

UNIDO’s inputs to the 2022 report of the United Nations Secretary-General for the 77th session of the General Assembly on the implementation of the Vienna Programme of Action (VPoA) for the Landlocked Developing Countries (LLDCs)

Reporting period: 2021

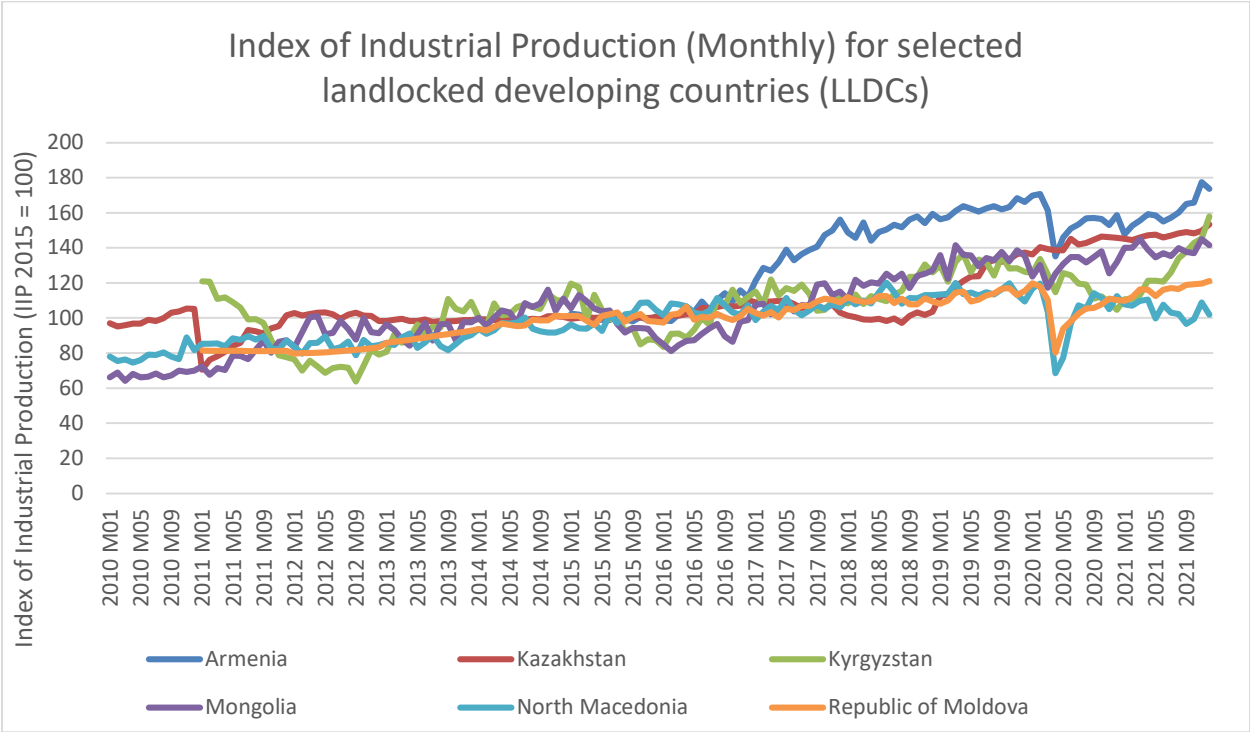
Table of contents

- I. UNIDO perspective: overview of recent socio-economic development in LLDCs including impact of COVID-19 pandemic 2
- II. UNIDO progress made in LLDCs: Fundamental transit policy issues 4
- III. UNIDO progress made in LLDCs: Infrastructure development and maintenance (incl. transport, energy, ICT) 4
- IV. UNIDO progress made in LLDCs: International trade and trade facilitation 6
- V. UNIDO progress made in LLDCs: Regional integration and cooperation 7
- VI. UNIDO progress made in LLDCs: Structural economic transformation..... 9
- VII. UNIDO progress made in LLDCs: Means of implementation..... 12

SUMMARY OF KEY MESSAGES	
<ul style="list-style-type: none">• Based on UNIDO data, the Landlocked Developing Countries (LLDCs) have experienced a statistically “v shape” industrial recovery from the pandemic that tends to vary depending on countries’ production capabilities and industrial resilience. Different LLDCs firms have been much more affected in terms of changes in sales and profits, and the share of laid-off workers, than firms in non-LLDCs.• During 2021, the LLDCs have reduced around 368.000 tCO2eq emissions, phased out ca. 910 tons of pollutants and accounted ca. 122.000 MWh improved energy efficiency via several UNIDO projects aiming at safeguarding the environment. Additionally, during 2021, companies in LLDCs have also benefitted from ca. USD 7.9 mio economic gains and USD 4.2 mio additional exports were realized by LLDCs firms through UNIDO projects supporting economic competitiveness and shared prosperity.• In 2021, UNIDO has continued the implementation of its technical cooperation activities in LLDCs, including through its Programme for Country Partnership (PCPs). New national level initiatives in skills training of vulnerable groups, quality infrastructure, support in the elimination of chemical compounds and waste management were implemented. Regional initiatives in value chains through inclusive policies and investment promotion were also initiated.	

I. UNIDO perspective: overview of recent socio-economic development in LLDCs including impact of COVID-19 pandemic

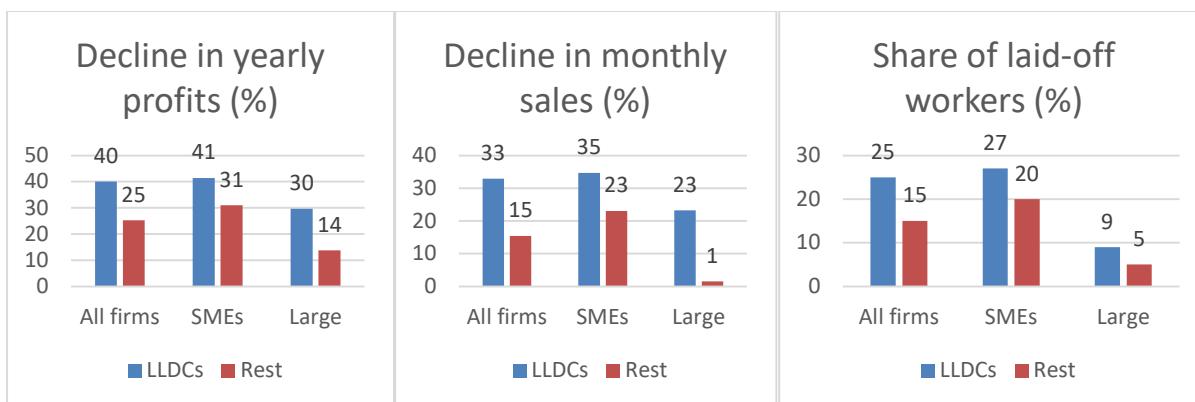
1. The latest UNIDO forecasts of manufacturing value added (MVA) in 2021, updated in October 2021, point towards a recovery after the disruptions caused by the COVID-19 outbreak and the resulting containment measures around the world. The manufacturing sector of developing and emerging industrial economies is expected to recover at an even faster pace, bouncing from a drop of 6.1 per cent in 2020 to an increase of 5.7 per cent in 2021.



Note: Total manufacturing sector (ISIC rev.4 C), seasonally adjusted, unweighted average, 2015=100, 2005 (Jan) to 2021 (Sep).

Source: Estimates based on [UNIDO monthly IIP data](#) (based on available data).

2. The Landlocked Developing Countries (LLDCs) have experienced a “v shape” recovery, though their paces of recovery tend to vary depending on countries’ production capabilities and industrial resilience.



Note: LLDCs covered by the UNIDO COVID-19 survey include Afghanistan, Bolivia, Lao PDR, Mongolia, Rwanda, and Zambia.

Source: [UNIDO COVID-19 survey](#). The surveys were conducted during the period of 2020 Q4 – 2021 Q2, as part of UNIDO Industrial Development Report (IDR) 2022.

- Based on the UNIDO COVID-19 survey results, within the period 2020 Q4 – 2021 Q2, despite some differences, LLDCs firms have been on average deeply negatively affected in terms of changes in sales and profits due to the pandemic. There is a larger cross-country variation when it comes to the share of laid-off workers (some countries register much lower shares than others – such as Lao PDR). SMEs in LLDCs have also been more affected in terms of changes in sales and profits than other larger firms.
- On average, different LLDCs firms have been much more affected in terms of changes in sales and profits, and the share of laid-off workers, than firms in non-LLDCs. Interestingly, firm size seems to predict less the impact in LLDCs: even if SMEs in LLDCs have been more affected than larger firms on all considered indicators, the difference between large firms and SMEs is much less noticeable than what is observed in non-LLDCs surveys. In other words, operating in LLDCs seems to have in part eroded the potential advantage of being a large firm.
- Outcomes of a UNIDO side event for LDCs, organized in November 2021, on “Building industry differently after COVID-19: Fostering resilience and regional value chain development” showed that there are still some uncertainties about how industries in LDCs and some LLDCs are affected by COVID-19. This is because the international trade and production data does not seem to cover the whole spectrum of realities. However, there seem to be arising evidence showing that LDCs and some LLDCs industries are heavily hit while developed countries seem to recover more quickly. A broad of containment measures have been applied but they show limited effectiveness and too few resources are available for proper implementation. The event also concluded that industrial policies in LDCs and some LLDCs need to be newly and differently crafted, as the current policies do not build up a clear plan for future industries. However, SME support (enterprise development), value chain development, sourcing from local sources, technology transfer, infrastructure development, among others, seem to be important elements of a pro-industry development agenda for LLDCs.

II. UNIDO progress made in LLDCs: Fundamental transit policy issues

6. With UNIDO support, LLDCs continued using umbrellas of special economic zones during 2021, which through geographically delimited areas, can facilitate industrial activities, especially through industrial parks capable to overcome barriers to firm entry, attract foreign direct investment, foster skilled manpower, and facilitate the growth of local SME clusters.

III. UNIDO progress made in LLDCs: Infrastructure development and maintenance (incl. transport, energy, ICT)

7. With UNIDO's support, during 2021, the LLDCs reduced around 368.000 tCO₂eq emissions, phased out ca. 910 tons of pollutants and accounted ca. 122.000 MWh improved energy efficiency via several projects aiming at safeguarding the environment.
8. In 2021, under the **Green Climate Fund (GCF)**, UNIDO submitted a concept note for "Promoting renewable energy-based mini-grids for productive uses in rural areas of **Zambia**". The concept is part of the UNIDO Programme for Partnership implemented in Zambia, supporting the "Value addition" focus area. The project is based on three components, as follows: i) construction and operation of 25 renewable energy-based mini-grids, ii) promotion of productive uses of electricity for climate change adaptation, and iii) improved capacities of mini-grid market players. Other concepts targeting LLDCs are under development and are expected to generate high-impact interventions to promote clean energy transition and circular economy-based business practices.
9. To address the industrial skills gap in **Uganda**, UNIDO jointly with the Government of Japan, the Ministry of Works and Transport (MoWT) of Uganda, and Komatsu Ltd. as a technical partner, are building the first dedicated training centre for road construction equipment operators in the country, called METRAC (Mechanical Engineering Training and Advisory Centre – Luwero). In August 2021, the first fully digital curriculum development workshop was conducted in Uganda leading to the development and approval the Assessment and Training Package (ATP) for road construction equipment operator trainers at level 4 of the Uganda Vocational Qualification Framework.
10. UNIDO is implementing a project aiming at developing an innovation ecosystem and support infrastructure, including a Digital Education and Innovation Centre (DEIC) in **Azerbaijan**. In June 2021, UNIDO and the Innovation Agency of Azerbaijan, held webinar series where Slovenian experts from the public and private sector shared cross-thematic experiences, such as key ingredients of a successful start-up community, partners' impact on a start-up ecosystem, government support to start-ups and entrepreneurs, e-Health ecosystems, business strategy development and marketing.
11. In February 2021, UNIDO promoted the MSMEs' alphabetization in digital technologies at the AUDA-NEPAD webinar launch of the Africa's Micro, Small and Medium Enterprises (MSMEs) Academy, in

Burundi. The pan-African MSME Academy, a component of the Continental Online Platform to support MSMEs beyond COVID-19 pandemic, aims at providing easy access to practical training and resources on financing opportunities to “100,000 MSMEs by 2021”, in various African countries, including LLDCs such as Burundi, Mali, and Rwanda, among others.

12. With UNIDO support, LLDCs continued mainstreaming of energy management standards and solutions in industrial processes through the **Industrial Energy Efficiency Accelerator programme**. Through a series of dedicated efforts which include providing industries — both large and small — with the latest know-how, the Accelerator aims to drive momentum for industry, investors and policymakers to embrace energy efficiency. Over the past decade, UNIDO has mainly worked in medium-income countries, but is currently expanding also to LLDCs with energy-intensive industries.
13. With UNIDO support, developing countries were further supported to commercialise their cleantech innovations through the **Global Cleantech Innovation Programme (GCIP)**. In 2021, the GCIP continued with the promotion of clean energy technology innovations and entrepreneurship in Kazakhstan through the development of a cleantech innovation platform and accelerator programme. UNIDO aims to expand the geographic scope of GCIP to other LLDCs such as: Zambia, Uganda, and Mali.
14. Within the **Climate Technology Centre & Network (CTCN)** co-hosted by UNIDO and the UN Environment, and part of the Technology Mechanism of the UNFCCC, activities continued to assist LLDCs to improve access to affordable, reliable, and sustainable energy through mainstreaming gender in new energy policies. In 2021, more than 30 new institutions, including from LLDCs, joined the network as members.
15. In July 2021, UNIDO launched a **global program to foster the application of green hydrogen in industry**, which is of particular relevance for LLDCs. The first pillar is the Global Partnership for Hydrogen in Industry that will enhance the exchange, development and distribution of knowledge on policies, technical guidelines and standards. The second pillar is technical cooperation through which UNIDO will promote the industrial application and uptake of green hydrogen. Both pillars will be supported by the International Hydrogen Energy Centre in Beijing that UNIDO launched together with the Chinese Government. The centre will operate as a knowledge partner by supporting technology research, development and application as well as by building-up green hydrogen economies.
16. During 2021, UNIDO further supported the “Promotion of green electric mobility (e-mobility) solutions for urban transport in **Bhutan and the wider Hindukush-Himalaya region**” project in partnership with the Gross National Happiness Commission (GNHC), the Prime Minister’s Office, the Thimphu City Council/City Bus Service, and other key stakeholders from the transport and power sectors. The project supports the transition towards an intelligent and green public transport system, including a Bus Rapid Transport (BRT) system in the city of Thimphu. The UNIDO project is supporting the Government in piloting e-buses and related infrastructure in the city of Thimphu.

IV. UNIDO progress made in LLDCs: International trade and trade facilitation

17. The **Inter-Agency Cluster on Trade and Productive Capacity** (FAO, ILO, UNCTAD, UNDP, UNIDO) continued its activities through an immediate set of modular technical assistance – supporting the response to and resilient recovery from the pandemic by microenterprises and small and medium sized enterprises, including in LLDCs. Beyond the pandemic, the objective of the Cluster in 2021 was to provide Governments and United Nations resident coordinators with a comprehensive approach to best support countries’ economic recovery and sustained development.
18. Thorough 2021, UNIDO continued to support several LLDCs such as Burkina Faso, Mali and Niger for the development of intra-regional and international trade to connect LLDCs to regional and global markets. The “**West Africa Competitiveness and Quality Infrastructure Project**” (WACQIP) formulated under “Quality” and “Business Environment and Competitiveness” components, aims to enhance the countries’ integration into the regional and international trading system.
19. In August 2021, a new project supporting quality infrastructure in **Armenia** has started to be implemented by UNIDO with EU investments of EUR 4 mill. The project will establish four calibration laboratories and will support an upgrade of the metrology system of Armenia through institutional strengthening of the National Body for Standards and Metrology, and improving legal, regulatory and governance systems in line with international recommendations and best practices. The benefits of Quality Infrastructure (QI) are not limited to trade. A robust QI also contributes to other areas including, food safety and security, health, climate change and the environment.
20. In May 2021, the first Creative Hub was inaugurated in **Ethiopia** under the UNIDO Programme for Country Partnership - priority sector on leather products industry. The Creative Hub is supporting entrepreneurship and creative industries while offering the possibility to access digital instruments (such as 3D printers, laser cutters, digital library, etc.) and digital payments. The Hub is a suitable platform for existing micro, small and medium enterprises (MSMEs), as well as operators (especially women-owned companies, operators in design and textile) to promote products development, sales activity and services, as well as to experiment new solutions and sharing experiences.
21. UNIDO and the Norwegian Agency for Development Cooperation (Norad) joined hands to support the honey value chain development for market access through the enhancement of quality and standards conformity capacity of the sector in **Ethiopia**. The project document was signed in June 2021 and it is part of the framework agreement of the Global Market Access Programme (GMAP) aiming at strengthening conformity capacity of value chains and enhancing National Quality Infrastructures in order to support market access of selected value chains in developing countries.
22. In **Tajikistan**, UNIDO supports traditional and originative handicraft industries to use modern tools to help them access new international markets. In light of strengthening digital transformation efforts in

the country, the project establishes a platform on which representatives of the sector can sell their products and test the benefits of e-commerce, as well as custom recommendations for users of the platform. This helps participating companies to reach new markets, including international ones.

23. In June 2021, UNIDO and FAO finished the implementation of the EU-funded project for “Employment Creation in **Mongolia**”. The project assisted local SMEs to enhance quality of production, including textile and leather value chain. Within market access, the project supported promotion and market access of locally designed products. Facing the challenges of the pandemic, Mongolian designers took the opportunities of digitalization to present their products virtually via the series of events “Fashion meets art” and e-fashion platforms.
24. Throughout 2021, stakeholders and practitioners from all over the world, including LLDCs, took part in several online training courses offered via the **UNIDO Training Academy**¹, on themes such as “Good Governance in Quality infrastructure” and “Quality Infrastructure and Trade”. The trainings are developed in collaboration with the International Network on Quality Infrastructure (INetQI) and provide trainees with a certificate upon successful completion of courses.

V. UNIDO progress made in LLDCs: Regional integration and cooperation

25. During 2021, UNIDO supported LDCs and LLDCs through several national, regional, and global activities within the preparatory process of the **Fifth UN Conference on LDCs (UN LDC5)**. Field offices were involved in supporting the national preparation of country-level exercises. Several global forum activities were also held in cooperation with LLDCs Ministries of Industry (such as: Zambia, Rwanda, Ethiopia, among others) within the Africa and Haiti regional review meeting, the Asia and Pacific regional review meeting, and the two sessions of the Intergovernmental Preparatory Committee.
26. The UNIDO 9th **Ministerial Conference of the LDCs**, organized in November 2021, together with UN-OHRLS and OACPS has concluded the global preparatory process to the Fifth UN Conference on the LDCs (UN LDC5). To debate on ways to accelerate industrialization in developing countries in the next decade of action, several states, including LLDCs Ministers of Industry/ Trade/Economy participated in high-level ministerial policy dialogues organized at the Conference. The outcome document of the Conference, a Ministerial Declaration is also of relevance for the 17 LDCs that are also LLDCs.
27. In November 2021, the **Africa Industrialization Week (AIW)** held a series of webinars on themes such as the Fourth Industrial Revolution, climate-related challenges in industrialization, and opportunities for international investors on the African continent. In the context of the **Third Industrial Development Decade for Africa (IDDA III)**, African LLDCs are encouraged to take advantage of the African Continental Free Trade Area (AfCFTA) agreement to boost resilient industrialization through new transit options.

¹ Available [HERE](#). Online trainings are available in English, French, Spanish, and Chinese.

28. Mayors and city councils' representatives from several LLDCs (such as Lao PDR, Malawi, etc.) were engaged within the digital edition of the **Bridge for Cities** event organized by UNIDO with support of the City of Vienna, in October 2021. The event placed a particular emphasis on innovations employed by cities to advance recovery and build resilience in the context of COVID-19, including those employed to accelerate climate action at the city-level.
29. Covering a number of LLDCs (such as: Bhutan, Burkina Faso, Mali, Nepal, Niger, Zambia, Zimbabwe, etc.), the **Global Network of Regional Sustainable Energy Centres (GN-SEC)** has further expanded its activities in 2021. Under this programme, UNIDO supports regional economic communities (RECs) in the establishment of regional sustainable energy centres to implement regional energy and climate policies. Through cross-border approaches and methodologies, the centres complement and accelerate national efforts in the areas of policy and regulation, capacity development, knowledge and data management, awareness raising, investment promotion, and innovative entrepreneurship.
30. In support of a common market for renewable energy and energy efficiency products and services in Central Africa, UNIDO assisted the **Economic Community of Central African States (ECCAS)** in the establishment of the **Centre for Renewable Energy and Energy Efficiency for Central Africa (CEREEAC)**. In June 2021, UNIDO organised a regional workshop, which validated the technical and institutional design of the centre. In 2021, the establishment of CEREEAC was adopted by the Energy Ministers and the Heads of State. Together with the other centres of the GN-SEC, the network covers the entire African continent, including all African LLDCs and is an important capacity to accelerate industrialisation, energy and climate goals as per the African Union Agenda 2063.
31. In support of a common market for renewable energy and energy efficiency products and services in the Central Asia, UNIDO is assisting the Economic Cooperation Organization (ECO) in the **establishment of the Clean Energy Centre for the ECO region (CECECO)**. The 25th meeting of the ECO Council of Ministers, held on in November 2021 in Turkmenistan, adopted the Charter of the CECECO and nominated the **Republic of Azerbaijan as the host country of the centre**, based on a competitive selection process. Currently, the ECO Secretariat, UNIDO and Azerbaijan are finalising the hosting arrangements and are discussing financial support with various international partners.
32. Another edition of the **Vienna Energy Forum (VEF)** was implemented in July 2021 in order to facilitate a multi-stakeholder and interdisciplinary dialogue on sustainable energy for inclusive development and productive capacities. Guided by the motto "Where Action Meets Ambition", the event brought together a multitude of experts, included several from LLDCs, and highlighted opportunities in the field of energy and potential solutions that also contribute to global climate action.
33. In June 2021, a virtual **Expert Group Meeting (EGM) on Bioethanol and Clean Cooking** brought together fifty-seven delegates from nineteen African and Asian countries, including LLDCs from the clean cooking fields to identify strategies to develop domestic bioethanol industries and achieve universal access to clean energy for cooking and transport. The meeting concluded with a call for action for UNIDO to facilitate, upon request, the global collaboration on technologies and experience

sharing for ethanol-based solutions to clean cooking and transportation fuel blending, in high impact countries, least developed, developing countries or SIDS.

34. In December 2021, UNIDO organized a session on entrepreneurship at the **Southern African Development Community (SADC) Training Programme in Science, Technology and Innovation (STI) Policy and Governance Systems** for High-level STI Officials, convened by SADC, UNESCO, UNESCO Chair Tshwane University of Technology, UN-Inter-Agency Task Team on STI for the SDG's (IATT), and University of Sussex. Government officials from several LLDCs, which are also SADC members, attended the training. The online training sessions raised awareness and understanding concerning key aspects of STI policies and instruments, as well as innovation and entrepreneurship, monitoring and evaluation processes, and how they relate to the SDGs.
35. Through the **Learning and Knowledge Development Facility (LKDF)**, UNIDO has promoted Public-Private Development Partnerships (PPDP) to foster youth employment and build local self-reliance and markets in several LLDCs. The LKDF supports the establishment and upgrading of local industrial training academies to help meet the labour market's increasing demand for skilled employees. In 2021, the facility hosted a global dialogue on skills development that brought together high-level dignitaries and experts to discuss how fostering digital skills in the midst of the Fourth Industrial Revolution will ultimately result in a more inclusive future for all.

VI. UNIDO progress made in LLDCs: Structural economic transformation

36. With UNIDO's support, during 2021, around 5.400 jobs were created across the LLDCs. Additionally, LLDCs firms benefitted from ca. USD 7.9 mill. economic gains and USD 4.2 mill additional exports were realized by LLDCs firms through projects supporting economic competitiveness and shared prosperity.
37. Under the umbrella of the UNIDO **Programme for Country Partnership (PCP)** implemented in LLDCs such as: Ethiopia, Kyrgyzstan, Rwanda, and Zambia, several developments took place, such as:
 - i) In June 2021, the first Coffee Training Center (CTC) was inaugurated **in Ethiopia**, to enable a wide range of services, including for supplying professionals with international standard knowledge and skillsets, but also for providing a physical platform for public and private stakeholders to promote services and train operators. In December 2021, Ethiopia and UNIDO have signed a EUR 2 mill. agreement to support Integrated Agro-Industrial Parks (IAIPs), funded by the Italian Agency for Development and Cooperation. The objective of the new project is to support the inclusive and sustainable development of four pilot IAIPs to create decent jobs and economic opportunities in the rural areas of Ethiopia. Additionally, a triangular cooperation among China, German and Ethiopia supported the sustainable investment and operation in textile sector through promoting Environmental, Social and Governance (ESG) principles in order to meet the standards and requirements from the international markets and brands.
 - ii) In October 2021, an industrial diagnostic study carried out by UNIDO has been validated by **Rwanda's** Permanent Secretary the Ministry of Trade and Industry, paving the way for the

formulation of a PCP Rwanda. UNIDO's industrial diagnostic study identified adequate skills for industry 4.0, circular economy, sustainable energy, governance and integrated value chains as selected thematic areas of interventions. The food, textile wearing apparel, leather, paper, chemicals, non-metallic minerals, basic metals, motor vehicles and other transport equipment have been selected as industrial priority sectors.

iii) In November 2021, UNIDO and **Zambia** have signed a five-year PCP with the main objective of contributing to a diversified, competitive, inclusive and sustainable industrial economy. The PCP is led under the leadership of the Government of Zambia who has pledged more than USD 20 mill. as co-financing for the implementation of the PCP's objectives, expecting to leverage additional resources from development partners. In May 2021, a new regional project for supporting livelihoods through skills training and capacity-building in the SADC region, including Zambia, started activities aiming at improving the human capacity and creating job opportunities for vulnerable groups including women and the youth in water management in mining.

38. UNIDO continued the implementation of the Country Programme in **Niger**. Under the CP priority areas for renewable energy and environment, a new project on the preparation of an HFC phase-down plan for Niger has started in September 2021. The main objective is to prepare Niger for the ratification and early implementation of the Kigali Amendment to the Montreal Protocol for HFC phase-down.

39. In May 2021, the Private Sector Group of the Sahel Alliance, through the UNIDO and the European Union, has organized a technical workshop on the cotton-processing sub-sector in **Burkina Faso**, with the aim of developing recommendations for the Sahel Alliance. Bringing together more than 50 technical experts from Burkina Faso's private and public sectors, European institutions, donors and UNIDO, the workshop allowed for the sharing of experiences and concrete initiatives for the development of cotton value chains in Burkina Faso and the Sahel more broadly.

40. In November 2021, UNIDO and **Armenia** strengthened partnership with the signing of the Country Programme 2022-2026. The document represents the first comprehensive programmatic framework concluded between the two parties. The CP envisages significant changes in the industrial sectors of the economy with the increase of their share in the country's GDP. Structural development through the CP is developed through three thematic components: 1) industrial competitiveness and market access, with a focus on innovation and digitalization; 2) sustainable agribusiness and support for SMEs; and 3) energy efficiency, renewable energy and sustainable environmental management.

41. In March 2021, UNIDO in cooperation with UNDP concluded the implementation of a project "responding to the COVID-19 crisis through the revitalization of the light industry sector in **Armenia**". Among several activities, UNIDO supported Armenian local garment manufacturing companies which produced 2,623 sets of bed linen and 2,000 medical uniforms. Throughout 2021, UNIDO also continued the implementation of another project in Armenia, aiming at "accelerating women's empowerment for economic resilience and renewal: the post COVID-19 reboot" where 40 young women are expected to be trained and 30 women-led enterprises are expected to receive financing through the Revolving Fund.

42. With financial support from the EU and the OACPS, UNIDO together with the World Bank Group and ITC, implement the intra-regional Project *“ACP Business-Friendly: Supporting value chains through inclusive policies, investment promotion and alliances”* in selected countries of the African, Caribbean and Pacific (ACP) region, including in LLDCs. Since the start of implementation in 2021, UNIDO has organized more than 100 training sessions to investment promotion agencies and institutions to build the required capacities for a broad launch of investment opportunity profiling campaigns targeting more than 200 projects in 2022 alone. The national-level components of the programme cover **Ethiopia** and **Zambia** while a complementary regional-level component will potentially ensure upscaling across all of OACPS’ LLDC members.
43. In April 2021, UNIDO started the implementation of a project in **Afghanistan** aiming at providing emergency assistance for improving livelihoods through skills training for returnees, internally displaced people and host communities in Herat. The project supports social stabilization in the Herat province through quick-impact entrepreneurship development and technical skills training. Since agricultural value chain offers the best opportunity for entrepreneurial activities in the region, agribusiness and agro-processing technical skills will be promoted as per the needs of the target beneficiaries. Training of trainers (ToT) and equipment transfer will also ensure the continuation of entrepreneurship and skills training for medium- to long-term development in the region.
44. During 2021, UNIDO continued the execution of the Country Programme **Bolivia** 2017-2022 through the implementation of 6 projects relating to the component of Environment, financed by the Global Environmental Facility (GEF) and the Multilateral Fund, considering the guidelines of the following Agreements: Montreal Protocol, Stockholm Convention, Rotterdam Convention, Basel Convention and Minamata Convention on Mercury. Particularly, regarding South-South technical cooperation, one regional project on environmental rational management of POPs in Electric and Electronic Equipment Waste is contributing to the exchange of technical information and experiences through weekly webinars held between 13 participating Latin American and Caribbean countries.
45. During 2021, UNIDO continued the implementation of a cooperation programme supporting the improvement of MSMEs’ competitiveness and business environment in **Paraguay** with financial support from the European Union (EU). The project contributes to inclusive and sustainable economic growth and job creation. In particular, UNIDO aims to strengthen institutional capacities to deliver high-quality business development services and along with national counterparts to develop a strategy to boost MSMEs productivity, quality, and innovation.
46. During 2021, UNIDO, FAO and ILO, through the implementation of Productive Sectors Development joint-programme (PSDP) in **Somalia**, provided direct assistance to public and private institutions to help transform the Somali economic ecosystem, with the objective of making its domestic market, jobs and livelihoods more resilient to internal and external shocks, while aiming at reducing Somalia’s cyclical dependency on emergency humanitarian assistance. In the medium-long term, this shall help Somalia build its own path toward stabilization, effective recovery, and prosperity. In the short-term, public-private partners are invigorating local SMEs in upgrading or renewing their business activities.

The support to Somali SMEs was delivered through a network of four Enterprise Development Units and a credit facility. In 2021, outcomes include the operational expansion of 161 SMEs, contributing to the creation of 341 jobs, resulting from USD 2.5 mill. of private domestic investment.

47. In 2021, UNIDO continued supporting LLDCs to accomplish the targets of multilateral environment agreements, such as the **Minamata Convention** on Mercury, especially through Artisanal and Small-scale Gold Mining (ASGM) in countries such as: Mongolia, Bolivia, Rwanda, Burkina Faso, and Nepal. Such activities include access to finance, mercury-free processing technologies and supply chains. In July 2021, a new project has started to enhance the formalization and mercury reduction in the ASGM sector in Mali. In January 2021, UNIDO also started the development of a new project supporting Paraguay in fulfilling the requirements of the Minamata and **Stockholm Convention** on Persistent Organic Pollutants (POPs) for the environmentally sound management of waste.

VII. UNIDO progress made in LLDCs: Means of implementation

48. The UNIDO **Programme for Country Partnership (PCP)** approach is aimed at triggering a long-term development process for the achievement of the SDGs under the full ownership of the implementing country, has continued to expand its business model, at the request of its Member States. Throughout 2021, UNIDO continued operationalizing PCPs covering four LLDCs: Ethiopia and Zambia (implementation phase), Kyrgyzstan and Rwanda (programming phase). UNIDO also implements/develops several **Country Programmes (CPs)**, supporting areas such as industrial policy development and statistics, SMEs development, trade facilitation and enterprise competitiveness, promotion of energy access, and environmental management in LLDCs, such as: Afghanistan, Armenia, Bolivia, Burundi, Moldova, Niger, Rwanda, Uganda, Zimbabwe, among others.
49. In the fight against the pandemic, UNIDO continued to construct its activities in LLDCs based on the **Response Framework to COVID-19** building on three pillars, namely to i) prepare and contain, ii) respond and adapt, and iii) recover and transform. Under the third pillar to “recover and transform”, UNIDO also supports LLDCs within the **COVID-19 Industrial Recovery Programme (CIRP)** aiming to provide targeted support to least developed, low- and lower middle-income countries.
50. Building on its longstanding track record in pharmaceutical sector development, and encouraged by Member States’ requests to strengthen value chains for healthcare products, UNIDO has recently launched a **global health industry initiative**. The objective is to further strengthen sustainable industrialization supporting the health and well-being of populations, including in LLDCs. The UNIDO publication on “Building a Successful Vaccine Manufacturing Business in Lower- and Middle-Income Countries: Lessons from industry leaders and innovators” offering actionable advice and lessons learned to those seeking to develop new vaccine manufacturing capabilities in developing countries.
51. In 2021, UNIDO has supported technical cooperation activities in developing countries, including LLDCs, via **new partnership agreements** such as:

- i) In April 2021, UNIDO and Japan joined hands to implement ten new UNIDO projects with a total budget of USD 7.29 mill., in developing countries among which several are LLDCs.
- ii) In September 2021, UNIDO and Finland agreed to strengthen cooperation on developing the natural resources sector and the circular economy in developing countries, including LLDCs. A three-year agreement was signed between the two parties with a budget of EUR 3.6 mill.
- iii) In October 2021, through a second agreement, Germany is supporting UNIDO's geographic Trust Fund for Latin America and the Caribbean (LAC Trust Fund) to accelerate the implementation of Sustainable Development Goal 9 in the region, including relevant LLDCs.

52. In 2021, UNIDO developed several **publications** with a focus on developing countries, including LLDCs, as follows:

- *Gender and industrialization: Developments and trends in the context of developing countries*². This publication is aiming at reviewing the literature on the relationship between gender (in)equality and industrialization in the context of developing countries. It also documents past pre-industrial preconditions that might explain current differences in gender roles.
- *Empowering SMEs of Developing Countries through 4IR Technologies-Artificial Intelligence*³. The publication was developed in cooperation with ITU and ITC and it provides guidance both to small and medium enterprises (SMEs) in developing countries, and to business institutions, to help facilitate the adoption and application of artificial intelligence (AI) in their respective contexts.
- *Propelling LDCs in the Digital Age: A 4IR Perspective for Sustainable Development*⁴. This publication developed by UNIDO, EIF and UN Technology Bank for LDCs provides recommendations to LDCs (including 17 LLDCs) on how to address development through enhanced digital technology in the context of the Fourth Industrial Revolution (4IR).

53. In addition to the six SDG indicators under its custody, throughout 2021 UNIDO collected and disseminated detailed structural **industrial statistics** with global coverage, including for LLDCs, providing information on structural transformation, including mining and manufacturing for economic development. UNIDO analyzed data from LLDCs serving for the formulation of various publications, including the World Manufacturing Production Reports and the 2021 Industrial Development Report.

54. In 2021, former UNIDO Director General delivered a pre-recorded statement at the 20th Annual Meeting of Foreign Ministers, held virtually in September 2021. Additionally, UNIDO further contributed to the **inter-agency cooperation** mechanisms, including by providing regular inputs to the UN Roadmap for Accelerated implementation of the VPoA and through active participation to the Inter-Agency Consultative Group (IACG) meeting on LLDCs held in July 2021.

² EN version available [HERE](#).

³ EN version available [HERE](#).

⁴ EN version available [HERE](#). FR version available [HERE](#).