



UNIDO Partnership with International Financial Institutions

PFC/PPC/PCD
2021





WHY DOES UNIDO PARTNER WITH IFIs?





GLOBAL COMMUNITY PRIORITY

2030 Agenda for Sustainable Development



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



UNIDO MEMBER STATES PRIORITY

UNIDO Mandate on

INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT

NEED FOR PARTNERSHIPS



UNIDO POLICY ON PARTNERSHIPS FOR INDUSTRIAL DEVELOPMENT

UNIDO Mid-Term Programming Framework

Abu Dhabi Declaration, UNIDO General Conference 2019



UNIDO partners with a variety of development actors, including IFIs, in helping Governments achieve their development priorities.

Multiple Partners with
a wide range of
mandates



Scaling towards
increased impact...

Partnership Principles:

- GOVERNMENT OWNERSHIP → beneficiary & driver
- UNIDO ENGAGES UPON GOVERNMENT REQUEST
- UNIDO REMAINS NEUTRAL



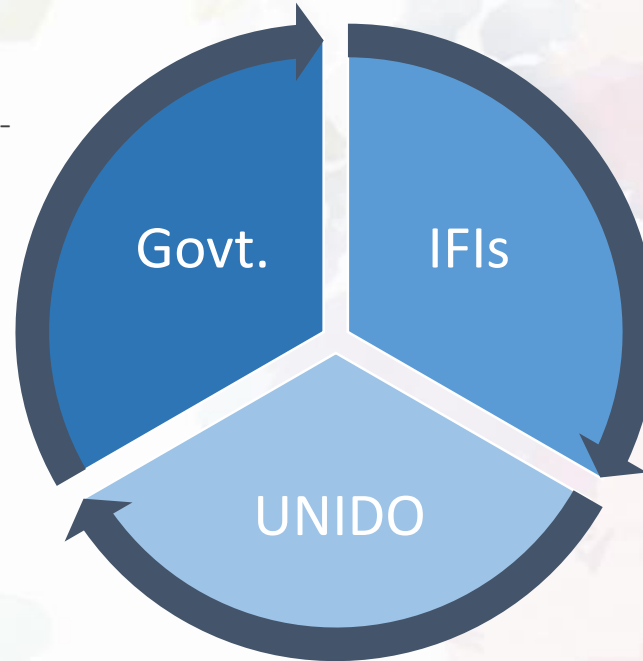
HOW DOES UNIDO PARTNER WITH IFIs?



PARTNERSHIP → TRIPLE WIN

Value added to Governments

- Effective implementation of IFI-financed projects & enhanced development results
- Access to UNIDO's targeted technical expertise & advisory services
- Increased capacity to implement IFI-financed initiatives (procurement, financial management, reporting)
- Develop 'bankable' projects → stimulate public & private investment



Value added to IFIs

- Guaranteed achievement of project development objectives through decreased implementation risks
- Achieve enhanced implementation capacity of Government counterparts
- Enhance development impact of the investments
- Align IFI programming with broader national development agenda

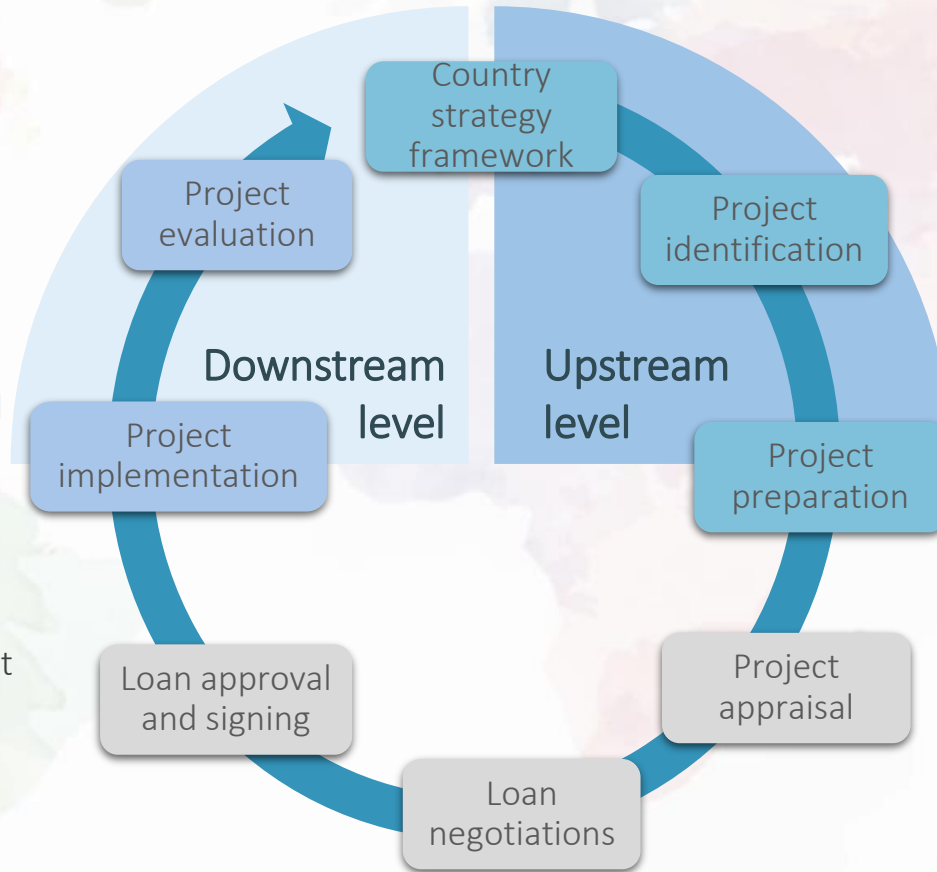
Value added to UNIDO

- Leverage resources towards ISID, SDGs (9, 17, etc.)
- Assist Governments in achieving national development priorities
- Support integrated programming approaches, e.g. PCPs
- Disseminate knowledge and best practices

IFI PROJECT CYCLE ENTRY POINTS

On the downstream level, UNIDO:

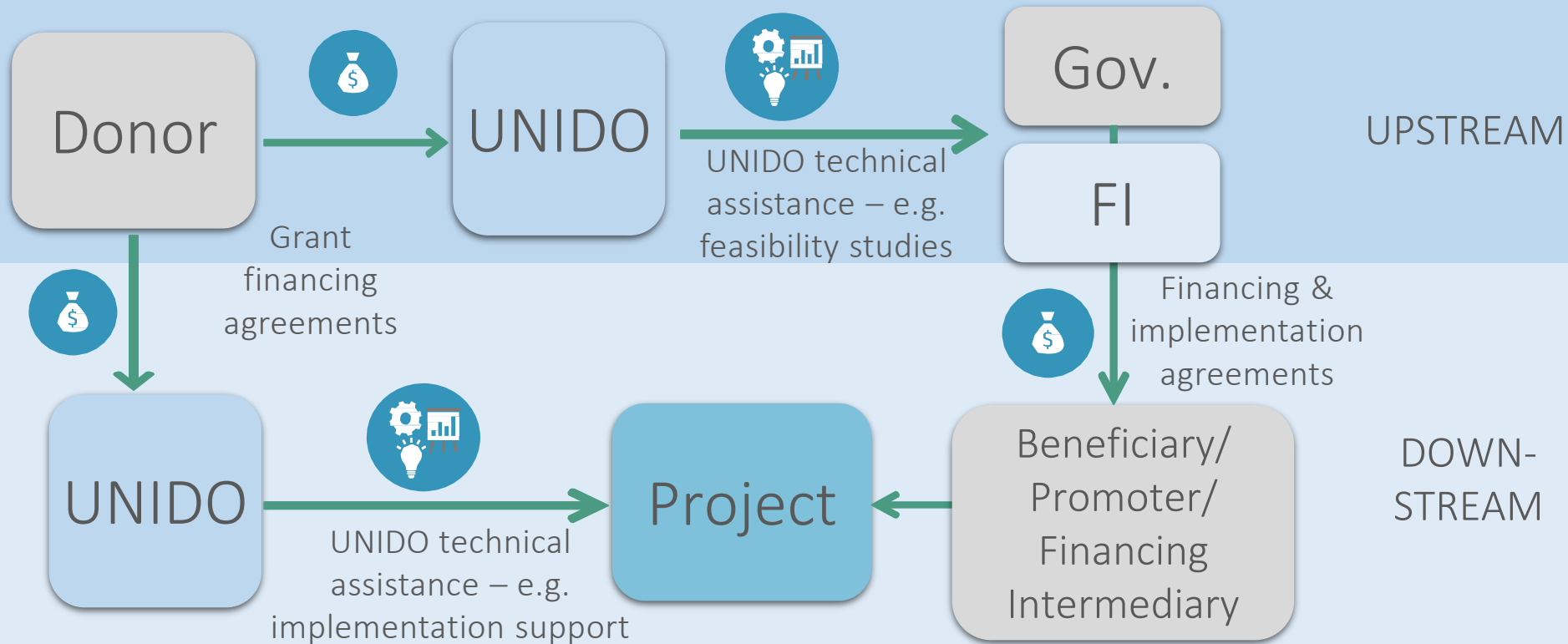
- Assists with implementation of IFI-financed project
- Develops knowledge base and capacity of Governments on administrating IFI-financed projects
- Assists on the monitoring and evaluation of the project
- Reduces loan disbursement delays and risks of loan non-performance



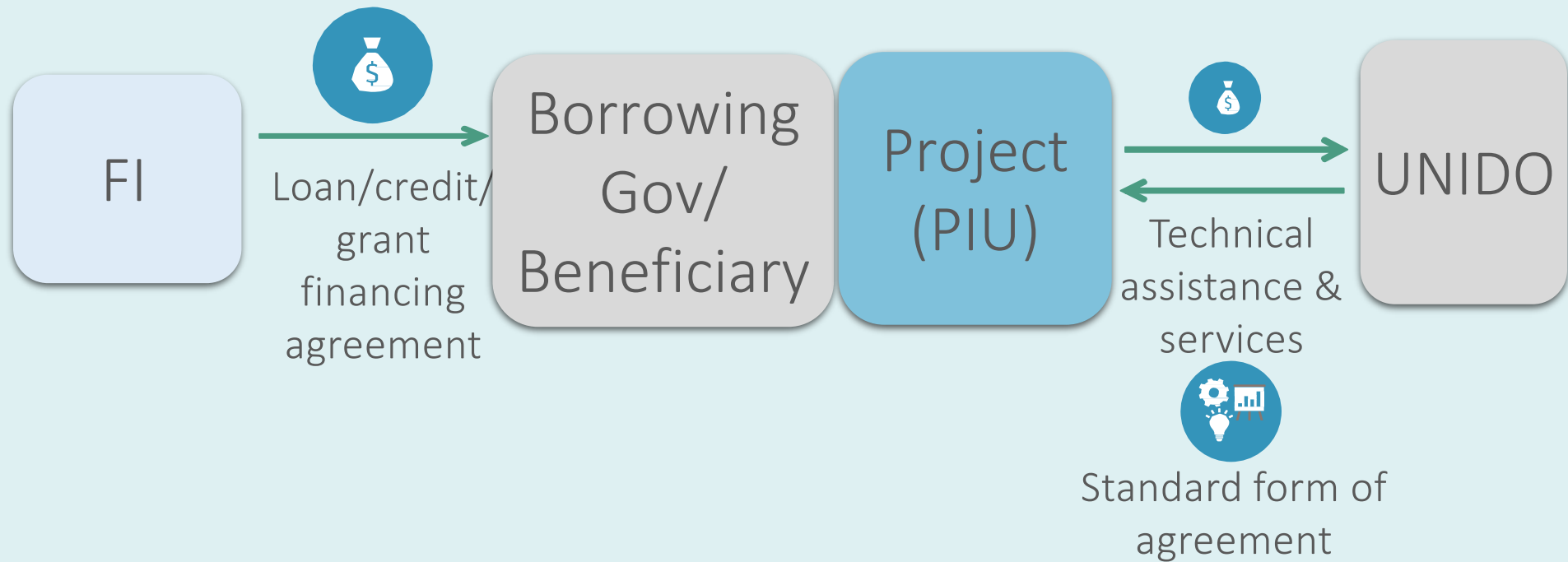
On the upstream level, UNIDO:

- Provides inputs to country strategy frameworks
- Cooperates with Governments on scoping, identification, design and formulation of bankable projects
- Accelerates the overall upstream stage

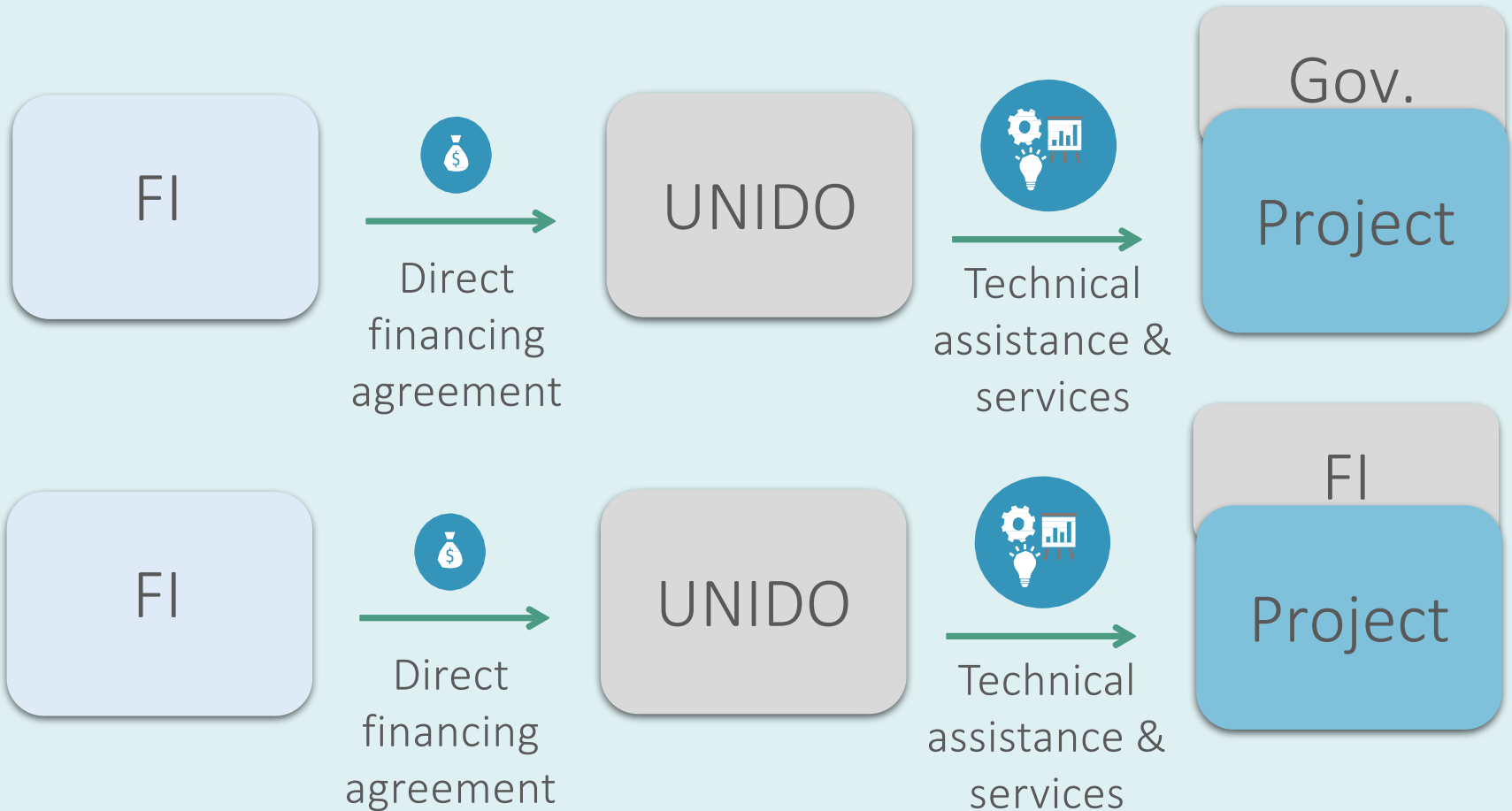
PARALLEL COOPERATION MODEL



INDIRECT COOPERATION MODEL



DIRECT COOPERATION MODEL





WB
Ongoing engagements through **indirect** cooperation model



AfDB
Ongoing engagements through **indirect** cooperation model



EIB
Ongoing engagements through **parallel** cooperation model



EBRD
Ongoing engagements through **parallel** cooperation model



ADB
Ongoing discussions for the introduction of **indirect cooperation model**



IsDB
Ongoing engagements through **direct** cooperation model



CAF
Ongoing discussions for introduction of **direct cooperation model**



AIIB
Ongoing discussions for the introduction of **indirect & direct cooperation models**



EDB
Expressed interest in **parallel** cooperation model

KEY UNIDO IFI PARTNERS



PARTNERSHIP EXAMPLES



ITALY-UNIDO-GOVT UPSTREAM COOPERATION ON INDUSTRIAL ZONES IN LEBANON STIMULATING EBRD & EIB DOWNSTREAM INVESTMENTS

Context:

Objective:

Support the development of environmental friendly, inclusive industrial zones and associated infrastructure upgrades in Lebanon

Scope of partnership:

- Upstream level: Technical, financial, environmental and social feasibility studies conducted by UNIDO leveraged the EIB's and EBRD's interest to invest in the construction of the industrial zones.
- Downstream level: Financing from EBRD, EIB (incl. technical assistance grant for detailed design and implementation support) and Italy for the construction of the industrial zones.

Expected Impact:

- Accelerate economic growth
- Overcome barriers of entry for local SMEs
- Create job opportunities
- Stimulation of partnerships between different sectors
- Reduced pollution and GHG emissions



Upstream:
Italy grant for UNIDO to deliver detailed feasibility studies for 3 industrial zones

Downstream: EBRD & EIB loans for the construction of 3 industrial zones
Italy & EIB technical assistance grant for detailed design & implementation support

EIB-ITALY-UNIDO-GOVT UPSTREAM & DOWNSTREAM LEVEL COOPERATION MODJO LEATHER CITY (MLC) IN ETHIOPIA

Context:

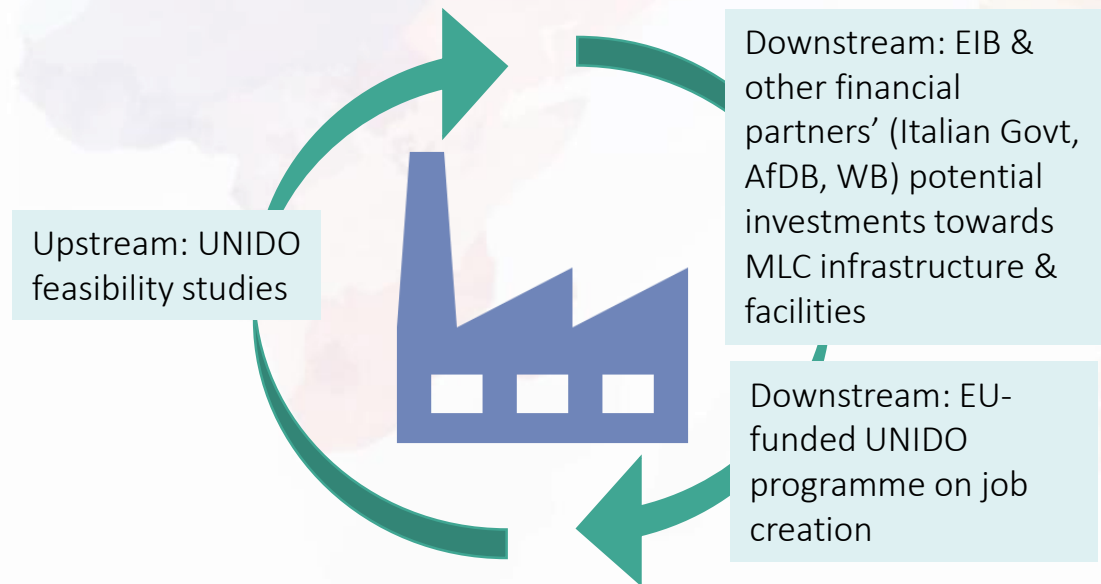
Objective: Developing an environmentally friendly leather tanning district with a modern waste water treatment plant within the scope of the PCP Ethiopia

Scope of partnership:

- Upstream level: Feasibility studies conducted by UNIDO leveraged the EIB's interest to invest in the MLC.
- Downstream level: UNIDO to complement the potential EIB and other financing partner investments into the MLC through the EU-funded program "Leather Initiative for Sustainable Employment Creation" (LISEC).

Expected Impact:

- Boost investment, economic, trade and service activities
- Create job opportunities
- Improve the hygiene and health conditions of the local population
- Enhance and support all national efforts to an efficient, equitable and sustainable utilization of the water resources



EU-UNIDO-EIB SWITCH TO CIRCULAR VALUE CHAINS

Context:

Objective:

Support enterprises in selected value chains adopt circular economy practices

Scope of partnership:

With the funding support from the EU, UNIDO provides technical assistance to SMEs to gain knowledge and skills to apply circular economy practices and to access finance to realize respective investments

Partners:

UNIDO (lead), Chatham House, Circle Economy and the European Investment Bank, in collaboration with the European Union

Expected Impact:

- Sustainable growth
- Low carbon and climate resilient development
- Decent jobs creation
- Safer, healthier and pollution-free environment

EIB: TA & capacity building of financial sector institutions & consultancy companies on → development of bankable proposals; assessment of green financing project proposals & bankability; development of green financial products; policy dialogue

UNIDO: Technical assistance & pilot project design along VCs in several countries



EU-EBRD-UNIDO SWITCHMED I & SWITCHMED II

Context:

Objective:

Achieving a circular economy in the southern Mediterranean by changing the way goods and services are produced and consumed

Scope of partnership:

With the funding support from the EU, UNIDO provided technical assistance to SMEs to help them access finance for resource efficient equipment and practices:

- Identifying financing possibilities
- Supporting industries in preparing bankable projects
- Facilitating engagement with local commercial banks

Countries: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia

Expected Impact:

- Increased demand and supply of sustainable goods & services
- Adoption of green and socially inclusive business models
- Enabling business environment created
- Facilitated exchange of information among partners

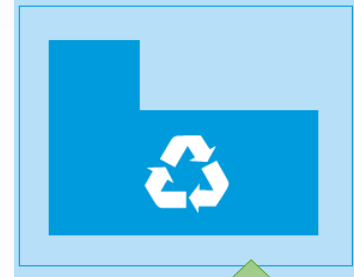
Partners:

- EU
- UNIDO
- EBRD
- Ministries of Env. & of Industry
- Private sector companies
- Bilateral funding partners
- UNEP/MAP-SCP/RAC
- UNEP-DTIE

UNIDO: Technical assistance on resource efficiency and creation of bankable proposals to SMEs



Resource-efficient SMEs



EBRD – Advisory services to financial intermediaries & investment into green credit lines targeting SMEs (co-financed by other IFIs, e.g. AFD, etc.)

ITFC (IsDB Group)-GOVT-UNIDO COOPERATION: EGYPT'S COTTON SECTOR AND SUDAN'S DAIRY SECTOR VALUE CHAINS

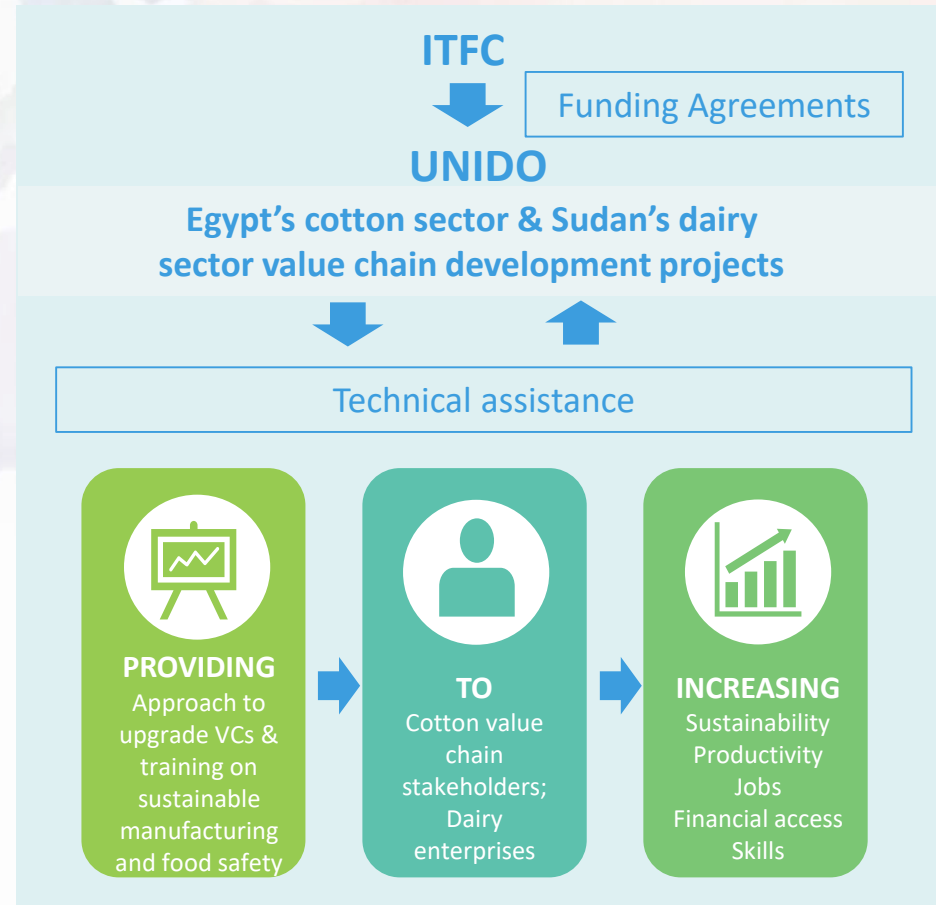
Context:

Objective:

Support the sustainability, inclusiveness and value addition of cotton value chains in **Egypt**; and transformation of the dairy value chain in **Sudan** to mitigate the impact of the Covid-19 pandemic, in line with ITFC's Recovery Response Programme (RRP).

Scope of partnership:

- **Egypt:** funded by Italy and ITFC, UNIDO provides technical assistance to cotton value chain stakeholders to implement the five-year plan of the Better Cotton Initiative in Egypt aimed at growing sustainable cotton.
- **Sudan:** The Ministry of Industry and Trade requested UNIDO's technical assistance on dairy food safety and production, allowing them to resume production and providing MSMEs the skills needed to start or expand their business.



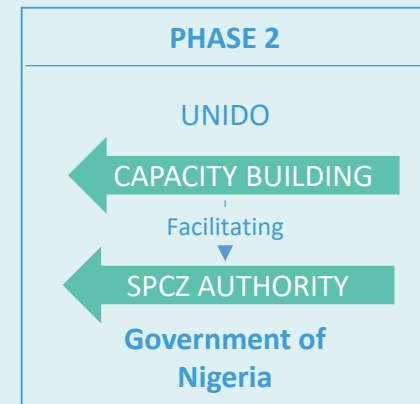
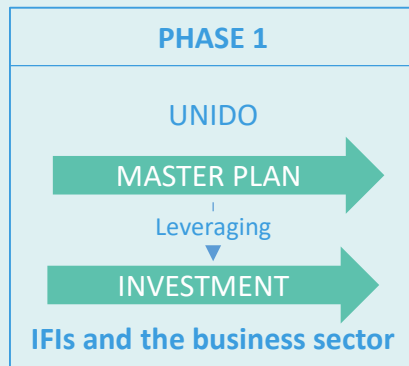
WB-GOVT-UNIDO UPSTREAM LEVEL COOPERATION STAPLE CROP PROCESSING ZONES (SCPZS) IN NIGERIA

Context:

- Based on a request from the Government of Nigeria, UNIDO developed master plans for the establishment of SCPZs in six geo-political states of the country
- The SCPZs aim to simultaneously **address supply-side constraints** and **improve Nigeria's competitiveness in selected agro-value chains**

Impact:

- The SCPZ master plans delivered by UNIDO demonstrated the technical feasibility and financial viability of SCPZ investments
- Government leveraged **over US\$ 300 million from financial institutions, including the WB**, and the private sector towards the SCPZ investment projects



WB-GOVT-UNIDO UPSTREAM LEVEL COOPERATION FISHERIES AND AQUACULTURE PAKISTAN

AT A GLANCE

Duration: 2018 – 2020

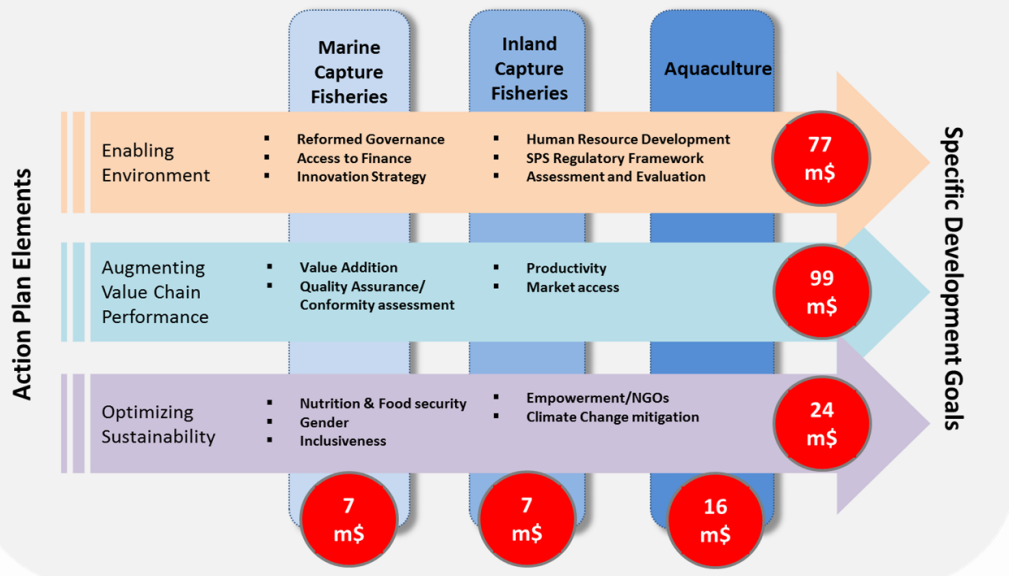
Sponsor: UNIDO: \$ 150, 000

AFD: \$ 300,000

WB Loan: \$ 230 million (to be approved)

OBJECTIVE

REVITALIZING PAKISTAN'S FISHERIES TO REDUCE
POVERTY AND PROMOTE SHARED PROSPERITY



REVITALIZING PAKISTAN'S FISHERIES TO REDUCE POVERTY AND PROMOTE SHARED PROSPERITY: TECHNICAL DIAGNOSTIC ANALYSIS AND ACTION PLAN FOR PAKISTAN'S FISHERIES SECTOR

Action Plan
February 2018



REVITALIZING PAKISTAN'S FISHERIES TO REDUCE POVERTY AND PROMOTE SHARED PROSPERITY: TECHNICAL DIAGNOSTIC ANALYSIS AND ACTION PLAN FOR PAKISTAN'S FISHERIES SECTOR

TECHNICAL DIAGNOSTIC ANALYSIS AND STRENGTHS WEAKNESS, OPPORTUNITIES & THREATS ANALYSIS

November 2017



WB-GOVT-UNIDO UPSTREAM & DOWNSTREAM LEVEL COOPERATION LIVESTOCK & DAIRY DEVELOPMENT IN BANGLADESH

Context:

- **WB-financed:** Livestock and Dairy Development Project
- **Objective:** Improve productivity, market access, and resilience of small-holder farmers and agro-entrepreneurs operating in selected livestock systems and value chains in target areas.
- **UNIDO's involvement:** Assist the Government with the formulation and implementation of the WB-financed project across three areas:
 - Food safety capacity building
 - Development of dairy hubs
 - Development of pre-requisites for livestock insurance system

Expected Impact:

- Productivity improvement
- Market linkages and value chain development
- Improved risk management and climate resilience of livestock production systems



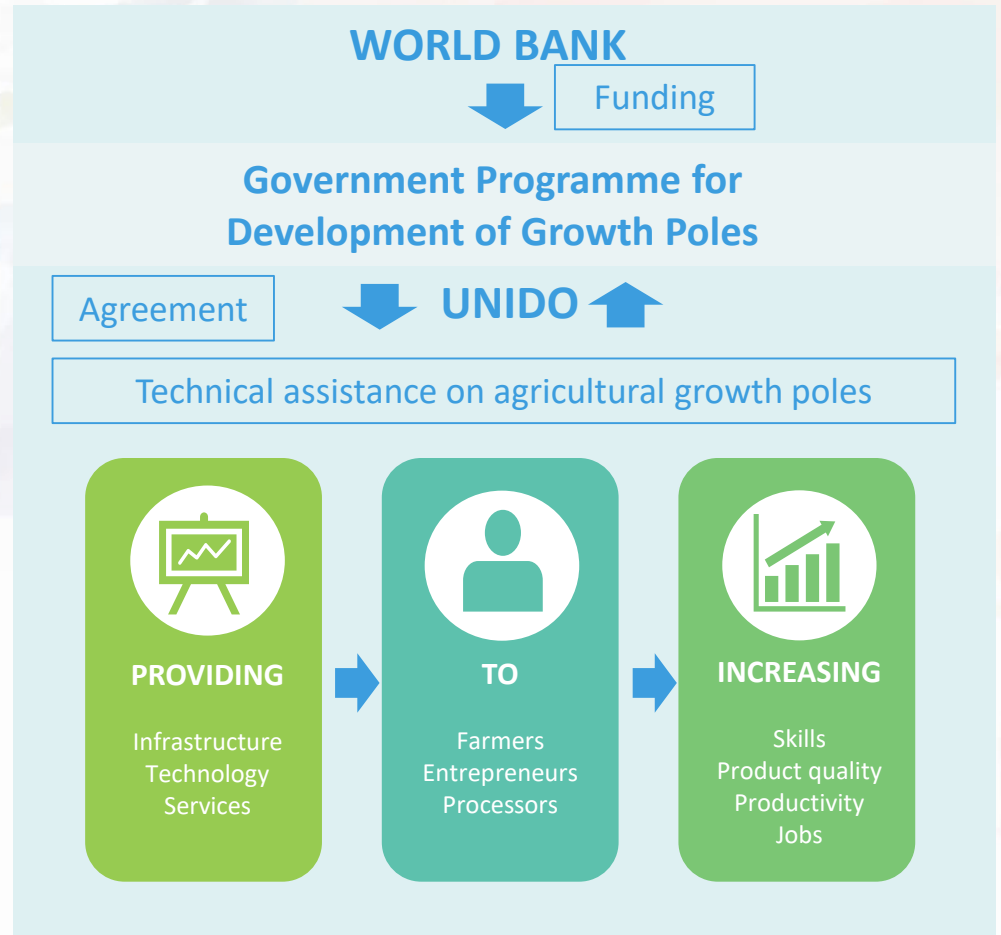
WB-GOVT-UNIDO DOWNSTREAM LEVEL COOPERATION PROMOTING AGRIBUSINESS DEVELOPMENT IN DRC

Context:

- **WB Programme :** Programme for the Development of Growth Poles (PDPC)
- **Objective :** Establishment of growth pole corridors as a means to increase productivity and employment
- **UNIDO's involvement:** Working closely with the Government and providing technical assistance in conducting feasibility studies for the establishment of multi-service platforms in the form of centers for technical and commercial development

Expected Impact:

- Up to **50,000 farmers** to benefit from the Programme
- **Increased agricultural productivity**
- **Greater employment opportunities** for rural populations dependent on agriculture



WB-GOVT-UNIDO DOWNSTREAM LEVEL COOPERATION PAKISTAN CLUSTER DEVELOPMENT

Context:

- **WB project:** Punjab Jobs and Competitiveness Program for Results (PforR)
- **Objective:** Improve the investment climate and promote investments and jobs in more inclusive and sustainable industrial estates
- **UNIDO's involvement:** Assisted the Government with the implementation of the WB-financed project by providing **training and capacity building** as well as a **diagnostics study and strategy building**

Impact:

- UNIDO successfully mobilized **additional resources**
- GoP requested UNIDO **support of additional 8 Clusters**



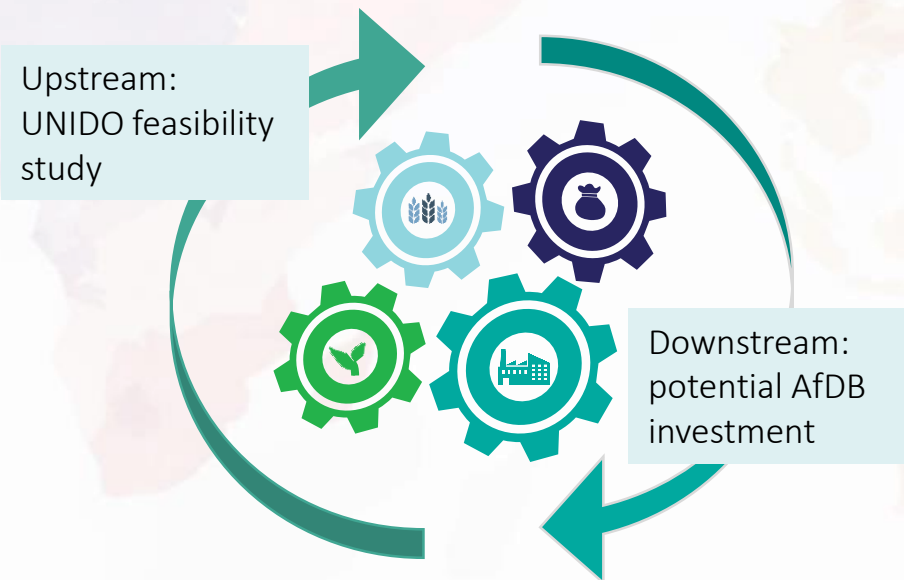
AfDB-GOVT-UNIDO UPSTREAM LEVEL COOPERATION NORTHERN AGROPOLE FEASIBILITY STUDY IN SENEGAL

Context:

- **Objective:** Contribute to the national industrialization strategy by promoting agricultural upgrading through the development of an Integrated Agro-Industrial Park (IAIP)
- **Scope of partnership:**
 - Based on an agro-industrial value chain analysis conducted by UNIDO, the Government requested UNIDO to prepare a **feasibility study** for an IAIP in the North of Senegal, for potential financing by the AfDB.
 - UNIDO is developing the feasibility study with the resources awarded to the Government of Senegal from the AfDB KOAFEC Trust Fund.
 - The study will highlight the **institutional aspects** for improving the business climate, prepare a **plan for the administration and management** of the IAIP and conduct a **market demand assessment**.

Expected Impact:

- Help drive the transition from a traditional supply-led subsistence agricultural sector towards an organized, high-tech, safe, and demand-led agricultural sector



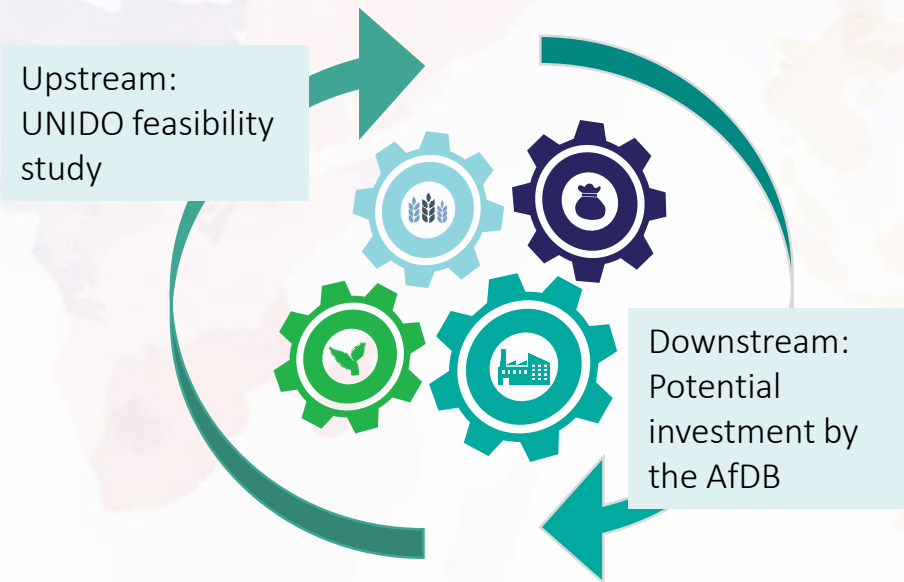
AfDB-GOVT-UNIDO UPSTREAM LEVEL COOPERATION FEASIBILITY STUDY FOR A SPECIAL AGRO-INDUSTRIAL PROCESSING ZONE IN TANZANIA

Context:

- **Objective:** Contribute to the national agriculture-led and resource-based industrialization strategy through the development of a Special Agro-Industrial Processing Zone (SAPZ)
- **Scope of partnership:**
 - In May 2019, the government of Tanzania (GoT) requested UNIDO's assistance in conducting a **feasibility study** for the development of SAPZs in Tanzania, foreseen to be financed by the AfDB.
 - UNIDO is developing the feasibility study with the resources awarded to the GoT from the AfDB KOAFEC Trust Fund.
 - The feasibility study activities include establishing the **location** of the SAPZ, development of **master and business plans** for the SAPZ, and conducting of **stakeholder workshop**.

Expected Impact:

- Help drive the transition from a traditional supply-led subsistence agricultural sector towards an organized, high-tech, safe, and demand-led agricultural sector



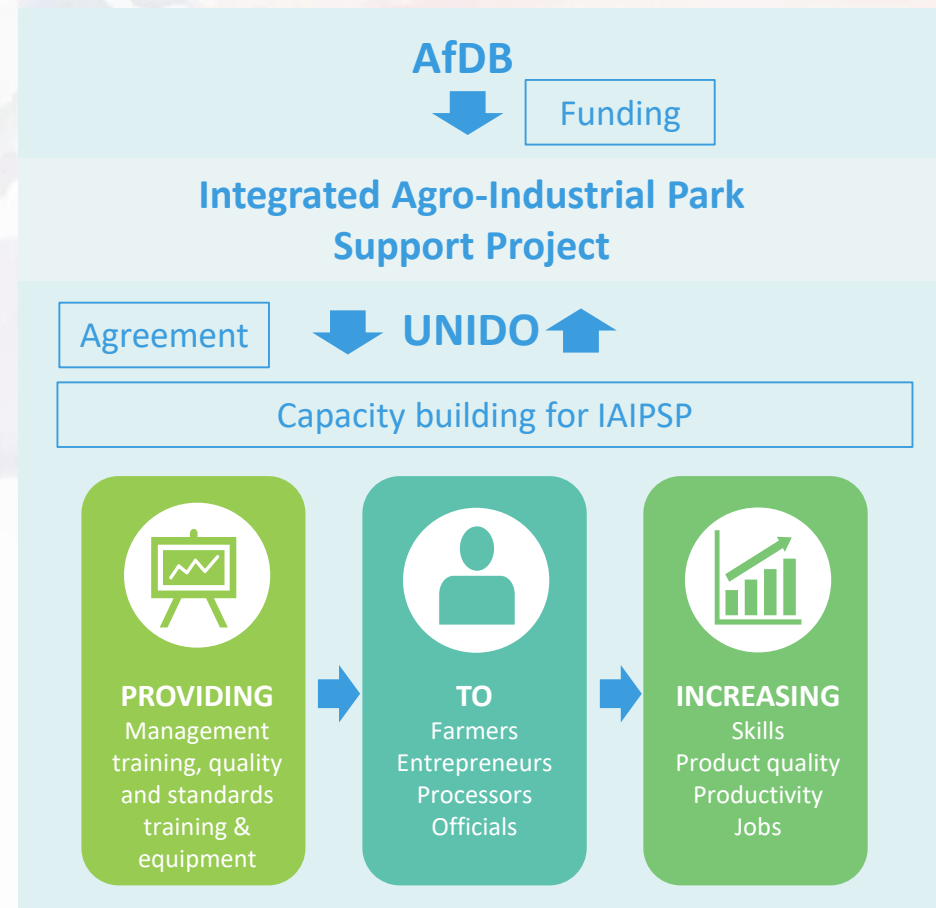
AfDB-GOVT-UNIDO DOWNSTREAM LEVEL COOPERATION CAPACITY & ENTREPRENEURIAL SKILLS DEVELOPMENT FOR SUSTAINABLE AGRO-INDUSTRIALISATION IN ETHIOPIA

Context:

- **AfDB Project:** Integrated Agro-Industrial Park Support Project (IAIPSP)
- **Objective:** Support inclusive and sustainable agro-industrialisation in 4 regions of Ethiopia
 - **UNIDO's involvement:** Assist the Government with the implementation of AFDB-financed IAIPSP capacity building component:
 - Enhance management of IAIPs and RTCs
 - Set-up effective food quality and safety system, equipment of laboratories, training of technicians
 - Promote just and safe working environment

Expected Impact:

- Enhanced agricultural productivity
- Jobs creation
- Export growth
- Poverty reduction





Thank you for your attention!

Contact:

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