

Exclusive Interview



Ms. Nadia Aftab

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ICMA: Can you briefly mention the role of UNIDO in advancing Pakistan's manufacturing sector?

Nadia Aftab: The United Nations Industrial Development Organization (UNIDO) plays a pivotal role in advancing Pakistan's manufacturing sector by providing technical assistance, promoting inclusive and sustainable industrial development, and fostering innovation. UNIDO partners with global funding organizations to create and carry out industrial projects that are aligned with government goals. UNIDO supports the modernization of industrial processes, enhances productivity and competitiveness, and contributes to Pakistan's economic growth and employment creation. Through its various initiatives, UNIDO aims to strengthen Pakistan's industrial infrastructure, improve the business environment, and facilitate the integration of industry into global value chains, ultimately contributing to the country's socio-economic development.

UNIDO has played a pivotal role in strengthening Pakistan's manufacturing sector, investing an average of USD 29 million annually over the past decade. Through specialized technical assistance programs, the organization has significantly improved manufacturing efficiency and productivity.

Emphasizing a culture of cooperation, UNIDO has formed partnerships across academia, government, businesses, and entrepreneurs, particularly supporting small and medium-sized enterprises. Actively promoting youth advocacy and gender equality, UNIDO's commitment to inclusive and sustainable development is evident in the success of its programs. Providing technical assistance to 1,700 SMEs and manufacturing facilities, these initiatives have not only spurred economic growth but also generated a substantial number of new jobs, contributing significantly to Pakistan's employment landscape.

ICMA: How is UNIDO working to bolster the resilience of Pakistan's manufacturing industry amid challenges?

Nadia Aftab: In the face of mounting challenges, UNIDO is wielding a multi-pronged approach to fortify the resilience of Pakistan's manufacturing industry. Take the Sialkot Tannery Zone as a prime example. Here, close collaboration with local authorities has yielded targeted programs that enhance both adaptability and environmental consciousness. By introducing advanced waste treatment technologies and optimizing production processes, UNIDO directly tackles the sector's environmental hurdles. But their vision stretches beyond resilience, aiming for a sustainable future.

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Eco-friendly production methods and materials significantly reduce the Tannery Zone's footprint, aligning with global sustainability goals and setting a new standard for responsible manufacturing practices.

Innovation sits at the heart of UNIDO's strategy. Modern machinery and a dedicated focus on research and development ensure industries and the manufacturing sector stay ahead of the curve, facing evolving market demands and quality standards with confidence. Recognizing that people are the backbone of resilience, UNIDO invests heavily in workforce development. Comprehensive training programs equip local workers with the skills to navigate market fluctuations and embrace new technologies. This skilled workforce serves as a testament to UNIDO's commitment to building a manufacturing industry that's not just adaptable, but thriving and ready for the future.

ICMA: Could you provide instances of effective UNIDO efforts that have fortified Pakistan's manufacturing sector?

Nadia Aftab: In Pakistan, UNIDO has played a pivotal role in strengthening the country's manufacturing sector beyond its scale. Notably, the "Sustainable Energy Initiative for Industries in Pakistan," funded through the Global Environment Facility (GEF), stands out as a significant project. This initiative, also known as the REEE project, has had a profound impact by developing policies and regulations to support the adoption of renewable energy (RE) and energy efficiency (EE) in the industry. Collaborating with public and private partners, UNIDO has facilitated investments in EE and RE in 50 industrial units from multiple sectors on Energy Management System (EnMS) implementation and certifications, creating a platform for sustainability promotion.

The project has yielded substantial results, reducing over 17,000 metric tons of Carbon Dioxide (CO₂) emissions and

implementing more than 12MW of RE projects in the industrial sector. These initiatives have not only contributed to environmental preservation but have also reduced operational costs for industries. Furthermore, by empowering rural communities with sustainable energy solutions, UNIDO has supported small businesses and micro-enterprises, fostering a better livelihood. Moreover, in this project, UNIDO has placed significant emphasis on capacity building, having trained more than 625 professionals, including 30 women, in energy management systems and energy optimization. This initiative aims to enhance technical expertise in Renewable Energy (RE) and Energy Efficiency (EE) within the Pakistani industry, contributing to a more skilled and sustainable workforce in this critical area.

ICMA: What, in UNIDO's opinion, are the weaknesses of the Pakistani industry, particularly within its export-oriented sector?

Nadia Aftab: The weaknesses within Pakistan's export-oriented sector include inadequate infrastructure, limited access to finance, low productivity, insufficient technological advancements, and challenges related to compliance with international standards and certifications. These factors can hinder the competitiveness of Pakistani industries in global markets and limit their ability to fully capitalize on export opportunities. UNIDO works to address these weaknesses through various initiatives aimed at enhancing productivity, improving infrastructure, promoting technology transfer, and facilitating access to finance and markets for Pakistani industries.

ICMA: How is UNIDO working to connect Pakistani SMEs with global markets?

Nadia Aftab: UNIDO is actively working to connect Pakistani SMEs with global markets by enhancing their competitiveness and integrating them into global value chains. Our focus is on providing technical assistance and capacity-building support to help SMEs meet international standards, access market intelligence, and obtain certifications like ISO.

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UNIDO promotes technology transfer and innovation, and advocates for policies that support SME internationalization. These efforts aim to strengthen the position of Pakistani SMEs in global markets and contribute to sustainable economic growth.

UNIDO's initiatives enhanced SME competitiveness in global markets. UNIDO's Cluster Development Initiative (CDI) funded by the government of Punjab provided crucial technical assistance to develop modern, profitable industrial clusters in priority sectors that include Auto Parts and Accessories Manufacturers, Leather, Footwear, Ready-made garments, and Surgical instrument manufacturers, facilitating their integration into global supply chains.

UNIDO is also implementing the Pakistan Private Sector Energy Project (PPSE), funded by USAID, which focuses on supporting the renewable energy sector assisting clean energy companies in becoming investor-ready and scaling up for greater environmental and economic impact. The project is developing bankable projects, enhancing financial institutions' capacity, and mainstreaming low-carbon, climate-resilient investments.

ICMA: What is UNIDO doing to support the growth of eco-friendly industries in Pakistan?

Nadia Aftab: UNIDO's efforts to promote eco-friendly industries in Pakistan are comprehensive and impactful. It provides technical assistance and capacity-building support to industries, with a focus on energy efficiency, waste management, and pollution control. Additionally, UNIDO promotes cleaner production methods and facilitates access to green technologies, aiding industries in adopting environmentally friendly practices. Through advocacy and awareness campaigns, UNIDO assists businesses and the public about the benefits of sustainable industrial practices and encourages policy changes that incentivize eco-friendly approaches. UNIDO collaborates closely with the Ministry of Climate Change and Environment Coordination (MOCC&EC) during GEF cycles, resulting in initiatives that prioritize environmental sustainability and contribute to an eco-friendly industrial landscape in Pakistan.

ICMA: What are the priorities of UNIDO, and How does UNIDO determine its strategies and allocate resources to effectively enhance the development and resilience of Pakistan's manufacturing industry?

Nadia Aftab: UNIDO stands at the forefront of tackling today's critical challenges: hunger and poverty, climate change, and environmental degradation. Through its commitment to sustainable industrial development, UNIDO drives policies, partnerships, and investments that yield tangible results. Under the leadership of Director General Gerd Müller, UNIDO focuses on delivering outcomes such as supporting sustainable supply chains, mitigating climate change through renewable energy and efficiency measures, and alleviating hunger by enhancing agribusiness value chains and reducing post-harvest losses.

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These efforts are complemented by initiatives in technology transfer, digitalization, investment promotion, training, the circular economy, and women's economic empowerment, all aimed at achieving concrete and impactful outcomes.

UNIDO employs a systematic approach to determine strategies and allocate resources for enhancing development and resilience upon the priorities set by the member state. This involves conducting thorough assessments and engaging with key stakeholders to identify priority areas and issues. Strategies are then formulated, considering the country's specific context, and resources are allocated to ensure effective implementation. Continuous monitoring, evaluation, and capacity-building efforts are employed to maximize impact and sustainability. Through this approach, UNIDO aims to drive positive and lasting change in Pakistan's manufacturing sector, contributing to its growth and resilience.

ICMA: How can UNIDO and ICMA work together to enhance the competitiveness of the Pakistani industry?

Nadia Aftab: Through a collaborative approach, UNIDO and ICMA can harness their respective strengths to enhance the competitiveness of Pakistan's manufacturing industries. UNIDO's expertise in industrial development and sustainability, combined with ICMA's knowledge in cost management and financial planning, can lead to impactful initiatives. These include capacity building, technology transfer, policy advocacy, sustainable practices promotion, research and development, and market access. This partnership has the potential to not only boost the competitiveness of Pakistani manufacturing industries but also contribute significantly to the country's economic growth and long-term sustainability.

The Editorial Board thanks Ms. Nadia Aftab, United Nations Industrial Development Organization (UNIDO) Representative in Pakistan for sparing from her precious time to give exclusive interview for Chartered Management Accountant Journal.