

WTO Committee on Trade and Development

49<sup>th</sup> session on Aid for Trade, 7 July 2020

UNIDO statement under the following agenda item:

C) Implementation of Aid for Trade work activities / I) Resource mobilization and implementation activities / b) reports from members, observers and observers organizations

delivered by Mr. Frank Van Rompaey,

UNIDO Representative in Geneva

Thank you Chair. As this is the first time that I take the floor since your election, allow me to start by congratulating you on your election as Chairperson of the CTD. UNIDO looks forward to closely working with you in implementing the biennial work programme of Aid for Trade (AfT) – especially in the run up to the next Global Review of Aid for Trade.

If the crisis has underscored one thing Mr. Chairman, it is that the AfT objective of building supply-side capacities is as relevant today than it was back in 2005. Building resilient economies and productive capacity is at the forefront of any government's agenda- and certainly of that of developing and least developed countries. Furthermore, COVID-19 has accelerated a much-needed transition towards a productive paradigm shift. Digitalization, industry 4.0 and circular economy are of the most prominent and irreversible trends for inclusive and sustainable growth.

Chair, I would like to briefly update the committee on UNIDO's Aid-for-Trade-related activities - notably those in relation to mobilizing resources for building supply-side capacity. In doing so, I would like to highlight progress in implementing UNIDO's innovative model for accelerating inclusive and sustainable industrial development in Member States- a model called the Programme for Country Partnership, or PCP.

To recall, the PCPs rest on a multi-stakeholder partnership led by the host government. They are explicitly based on engagement with different donors, development partners, DFIs and IFIs and the private sector, with the intent to bring these together to leverage and co-ordinate funding and technical resources to achieve Inclusive and Sustainable Industrial Development. Evaluations, including the recent evaluation of UNIDO by MOPAN- the Multilateral Organization Performance Assessment

Network- has confirmed the model as an effective way to promote coherence and sustainable change at country level. In seeking to advance Inclusive and Sustainable Industrial Development, the programmes take into account trends towards increasing digitalization in manufacturing as well as the circular economy.

So far, PCPs have been rolled out in Cambodia, Ethiopia, Kyrgyzstan, Morocco, Peru and Senegal. New PCPs are under development in Cote d'Ivoire, Egypt, Rwanda and Zambia.

The PCP model was first launched in Ethiopia, in 2015. After the first phase of 5 years came to an end in December 2019, an independent evaluation was undertaken and finalized in March 2020. The programme mobilized a total financial volume of USD 1.32 bn. The independent evaluation underscored the merits of the PCP approach and recommended a second five-year phase to complete the large-scale infrastructure projects of the PCP and to mobilize private investment into the integrated agro-industrial zones. The Government of Ethiopia has meanwhile expressed its commitment and wish to continue the programme for another 5 years.

In Senegal, the African development Bank and the Islamic Development Bank have confirmed, earlier this year, investments totaling USD 70 million in PCP flagship projects – notably the establishment of integrated agro-poles. In parallel, the Government and the national private sector have each pledged around USD 25 million. The PCP in Senegal is supporting the establishment of three such agro-poles.

In Peru, the PCP has a main focus on supporting the transition to a circular economy and in early 2020 the government approved the Road Map towards a circular economy in the industrial sector.

Meanwhile, the PCPs in Morocco, Egypt and Cambodia are moving towards the implementation phase- and the governments of these countries and UNIDO are looking forward to collaborating with development partners. In Morocco, the PCP has a focus on e-commerce, Industry 4.0. and the circular economy, in Egypt the focus is also on green industry, on sustainable industrial parks and on mainstreaming Industry 4.0. In Cambodia the focus is on agro-value chain development, including linkages with the tourism sector, and on industrial diversification,



innovation and Special Economic Zones development. The Green Climate Fund recently confirmed funding to support technology needs assessment for SEZs.

In Zambia, programming is ongoing despite constraints of COVID-19. UNIDO is part of the UN's collective efforts to support Zambia's Multi-Sectoral Contingency and Response Plan to Covid-19.

This concludes my update on UNIDO's activities to mobilize resources for building productive capacity, in the context of the Programme for Country Partnerships.

Allow me to finally mention Chair that as a direct response to the COVID-19 pandemic, UNIDO is engaged in inter-agency responses to calls of the UN's COVID-19 Response and Recovery Multi-Partner Trust Fund, and has submitted several proposals to the Joint Sustainable Development Goals Fund in efforts to help countries prepare and contain, respond and adapt, and recover and transform.

Thank you for your attention.