed visibility to its technical cooperation activities, in particular those it carries out in partnership with the EIF.



Overall Impact	EIF countries are integrated into global trade in a way which contributes to poverty reduction and sustainable development.	
Outcomes	EIF countries own a trade agenda conducive to sustainable pro-poor growth.	EIF countries increase their presence in international markets.
UNIDO's Contribution	<ul style="list-style-type: none"> • Assisting LDCs to define quality-related policies and strategies based on good governance principles • Strengthening capacities of national and regional quality infrastructure institutions (i.e., metrology, standardization and accreditation) • Improved trade diagnostics, particularly on quality infrastructure, TBT and SPS • Trainings and workshops for capacity-building • Strong focus on building partnerships <ul style="list-style-type: none"> • Support SMEs to take advantage of standards, be more competitive and thus participate in global value chains • Build conformity assessment capacities (testing, inspection, certification, calibration, etc.) to enable internationally recognized proof of compliance with international market requirements • Strong advocate for the DTIS Action Matrix as the key LDC AFT guiding tool • Strong supporter of generating better proposals for EITF and other funding • Placing utmost focus on additionality and leveraging resources 	

TIER 1 SUPPORT TO DTIS

UNIDO has supported DTIS in many areas, such as quality infrastructure, TBT, SPS, private sector development, business environment, and will expand to areas such as innovation and investment in the future. 26 countries have been supported in the DTIS, and these include Benin, Burundi, Cambodia and Chad.

Cambodia's DTIS was updated in 2007 and again in 2014, with the support of UNIDO. Cambodia became the first country to update the DTIS, called the Cambodia Trade Integration Study (CTIS) 2014-2018 for the second time. The Trade Sector-Wide Approach (Trade SWAp) was initiated by the Cambodian Ministry of Commerce in 2008 with the aim of creating a single centralized mechanism for the implementation of Cambodia's trade development agenda. The establishment of the Trade SWAp resulted from the formulation of many iterations of the DTIS, which began in 2001 under the support of the Integrated Framework (IF).

In late 2018, UNIDO contributed to the review of the CTIS, and proposed a roadmap, as well as draft elements and inputs for the CTIS Update (CTISU 2019-2023), which included a chapter on "Quality Infrastructure and Standards". Further, UNIDO co-prepared a chapter on "Trade Services" (including e-commerce) in collaboration with UNCTAD. The complete CTISU Report was endorsed and launched by H.E. Mr. Samdech Hun Sen, the Cambodian Prime Minister, during the opening of the 7th Global Review of Aid for Trade at the World Trade Organization (WTO) Headquarters in Geneva, Switzerland. Currently UNIDO is in the process of following-up on the recommendations by initiating technical cooperation projects to support e-commerce development in Cambodia.



TIER 2 UNIDO AS AN IMPLEMENTING AGENCY

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 more than 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

UNIDO has implemented EIF Tier 2 projects in five countries:

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)



CAMBODIA CASE STUDY

Leveraging additional resources for fisheries

The Cambodia Export Diversification and Expansion Program (CEDEP) Phase 1 and 2 were implemented under the framework of the EIF. CEDEP Phase 2, which was implemented by UNIDO in partnership with the Ministry of Agriculture, Forestry, and Fisheries of Cambodia, focused on strengthening public and private sector capacities related to the export of marine products by developing national standards for marine products and creating a new association for all marine fisheries product processors. Moreover, a series of trainings on the compliance requirements for export and packaging were provided to groups of processors. Targeted capacity building and training ensure the sustainability of the marine fisheries processing sector in the country.

Following this intervention, €16 million was mobilized from the European Union for the Cambodia Programme for Sustainable and Inclusive Growth in the Fisheries Sector: Capture Component (CAPFish capture), to be implemented by UNIDO over five years. The CAPFISH project is designed with the specific objective to contribute to the development of post-harvest fisheries through upgrading of the regulatory and institutional system, as well as the adoption of better practices and innovation by the private sector. This project will aim at inclusive post-harvest fisheries value chain development focusing on strengthening the institutional capacity of the competent authority for establishing official control systems and subsequently supporting the development of post-harvest fisheries, through capacity building in terms of skills development, food safety system implementation, matching investment support and building business support mechanisms.

Cambodia is also part of the Programme for Country Partnership (PCP). A joint declaration between the Government of Cambodia and the UNIDO PCP for Cambodia for 2018-2023 was signed in November 2017. The PCP is an overall cooperation framework that supports Cambodia in synchronizing public and private investments with technical assistance grants and loans. The PCP is aligned with the government's vision to transform and modernize Cambodia's industrial structure from a labor-intensive to a skills-driven industry by 2025.



BURUNDI CASE STUDY

Leveraging additional resources for the benefit of the coffee sector

The project, “Renforcement des capacités commerciales du Burundi (RCCB)”, implemented by UNIDO and partly funded by the EIF aimed to improve the performance of Burundi’s exports and to facilitate access of its products to international and regional markets by strengthening the capacity to comply with SPS measures. The project was comprised of two components, the first to strengthen elements of the national quality infrastructure (standardization, inspection and testing) related to SPS compliance. The second component was to support the targeted value chain, coffee, to improve the quality of its production and export competitiveness through compliance with international standards, including SPS requirements.

The Autorité de Régulation de la Filière Café (ARFIC) was one of the main counterparts in this project. It is an inspection body that carries out conformity assessment in this specific value chain, and was a recipient of the project’s capacity-building support. It received support in terms of training of lab staff, as well as the provision of equipment. An evaluation of this support resulted in a needs assessment and a proposal to further strengthen the capacities of the laboratories in a more comprehensive way.

The Government of Burundi requested and obtained US\$ 55 million of financing from the World Bank to develop the competitiveness of the coffee value chain. The project has four components, one of which aims to improve to strengthen institutions and value chain governance. Under this component, one of the key institutions to be strengthened is AFRIC.

This involves upgrading the central laboratory of AFRIC, as well as upgrading public laboratories to provide quality services, modernizing existing laboratories according to international standards, and providing training and awareness raising in quality and standards. ARFIC will also benefit from training on good governance, its statistical department will be strengthened, and the process of obtaining the coffee export certificate is to be simplified. The World Bank project has made it possible to capitalize on the previous UNIDO interventions and is complementary to the activities that were identified in the framework of the RCCB project.

Strengthening productive and commercial capacities of MSMEs in Benin

The EIF-funded project, implemented by UNIDO, aimed to contribute to the reduction of poverty in Benin by strengthening the productive, commercial and export capacities of its micro, small and medium-sized enterprises (MSMEs).

The project supported a total of 31 enterprises, which were selected in partnership with Benin's Bureau de Restructuration et de Mise à Niveau (BRMN) in three priority sectors with high employment and export potential: agri-food (particularly pineapple, shea and cashew nuts) fish farming, and textiles. The enterprises were assisted in the development and implementation of action plans to transform their activities and become more competitive in regional and global markets.

Further, the National Policy of Sanitary Security of Foods was finalized and adopted to ensure the conformity of products with relevant standards. The capacities of five public and private institutions were also reinforced – Bureau de Restructuration et de Mise à Niveau (BRMN); Agence Nationale de Normalisation, de Métrologie et du Contrôle Qualité (AMN); Association Interprofessionnelle de l'Ananas du Bénin (AIAB), Association des Créateurs de Mode du Bénin (ACMB); and Fédération Nationale des Pisciculteurs du Bénin (FENAPIB). In addition, the capacities of the body in charge of quality management were strengthened in traceability management. The result was that a national system of barcodes has been implemented in the ANM, with 130 enterprises using it.

17 enterprises undertook partnership missions to four African countries, where 337 business-to-business meetings were organized, and five industrial and commercial partnership agreements were signed.

Benin is now in possession of a pool of competent national experts to support the BRMN with its mandate of upgrading SMEs, as well as the ANM and three private sector professional associations. This is the result of the intensive training given to 33 national consultants by international experts in the areas of productivity and competitiveness.



INVESTMENT PROMOTION FOR LDCS

Capacity Development Program for Investment Promotion Agencies of the LDCs

In March 2017, the United Nations System Chief Executives Board for Coordination (CEB) adopted a set of recommendations on how to enhance the effectiveness of the United Nations system in the area of investment promotion. Among other things, the CEB recommended that the relevant UN entities that are active in investment promotion in favor of LDCs “promote partnerships among relevant UN entities, including the Regional Commissions, and other international bodies, such as the International Chambers of Commerce and the World Association of Investment Promotion Agencies (WAIPA), to roll out training and other capacity-building activities on these matters.” LDCs, in the Ministerial Declaration adopted at the 7th UNIDO LDCs Ministerial Conference held in Vienna from 23 to 24 November 2017 “encourage[d] the relevant UN agencies to establish a Capacity Development Program for LDCs in order for Investment Promotion Agencies to attract, diversify and retain sustainable Foreign Direct Investment and derive maximum benefit from it.”

As a result, the International Labour Organization (ILO), United Nations Conference on Trade and Development (UNCTAD), UN-OHRLLS, as well as the EIF, UNIDO and WAIPA have come together to establish a targeted programme aimed at actively assisting Investment Promotion Agencies (IPAs) from LDCs by providing tailored capacity building activities, taking into account the diverse needs of the various LDCs with respect to FDI attraction and facilitation, and by fostering increased collaboration between the private sector and the respective governments.

The overall objective of this programme is to improve the business climate and investment conditions in LDCs, to attract sustainable “quality” FDI and ultimately enhance the sustainable development of the LDCs. The program will focus on what IPAs can do in particular fields, with a view to support the strategic orientation of individual countries, and what role they can play in contributing to growth and accumulation of sustainable FDI. It will also seek to strengthen the cooperation and collaboration across IPAs from LDCs and their development partners. Collaboration and know-how transfer in various areas is expected to help improve the investment climate in LDCs and foster more inclusive economic growth.





Good Practice in Quality Policy Development

In April 2019, UNIDO in cooperation with the African Union Commission (AUC) held the first ever International Quality Infrastructure Forum in Brussels, Belgium, with the focus to discuss the contribution of quality infrastructure to the achievement of the Sustainable Development Goals (SDGs) and the implementation of the African Continental Free Trade Agreement (AfCTA). Around 130 participants from across Europe and Africa attended the event, including representatives from international quality infrastructure governance bodies and practitioners as well as stakeholders representing international, national and regional authorities, industry, civil society and academia. It also served to identify priority interventions for the development of quality infrastructure systems in support of the Third Industrial Development Decade for Africa 2016-2025 (IDDA III). Following the forum, an interactive workshop entitled, “Good Practice in Quality Policy Development” took place. It targeted participants from African countries, in particular from LDCs, to raise their knowledge and awareness of effectively participating in global and regional value chains. The workshop was focused on the quality infrastructure best practices, through quality policy development, for the achievement of the SDGs. The workshop brought together participants from 23 African countries, many of which were from LDCs. Participants had the chance to listen and learn from other countries’ experiences in quality policy development and implementation. The experiences gathered during the workshop will help participants to advocate for good governance in quality policy development as a basis for a prosperous economy in their respective countries, and thus promote inclusive and sustainable industrial development.

E-Learning for LDCs on the TII Knowledge Hub

In 2017, a website was launched to promote Trade, Investment and Innovation (TII) in developing countries, particularly LDCs. The TII Academy, an interactive training platform, which is embedded in the TII Knowledge Hub, provides a number of online training courses aimed at participants from LDCs. Taking into consideration unstable and weak internet connection, the trainings are designed in a simple, yet interactive way, which allow for a self-paced learning experience and provide trainees with a certificate upon successful completion. The TII Academy currently hosts six training courses on Quality Infrastructure and Trade, Quality Policy, E-Commerce, Industry 4.0, Impact Investment (available in English, French and Chinese), and International Business Alliances. UNIDO currently is working on the development of additional online training content as well as on the translation of existing material.

UNIDO and the EIF have partnered to develop the Industry 4.0 course further, taking into account the particular context of LDCs. The training course will look into the Fourth Industrial Revolution, particularly digital transformation and the future, and the implications of new technologies on LDCs and developing countries.



SEAMLESS COOPERATION

UNIDO and EIF base their seamless cooperation on shared core values:

Partnership: Constant dialogue between development partners and the LDC governments enables targeted support meeting LDC priority needs, avoiding duplication and maximizing synergy.

Country ownership: LDCs take the lead in managing their own trade and development agenda.

Enhancing trade sectors: Based on the evidence provided by in-country trade research and analysis, technical interventions are designed along value chains (like fisheries in Cambodia, coffee in Burundi and Arabic Gum in Chad) all aimed at maximum impact.

Inclusive and sustainable development: EIF and UNIDO both aim at achieving a sustainable impact based on the LDCs using trade as an engine for national development.

UNIDO, with its ISID approach, is uniquely placed to support EIF 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 and adds value to services provided, specifically in (online) 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.



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