

I UNDO perspective: overview of recent socio economic development in LDCs including impact of COVID 19 pandemic

- 1. The latest UNDO 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**

Note: IIDGs covered by the UNDOCOVID 19 survey include Afghanistan, Bolivia, Lao PDR, Mongolia, Rwanda, and Zambia

Source: [UNDOCOVID 19 survey](#). The surveys were conducted during the period of 2020 Q1– 2021 Q2, as part of UNDO Industrial Development Report (IDR) 2022

- 3 Based on the UNDOCOVID 19 survey results, within the period 2020 Q1– 2021 Q2, despite some differences, IIDG firms have been on average deeply negatively affected in terms of changes in sales and profits due to the pandemic. There is a large 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 IIDGs have also been more affected in terms of changes in sales and profits than other larger firms.**
- 4 On average, different IIDG 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-IIDGs. Interestingly, firm size seems to**

II. UNDO progress made in IIDGs: Fundamental transit policy issues

- 6 With UNDO support, IIDGs 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. UNDO progress made in IIDGs: Infrastructure development and maintenance (incl. transport, energy, ICI)

- 7 With UNDO's support, during 2021, the IIDGs reduced around 368000 tCO₂e emissions, phased out ca 910 tons of pollutants and accounted ca 122000 MWh improved energy efficiency via several projects aiming at safeguarding the environment.**
- 8 In 2021, under the [redacted], UNDO submitted a concept note for "Promoting renewable energy based mini-grids for productive uses in rural areas of [redacted]". The concept is part of the UNDO 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 IIDGs 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 [redacted], UNDO jointly with the Government of Japan, the**

. The panAfrican 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 “100000 MSMEs by 2021”, in various African countries, including IIDGs such as Burundi, Mali, and Rwanda, among others

12 With UNDO support, IIDGs continued mainstreaming of energy management standards and solutions in industrial processes through the

. Through a series of dedicated efforts which include providing industries — both large and small — with the latest knowhow, the Accelerator aims to give momentum for industry, investors and policymakers to embrace energy efficiency. Over the past decade, UNDO has mainly worked in medium income countries, but is currently expanding also to IIDGs with energy intensive industries

13 With UNDO support, developing countries were further supported to commercialise their cleantech innovations through the

. In 2021, the GCP continued with the promotion of clean energy technology innovations and entrepreneurship in Kazakhstan through the development of a cleantech innovation platform and accelerator programme. UNDO aims to expand the geographic scope of GCP to other IIDGs such as Zambia, Uganda, and Mali

14 Within the

cohosted by UNDO and the UN Environment, and part of the Technology Mechanism of the UNFCCC, activities continued to assist IIDGs to improve access to affordable, reliable, and sustainable energy through mainstreaming gender in renewable energy policies. In 2021, more than 30 new institutions, including from IIDGs, joined the network as members

15 In July 2021, UNDO launched a

, which is of particular relevance for IIDGs. 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 UNDO will promote the industrial application and uptake of green hydrogen. Both pillars will be supported by the International Hydrogen Energy Centre in Beijing that UNDO 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, UNDO further supported the “Promotion of green electric mobility (e-mobility) solutions for urban transport in

” 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 UNDO project is supporting the Government in piloting e-buses and related infrastructure in the city of Thimphu

IV. UNDO progress made in LDCs: International trade and trade facilitation

17. The (FAO, ILO, UNCTAD, UNDP, UNDO) 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

28 Mayors and city councils' representatives from several IDGs (such as Lao PDR, Malawi, etc) were engaged within the digital edition of the

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

34 In December 2021, UNDO organized a session on entrepreneurship at the

for High level SII Officials, convened by SADC, UNESCO, UNESCO Chair, Shwane University of Technology, UN Inter-Agency Task Team on SII for the SDGs (IATII), and

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 25 million of private domestic investment.

47. In 2021, UNDO continued supporting IIDGs to accomplish the targets of multilateral environment agreements, such as the on Mercury, especially through Artisanal and Small

- i) In April 2021, UNDO and Japan joined hands to implement ten new UNDO projects with a total budget of USD 729 million, in developing countries among which several are IIDGs
- ii) In September 2021, UNDO and Finland agreed to strengthen cooperation on developing the natural resources sector and the circular economy in developing countries, including IIDGs. A three-year agreement was signed between the two parties with a budget of EUR 36 million
- iii) In October 2021, through a second agreement, Germany is supporting UNDO'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 IIDGs

52 In 2021, UNDO developed several [redacted] with a focus on developing countries, including IIDGs, as follows

Gender and Industrialization: Developments and trends in the context of developing countries². 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 Intelligence³. The publication was developed in cooperation with ILO and IFC and 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 IIDGs in the Digital Age: A 4IR Perspective for Sustainable Development⁴. This publication developed by UNDO, IFC and UN Technology Bank for IIDGs provides recommendations to IIDGs (including 17 IIDGs) 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 UNDO collected and disseminated detailed structural [redacted] with global coverage, including for IIDGs, providing information on structural transformation, including mining and manufacturing, for economic development. UNDO analyzed data from IIDGs serving for the formulation of various publications, including the World Manufacturing Production Reports and the 2021 Industrial Development Report.

54 In 2021, former UNDO Director General delivered a pre-recorded statement at the 20th Annual Meeting of Foreign Ministers, held virtually in September 2021. Additionally, UNDO further contributed to the [redacted] mechanisms, including by providing regular inputs to the UN Roadmap for Accelerated Implementation of the VBA and through active participation to the Inter-Agency Consultative Group (IACG) meeting on IIDGs held in July 2021.