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**UNIDO activities related to agribusiness, trade
capacity-building and job creation**

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Report by the Director General

The present document provides information on a number of significant activities and initiatives undertaken by the Organization, which relate to agribusiness, trade capacity-building and job creation. It complements the information provided in both the *Annual Report of UNIDO 2013* (IDB.42/2) and the *Annual Report of UNIDO 2014* (IDB.42/3).

I. Introduction

1. UNIDO meets the industrial development needs of its Member States through a variety of highly specialized and differentiated services that promote social inclusion, economic competitiveness and environmental sustainability.
2. Its services in agribusiness, trade capacity-building and job creation spearhead the Organization's contribution in this regard.

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II. Selected success stories

Programmes for social inclusion

3. Investing in skills development raises incomes of economically vulnerable groups, thereby reducing poverty. UNIDO applies an integrated approach that works toward an improved technical education system, reduced youth unemployment, the promotion of gender equality, business development services, career support and increased environmental awareness.

4. In Malawi, UNIDO addressed the challenge of low levels of productivity in agriculture, including widespread poverty in rural areas. The project introduced several new productive technologies and training in agricultural methods for 25 villages. At the end of the project, 11,000 persons from the community had received training and their overall livelihood outlook was improved.

5. In Iraq, a new operations and maintenance vocational school for machinery was established in cooperation with the global truck manufacturer Scania. This training school provides skills training for technicians and machine operators. A total of 864 persons received training, 48 per cent of the graduates are females and the percentage of full-time employment rose from 8 to 30 per cent.

6. Youth unemployment is a global issue. Young women and men represent 17 per cent of the world's population and over 40 per cent of the global unemployed labour force. Youth, especially young women, continued to be disproportionately affected by unemployment at an average rate of 13 per cent in 2014, compared to an average rate of 4.5 per cent in the adult population. This corresponds to about 74 million young people. UNIDO has been successfully engaged in the creation of youth employment opportunities through supporting the creation and expansion of micro, small and medium-sized enterprises in over 15 countries.

7. In Tunisia for example, UNIDO, with the support of the Government of Italy, Hewlett Packard and the United States Agency for International Development, has been encouraging youth employment through entrepreneurship and enterprise development since 2013. This effort has included enhancing the knowledge and delivery capacity of local business support institutions and providing direct support to entrepreneurs and enterprises through technical assistance, training and business coaching. As a result, by June 2015, 577 jobs were created and another 1,165 are foreseen to be created by December 2015.

8. In Armenia, with the support of the Austrian government, the "Productive Work for Youth" project successfully demonstrates that youth are creditworthy and capable of turning loans into profitable businesses through supporting youth-led enterprise creation and expansion with financial and non-financial services. A revolving fund set up by the Government of Armenia together with UNIDO allows for young entrepreneurs access to loans and is combined with intensive coaching, business services and technical assistance to the beneficiaries. In July 2015, the mid-term evaluation proofed the project's success in terms of enormous local demand for the project's services exceeding targets of number of trainees (over 136 per cent) and loans granted (over 260 per cent), as well as its contribution to systemic change and catalytic effect because of the high national commitment to institutionalize, replicate and upscale the project's approach.

9. In Ethiopia, UNIDO is partnering with Volvo group with the support of the Government of Sweden and established a training academy for the maintenance of heavy duty equipment and commercial vehicles. This public-private partnership (PPP) model will be expanded to more than 15 schools to transform public vocational schools into efficient vocational schools with a demand driven curriculum.

Programmes for economic competitiveness

10. With so much of the emphasis regarding trade facilitation placed on the need to remove red tape and improve customs procedures at the border, it is easy to overlook the fact that one of the first challenges to successful access to export markets already appears at the factory gate, as goods begin their long journey to regional and global markets. UNIDO offers support to Member States to overcome these challenges and capitalize on opportunities. Primarily, this is achieved by building testing, inspection and certification capacities, and by using harmonized conformity assessment procedures which are compliant with the Agreement on Technical Barriers to Trade and meet the high demands of external markets and consumers.

11. One such example is the €12 million West Africa Quality programme, funded by the European Union (EU). This programme has helped the region establish an efficient and coordinated quality infrastructure for the 15 member States of the Economic Community of West African States (ECOWAS) and Mauritania. A similar EU-funded project in the Economic and Monetary Community of Central Africa (CEMAC) has been supporting trade and economic integration between Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, and Sao Tome and Principe, by strengthening the regional and national quality infrastructure.

12. Through the Accelerated Agribusiness and Agro-industries Development Initiative, 3ADI, agricultural value chains are addressed through a range of specialized services. For example, UNIDO is working with the African, Caribbean and the Pacific Group of States regional economic communities to upgrade local quality systems. Through these initiatives, farmers and agricultural processors will be able to supply quality and safe products to regional and international markets.

13. Apart from the regional initiatives, UNIDO is also strengthening and developing quality infrastructure at the value chains in countries such as Burundi, Colombia, Ghana, Indonesia, Myanmar and Sri Lanka. For example, UNIDO is supporting Colombia's efforts to integrate into the regional and multilateral trading system by enhancing the technical capacity of the cosmetics sector, and by improving compliance with international quality, private and sustainability standards for its productive chain.

14. In Myanmar, UNIDO, in collaboration with the Ministry of Science and Technology and the Myanmar Food Processors and Exporters Association, and with funding from the Norwegian Agency for Development Cooperation, has been working to strengthen and modernize the national quality infrastructure to help Myanmar's processed food products gain access to markets across South-East Asia and beyond. Four key food testing laboratories are being upgraded and a pilot programme is helping 15 small and medium-sized enterprises to implement food safety management systems, to enable their integration into global supply chains, especially of retailers in the EU and the United States of America.

15. Since 2013, UNIDO is also implementing a project in Morocco with funding from the State Secretariat for Economic Affairs (SECO) of the Government of Switzerland. The “Project on market access for local agro-alimentary products” aims to improve the performance, market access, and socioeconomic conditions of the argan oil and the prickly pear value chains in Morocco. UNIDO is strengthening the organization and governance of the selected value chains, improving the productivity, quality compliance and product development of small-scale rural producers, and enhancing their position in both domestic and export markets. UNIDO is also helping to ensure that the products comply with the requirements of recently introduced geographical indications, in order to position them in higher niche markets and allow the producers to obtain a premium price and higher revenues. The project includes the organization of the first national competition of terroir products and a South-South cooperation component. Special attention is placed on supporting young entrepreneurs, women and producers from disadvantaged regions. A twin project, also financed by SECO, is being implemented in Tunisia, where the harissa, fig of Djebba, and the prickly pear value chains have been selected.

16. Continuing the successful PPP model, UNIDO is implementing a project in Bangladesh supporting sustainable smallholder farmer milk production. Beside the Ministry of Livestock and Fisheries as the public partner, UNIDO is partnering with the Bangladesh-based food processing company PRAN and the Global Compact partner Tetra Pak to offer an opportunity for smallholder farmers to stay in their business and create a higher income, and also produce better quality milk, leading to competitive products. At the midterm of the project, the average income of participating farmers was increased by 33 per cent, and locally sourced high-quality milk was increased by 30 per cent. The Swedish International Development Cooperation Agency is financing around \$3.1 million of the total project budget of \$10.1 million. The outstanding budget is contributed by the private sector participants.

Programmes for environmental sustainability

17. In response to the challenges of climate change, UNIDO, in cooperation with the Global Environmental Facility, is implementing adaptation programmes. These programmes assist vulnerable communities to better adapt and increase their resilience to the effects of climate change.

18. The UNIDO project “Resilience building through banana value addition” in Uganda is an example of this. In line with Uganda’s National Adaptation Plan, and based on its key coping strategies, it is envisaged that the beneficiaries will be able to afford innovative adaptation strategies such as building reservoirs for water harvesting and adopting soil conservation strategies for higher resilience to the increasingly frequent landslides and soil degradation exacerbated by climate change.

19. Similar projects in different sectors are under development for Gambia, Kenya, Myanmar, Pakistan and Philippines.

III. Action required of the Conference

20. The Conference may wish to take note of the information contained in the present document.