



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

# Inclusive and Sustainable Industrial Development in Asia and the Pacific Region



## LIST OF ACRONYMS

ACP	African, Caribbean and Pacific	MoU	Memorandum of Understanding
ADB	Asian Development Bank	MCSR	Maritime and Continental Silk Road
ARMM-ARG	Autonomous Region of Muslims Mindanao Regional Government (Philippines)	MICs	Middle-Income Countries
ASEAN	Association of Southeast Asian Nations	MP	Montreal Protocol
BAB	Bangladesh Accreditation Board	NIP	National Implementation Plan 2015-2019 (Indonesia)
BAT/BEP	Best Available Techniques / Best Environmental Practices	NSREB	New Silk Road Economic Belt
BEST	Better Work and Standards	ODS	Ozone Depleting Substances
CFC	Common Fund for Commodities	PCP	Programme for Country Partnerships
CII	Confederation of Indian Industry	PICs	Pacific Island Countries
CPs	Country Programmes	PIF	Pacific Island Forum
CSR	Corporate Social Responsibility	SAARC	South Asian Association for Regional Cooperation (i.e. Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka)
D-8	Group of Developing-8 Member States (Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, Turkey)	SCO	Shanghai Cooperation Organization
DFIs	Development Financial Institutions	SDGs	Sustainable Development Goals
ECO	Economic Cooperation Organization	SIDS	Small Island Developing States
ERIA	Economic Research Institute for ASEAN and East Asia	SMEs	Small and Medium-sized Enterprises
EU	European Union	SMTQ	Standards, Metrology, Testing and Quality
FAO	Food and Agriculture Organization	SPC	Secretariat of the Pacific Community
FATA	Federally Administered Tribal Areas (Pakistan)	SPC	Sustainable Production and Consumption
FFA	Pacific Islands Forum Fisheries Agency	SSDP	Sustainable Supplier Network Development Programme (Malaysia)
FQDCC PDR)	Food and Drug Quality Control Center (Lao)	SSTIC	South-South and Triangular Industrial Cooperation
GCF	Green Climate Fund	TEQ	Toxic Equivalents dioxins
GEF	Global Environment Facility	UCSSIC	UNIDO Centre for South-South Industrial Cooperation (China)
ICISID	International Centre for ISID (India)	UNCTAD	UN Conference on Trade and Development
IDE-JETRO	Institute of Developing Economies and Japan External Trade Organization	UNCTs	UN Country Teams
IFAD	International Fund for Agricultural Development	UNDP	UN Development Programme
ILO	International Labour Organization	UNEP	United Nations Environment Programme
IOM	International Office on Migration	UNESCO	UN Educational, Scientific and Cultural Organization
ISEC	International Solar Energy Centre (China)	UNFPA	UN Population Fund
ITC	International Trade Center	UNICEF	UN Children's Fund
KOICA	Korea International Cooperation Agency	UNIDO	United Nations Industrial Development Organization
LDCs	Least Developed Countries	UNOPS	UN Office for Project Services
LLDCs	Land-Locked Developing Countries	UNRC	UN Resident Coordinator
METI	Minister of Economy, Trade and Industry (Japan)	UNV	UN Volunteers
MOIT	Ministry of Industry and Trade (Viet Nam)	WFP	World Food Programme
		WB	World Bank

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# INTRODUCING ISID

UNIDO's long-term strategy of inclusive and sustainable industrial development (ISID) was adopted by UNIDO Member States at the General Conference in December 2013. Through this strategy, UNIDO aims to harness the full potential of industry's contribution to the achievement of sustainable development in the post-2015 era, and lasting prosperity for all.

Industry is the most dynamic driver of prosperity and collective wellbeing. No country has ever reached a high level of economic and social development without having developed an advanced industrial sector. However, too often in the past these transformative structural changes have also been accompanied by environmental degradation and increased social inequalities.

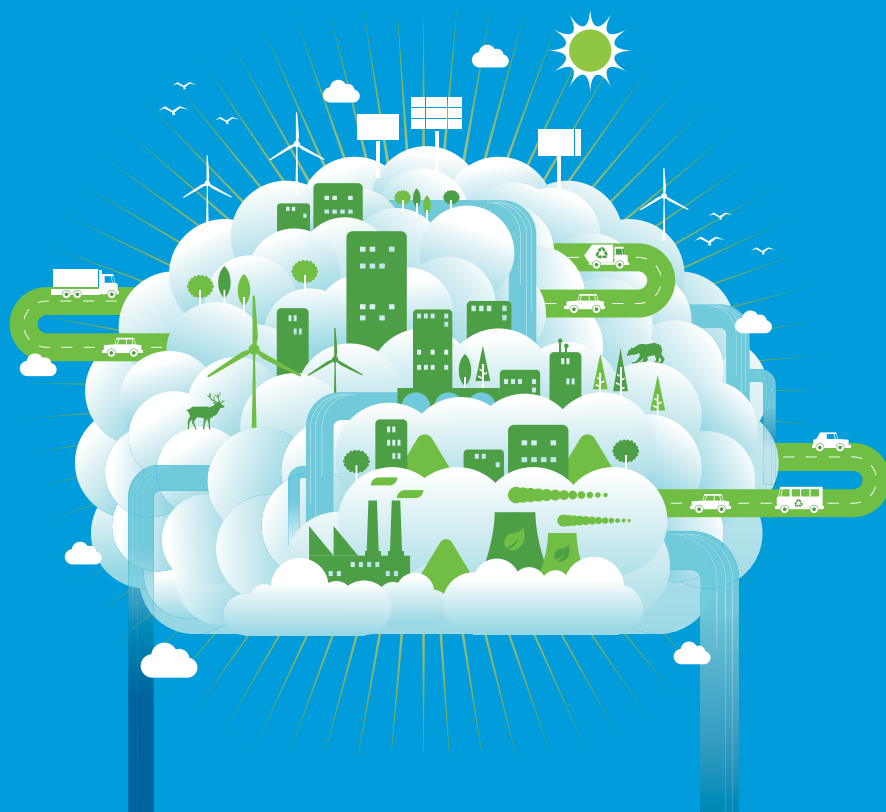
In order to ensure equitable distribution of the economic benefits of industrialization, a robust environmental and social framework must therefore be established. ISID aims to address the multidimensional causes of poverty, through creating shared prosperity, advancing economic competitiveness, and safeguarding the environment.

ISID ensures that:

- » Every country achieves a higher level of industrialization in their economies, and benefits from the globalization of markets for industrial goods and services;
- » No-one is left behind in benefiting from industrial growth, and prosperity is shared among women and men, urban and rural communities and large and small enterprises in all countries;
- » Broader economic and social growth is supported within an environmentally sustainable framework, so that industrial expansion does not jeopardize the well-being of future generations;
- » The unique knowledge and resources of all relevant development actors are combined, including those of the private sector and international financing institutions, to maximize the development impact of ISID.

The importance of industrial development for sustainable development was explicitly recognized by the United Nations General Assembly in their proposition concerning the Sustainable Development Goals (SDGs), which includes inclusive and sustainable industrialization as SDG-9, along with fostering innovation and building resilient infrastructure.

Goal 9 acknowledges that industry and industrialization are the main drivers of sustained economic growth, environmental sustainability and shared prosperity.



# THE REGIONAL CONTEXT

UNIDO's 29 Member States in the Asia and the Pacific (ASP) Region comprise a diverse group of countries which are classified as Least Developed Countries (LDCs), Land-Locked Developing Countries (LLDCs), Small Island Developing States (SIDS), Middle-Income Countries (MICs), and High Income Economies. UNIDO provides technical cooperation assistance to 27 countries in the region, which, encompasses almost 60% of the world's population (four billion people). Countries in this region are experiencing multi-pronged growth: in population, in economic development, in urbanization, in migration and—as a result of all the above—in energy demand. In addition, growth in these sectors necessitates increased demand for inputs in related areas, as well as an increase in access to natural resources required to improve manufacturing and production systems.

Urbanization, unemployment, climate change and pockets of extreme poverty continue to pose the region's major challenges. Asian urbanization in 2010 was 41%, and by 2050 it will have grown to 64%. Unemployment among young people aged 15-24 years remains a worrisome problem throughout the region. According to the International Labour Organization (ILO), the global youth unemployment rate



edged up to 13.2% in 2014 with increases projected in the three Asian regions and in the Middle East, partially offset by a projected decline in the Developed Economies and European Union region. The ASP Region’s vulnerability to climate change is arguably the single most important long-term challenge in competition for finite natural resources. Many countries in the region also face challenges in developing entrepreneurship, as they fall short in the quality and kind of education that promotes creativity and in the institutional arrangements supported by an ecosystem that fosters innovation and entrepreneurship.

**Components and enabling factors for ISID in the ASP Region**



In operationalizing ISID in Asia and the Pacific Region, UNIDO’s expertise and capacities are being applied through an integrated operational strategy. The graphic illustrates the components and enabling factors of ASP’s regional ISID approach. The measures consist of tailored programmes, including industrial policy analysis, support for building multi-stakeholder partner-ships, improving South-South cooperation, and strengthening partnerships with financial develop-ment institutions. These aim to create and maintain an enabling ISID atmosphere, focusing on the physical infrastructure for productive capacity while removing supply side constraints along the value chain through creation of established Special Economic Zones (SEZs) and industrial clusters. As illustrated in the graphic, the five factors/drivers are intended to create an enabling and facilitating environment in which the ISID approach can flourish.

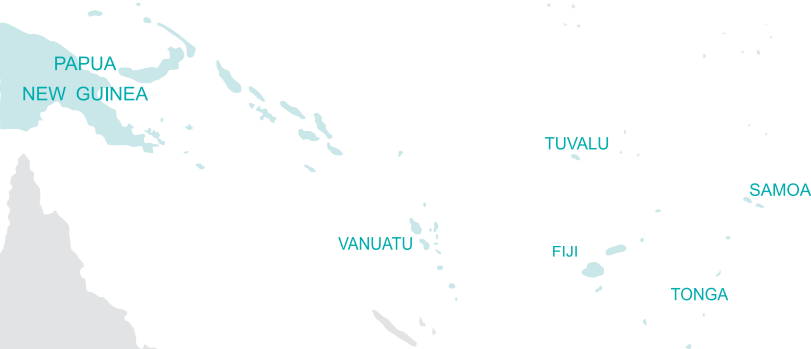
## Regional Country Groupings

Countries are grouped into four in the Asia and Pacific region:

- South Asian
- Southeast Asia
- Pacific Island
- Notheast and East Asia

**Table 1: UNIDO Member States in the Asia and Pacific- Sub-regional grouping**

<b>South Asia</b>	Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan, Sri Lanka.
<b>Southeast Asia</b>	Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Timor Leste, Viet Nam.
<b>Pacific Island Economies</b>	Fiji, Papua New Guinea, Samoa, Tonga, Tuvalu, Vanuatu.
<b>Northeast and East Asia</b>	China, DPR Korea, Japan, Mongolia and Republic of Korea.



The Asia and the Pacific Region is widely diverse but nevertheless faces many common development challenges. Of the 27 countries that receive UNIDO technical cooperation support in the region, 13 are Middle Income Countries (MICs) while the remaining 11 are Least Developed Countries (LDCs). Due to their geographic locations and degree of development, six of them—Fiji, Papua New Guinea, Samoa, Timor-Leste, Tuvalu and Vanuatu—are classified as Small Island Developing States (SIDS) and four—Afghanistan, Bhutan, Lao PDR and Nepal that are also LDCs—are Land-Locked Developing Countries (LLDCs). UNIDO gives careful consideration to diversity and unique physical and economic characteristics to facilitate design-specific development interventions for each group of countries. Its interventions help MICs to avoid the “middle income trap”, support LDCs to graduate out of this category, address SIDS’ environmental and economic challenges and assist LLDCs to develop their trade capacities and enter global value and supply chains.

**UNIDO engagement with LDCs:** Through its TC Programme, UNIDO assists 11 LDCs in the Asia and Pacific Region. Four of them—Afghanistan, Bhutan, Laos and Nepal—are also LLDCs, which exacerbates their situation as being land-locked is a hindrance to reaping the full benefits of international trade and global value and supply chains for these LDCs. Samoa, Timor-Leste, Tuvalu and Vanuatu are also SIDS and these Pacific island nations face additional challenges due to their remoteness and environmental degradation and their weak productive capacity, limited resources and small domestic markets.

As effective means to address these challenges, the strengthening of agro, industrial, manufacturing and trade capacities remain the foremost LDC development priorities in the ASP Region. Here UNIDO plays a pivotal role, stimulating South-South cooperation and using its comparative advantage to build relevant productive capacities. Towards this end, UNIDO has pursued partnerships with development financial institutions, the private sector and other organizations.

**UNIDO’s engagement with Middle-Income Countries (MICs):** Asia is increasingly becoming a middle income region and 13 ASP countries now fall into the MIC category where they collectively account for 77% of Asia’s 2015 population and 51% of the region’s GDP. The outcome declaration of the 2013 MICs Conference held in Costa Rica acknowledged UNIDO’s important contribution to the MICs’ emergence. It also reflected the need to enhance development efforts, including strengthening of existing platforms and networks within UNIDO’s development framework. The conference requested UNIDO to forge links between industrial development and finance to accelerate MICs’ development and these efforts are continuing. A number of bilateral trade agreements have been signed, improving partnerships and growing South-South trade in the region. This has led to economic growth and human development, increased regional integration and connectivity.

**UNIDO’s engagement with LLDCs:** UNIDO continues to assist LLDCs through its TC programmes that facilitate trade and contribute to structural transformation. In the Asia and Pacific Region, UNIDO assists five LLDCs (i.e. Afghanistan, Bhutan, Lao PDR, Mongolia and Nepal) that are also LDCs except Mongolia. UNIDO participated at the Second United Nations Conference on Landlocked Developing Countries (LLDCs) held from 3-5 November 2014 in Vienna, Austria and its development cooperation now helps all LLDCs to put into practice the priorities of Vienna Programme of Action, where UNIDO’s mandate and expertise provides technical cooperation services.

**UNIDO’s engagement with SIDS:** UNIDO is engaged in development cooperation with the ASP’s six Pacific Island Countries: Fiji, Papua New Guinea, Samoa, Timor-Leste, Tuvalu and Vanuatu and contributed to the Third International Conference on Small Island Developing States held in Apia, Samoa, from 1-4 September 2014 through the following four side events:

- The SIDS DOCK-UNIDO Partnership in Support of SE4All<sup>1</sup>;
- Inclusive and Sustainable Solutions for Youth Employment in SIDS;

<sup>1</sup> SIDS-DOCK: A mechanism to help Small Island Developing States (SIDS) develop low carbon economies that generate the financial resources to invest in climate change adaptation; SE4ALL is a UN initiative for sustainable energy for all.

- Inclusive Value Chains for Livelihoods, Trade and Food Security: The Case of Small-Scale Fisheries and Aquaculture Industry in Small Island Developing States; and
- Enhancing Competitiveness in SIDS: Challenges and Opportunities.

A Memorandum of Understanding was signed on 17 March 2014 by UNIDO, the Government of Austria and SIDS DOCK to assist SIDS in the Caribbean, Pacific, the Africa Region and the Indian Ocean with the establishment of regional sustainable energy centres. The network was officially launched at the UN Third International Conference on SIDS in Samoa in September 2014. UNIDO is developing a regional programme with the participation of Fiji, Vanuatu and Samoa, addressing energy, fisheries, agri-business and the bamboo sector. To execute and implement this project, UNIDO will work closely with the Secretariat of the Pacific Community (SPC), and the Pacific Islands Forum Fisheries Agency (FFA).

**UNIDO's Regional Partner Associations.** UNIDO continually strives to strengthen and expand its networks, building partnerships with regional organizations in the highly diverse ASP Region, augmenting its engagement with such partners as the Association of Southeast Asian Nations (ASEAN)<sup>2</sup>, the South Asia Association for Regional Cooperation (SAARC)<sup>3</sup>, the Pacific Island Forum (PIF)<sup>4</sup>, the Economic Cooperation Organization (ECO)<sup>5</sup>, the Shanghai Cooperation Organization (SCO)<sup>6</sup> and, since 2015, the D-8, group of countries<sup>7</sup>. UNIDO continues to partner with ASEAN and, in 2014, co-organized the 7th ASEAN+3 Leadership Programme to build policy makers' capacity around Sustainable Production and Consumption (SPC).

UNIDO also cooperates with the Pacific Island Forum (PIF) and is particularly keen to support small-scale businesses in the agro-industries, including the fisheries industry across the wider Atlantic, Caribbean, Indian Ocean and Pacific SIDS sub-regions, particularly where such initiatives support female and youth empowerment. Regional projects are under discussion in this regard.

A technical assistance agreement was signed in March 2014 between UNIDO and ECO to strengthen cooperation the ASP Region. The aim is to foster good governance and sustainability through the development of ECO Member States' guidelines for formulating National Quality Policies.

## Asia and the Pacific Regional Development Priorities

Many Asian countries experienced an average five percent or higher growth rate during the last three decades (i.e. since 1981), thus catalyzing rapid urbanization and intense competition for natural resources. This, in its turn, led to burgeoning environmental challenges and, even more importantly, an increasing imbalance in national income and wealth distribution. In order to address these challenges, national development plans within the ASP Region reflect the development priorities summarized in the following text table.

<sup>2</sup> ASEAN Member States—Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam—are UNIDO Member States and receiving UNIDO TC services (only Brunei and Singapore are not ASEAN Member States.)

<sup>3</sup> SAARC: All eight Member States—Afghanistan, Bangladesh, Bhutan, Burma, India, the Maldives, Nepal and Sri Lanka—are UNIDO Member States and Technical Cooperation recipient countries.

<sup>4</sup> PIF: Of 14 Member States, six Pacific Island countries—Fiji, Papua New Guinea, Samoa, Timor-Leste, Tuvalu and Vanuatu—are UNIDO Member States.

<sup>5</sup> ECO: Of the ten Member States, three—Afghanistan, Iran and Pakistan—belong to UNIDO's ASP Region.

<sup>6</sup> SCO: Member States are China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, all of whom are also UNIDO Member States.

<sup>7</sup> D-8 (i.e. "Developing-8") Member States of the Organization for Economic Cooperation, foster development cooperation among the following countries: Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

<b>Ten Development Priorities in the Asia and Pacific Region aligning with the post-2015 development framework</b>	
•	Poverty reduction--a key component
•	Inclusive development processes
•	Human development, education and job creation
•	Sustainable use of natural resources
•	Sustainable expansion of agriculture and agro-industry development
•	Entrepreneurship, investment, innovation and technological development
•	Industrial competitiveness and trade expansion
•	Private sector and partnership development
•	Regional integration, cooperation and connectivity
•	Good governance, accountability and strengthened institutional capacity

As mentioned, UNIDO fosters development cooperation in the region through its ongoing TC projects that aim to realize the above-listed long-term goals.

## UNIDO FIELD OFFICES IN THE ASP REGION

Through its regional bureaus, UNIDO provides support to its field offices to increase the Organization's regional visibility (see map). Asia and the Pacific has the densest field network of all of UNIDO's five regions and includes three regional offices, five country offices, four desk offices and one focal point. As for the region's Pacific Island Countries with no on-site UNIDO representation, they are covered by the ASP Regional Bureau at Headquarters in Vienna. In addition, the UNIDO field network in the region includes 14 Resource Efficient and Cleaner Production Centres (RECPs), four Investment and Technology Promotion Offices (ITPOs) and two South-South Cooperation Centres as listed in the following table.

### UNIDO field offices

Country	Investment and Technology Promotion Offices (ITPOs) (4)	Resource Efficient and Cleaner Production Centers (RECP) (14)	South-South Industrial Cooperation Centres (2)
<b>China Regional Office</b>	Beijing (China)	Manila (Philippines)	China
<b>India Regional Office</b>	Shanghai (China)	Phnom Penh (Cambodia)	India
<b>Iran Country Office</b>	Seoul (Rep. of Korea)	Beijing (China)	
<b>Indonesia Country Office</b>	Tokyo (Japan)	India (4 Centers)	
<b>Thailand Regional Office</b>		Bandung (Indonesia)	
<b>Pakistan Country Office</b>		Seoul (Rep. of Korea)	
<b>Philippines Country Office</b>		Vientiane (Lao PDR)	
<b>Viet Nam Country Office</b>		Yangon (Myanmar)	
<b>Afghanistan Desk Office</b>		Rawalpindi (Pakistan)	
<b>Bangladesh Desk Office</b>		Colombo (Sri Lanka)	
<b>Cambodia Desk Office</b>		Hanoi (Viet Nam)	
<b>Lao PDR Desk Office</b>			
<b>Sri Lanka Focal Point</b>			



The ASP Regional Bureau analyzes and processes country requests, identifies and develops technical cooperation projects in response to the needs of specific countries and mobilizes support to implement integrated, holistic development programmes. It also initiates Global Forum activities as a platform to discuss industrial trends, conduct awareness-raising and advocacy activities and provide guidance in the development of future strategies and partner-donor outreach. These efforts have led to building synergies to maximize impact and effectiveness in the region.

**Investment and Technology Promotion Offices (ITPOs).** Four UNIDO-specific ITPOs—in Beijing and Shanghai (China), Seoul (Republic of Korea) and Tokyo (Japan)—have helped reduce development imbalances by brokering investment and technology agreements between developed and developing countries, as well as with countries that have economies in transition. In addition, the two China-based ITPOs organized a number of events during the 2013-2014 biennium to promote domestic and foreign investment. The ITPO in the Republic of Korea also promoted cooperation between UNIDO and the private sector, as well as other institutional partners.

**UNIDO's Resource Efficient and Cleaner Production Centers (RECPs):** As of 2015 there were 14 affiliated RECP centers in 11 countries. RECPs build upon the cleaner production principle in accelerating the application of preventive environmental strategies to processes, products and services in order to increase efficiency and reduce risks to humans and the environment. RECPs address the three sustainability dimensions—production efficiency, environmental management and human development—both individually and synergistically.

**UNIDO's South-South Cooperation Centers in China and India:** The UCSSIC China and ICISID India, as collaborative ventures between the host countries and UNIDO—contribute to the industrial development and economic growth of developing countries by mobilizing the technical, financial, managerial and other resources required for projects and programmes. These are imbedded within the framework of South-South cooperation and encompass technology transfer, capacity building, best practice exchange and knowledge sharing to promote South-based solutions and implement the ISID strategy.

## UNIDO and its Donors

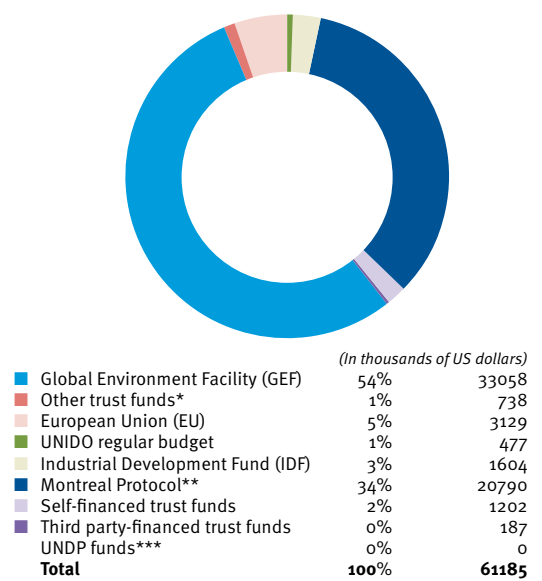
UNIDO continues to receive financial support from donor countries and institutions and to strengthen its cooperation with its development partners. The major development funding **countries** are: Austria, China, Finland, India, Italy, Japan, the Republic of Korea, Norway, Switzerland and the United States. The major development funding **institutions** are: the World Bank (WB), the Asian Development Bank (ADB), the European Union (EU), the Global Environment Facility (GEF) and Montreal Protocol (MP).

The region includes some of the fastest growing and emerging economies in the world; these Member States—China, the Republic of Korea, India, Indonesia, Malaysia and Thailand—increasingly contribute to financing UNIDO's development assistance programmes.

The following graphic, which shows the funding sources for UNIDO's TC activities in 2014, reveals that more than half (54%) of the value of net project approvals for ASP Region in 2014 came from GEF funds and 34% from the Montreal Protocol.

UNIDO-GEF projects were being implemented in 14 countries in the region. The portfolio is being further enhanced through the work of the Montreal Protocol Branch, which offers technical assistance

Technical cooperation activities: value of net project approvals in 2014 by funding source



\* Includes projects/grants financed from other United Nations agencies and funds, One United Nations funds, Spain MDG Achievement Fund, Common Fund for Commodities (CFC)

\*\* For the Montreal Protocol, the revisions shown in parentheses reflect the Montreal Protocol's splitting of existing grants into tranches of new, smaller grants, with no impact for net

\*\*\* Combines all UNDP funds, excluding UNDP funded GEF. Revisions shown in parentheses reflect value decrease at budget revision, after project and grant closure.

and institutional support for management and destruction of Ozone Depleting Substances (ODS) in economies in transition. Recently the Green Climate Fund (GCF) and UNIDO agreed to develop areas for joint programme development based on GCF's priorities. In general, donor priorities mirror the MDGs and UNIDO's ISID mandate. UNIDO's interventions to foster inclusive development, economic competitiveness and environmental sustainability reflect these priorities, which are shared by donors and recipients alike.

## TECHNICAL COOPERATION IN THE ASIA AND PACIFIC REGION

**Overview.** UNIDO's ISID strategy promotes partnering with relevant bodies and institutions to synergize its development cooperation. The programmatic approach is two-pronged:

- 1) TC at the country and regional level and;
- 2) Global Forum activities.

Rather than a "one size fits all" approach, UNIDO's situation-specific development interventions promote cost effectiveness and strengthen impact. The following table gives an overview of the TC Projects (both ongoing and projects under preparation) for Asia and the Pacific Region.

### Overview of Asia-Pacific TC projects as of mid-2014

Country	TC Ongoing-projects Value (USD in Millions)		Areas of TC –ongoing projects						TC Pipeline Value (USD in Millions)	
	No.		Agr.	SME	Env.	Energy	TCB	MP	No.	
<b>Afghanistan*</b>									2	10.7
<b>Bangladesh*</b>	4	24.3			X	X	X		5	16.7
<b>Bhutan*</b>	2				X	X	X		1	
<b>Cambodia</b>	11	7.4	X		X	X	X		4	7.6
<b>China</b>	50	217.7	X		X	X	X	X	15	98.7
<b>DPRK</b>	5	0.27			X	X			1	11.3
<b>India</b>	7	38.8			X	X	X		5	25.7
<b>Indonesia</b>	13	32.8	X		X	X	X	X	15	38.8
<b>Iran</b>	11	28.2	X	X		X	X	X	4	25.0
<b>Lao PDR *</b>	9	9.4			X	X	X	X	6	11.1
<b>Nepal*</b>	4				X	X	X		2	11.5
<b>Malaysia</b>	6	9.9			X	X	X		4	5.0
<b>Maldives</b>	2				X	X			1	
<b>Mongolia</b>	5	7.5			X	X			3	4.5
<b>Myanmar*</b>	6	8.6			X	X	X		8	11.8
<b>Pakistan</b>	9	15.9	X	X	X	X	X		9	7.0
<b>Philippines</b>	7	11.2			X	X		X	9	43.0
<b>Sri Lanka</b>	6	9.8	X		X	X	X		3	
<b>Thailand</b>	8	19.3			X	X			4	18.0
<b>Vietnam</b>	14	30.7	X	X	X	X	X		11	22.7
<b>Total</b>	<b>179 projects</b>	<b>472 Million</b>							<b>112 Projects</b>	<b>369 Million</b>

\* LDCs; TC data source: UR Progress Reports as of 30 October 2014;

As of mid-2014, the TC programme in Asia and the Pacific covered 20 countries and comprised 179 ongoing projects as presented above. The project areas covered were: 1) Agro-industries and processing; SME development (i.e. skills upgrading, technology and investment promotion); 2) Environment (i.e. cleaner production systems, in response to the 2001 Stockholm Convention on Persistent Organic Pollutants (POPs) and the 2007-updated Montreal Protocol on Substances that Deplete the Ozone Layer); Energy (i.e. renewables and energy efficiency); and 4) Trade capacity building (i.e. supply side constraints and building quality infrastructure, metrology and accreditation). Responding to the region's priority development needs, the highest number of TC projects was in the areas of Energy, Environment and Trade Capacity Building. The majority (79%) of TC expenditure was in the area of Environment and Energy, as illustrated in the graphic at right.

As of mid-2014, UNIDO was developing 112 "pipeline" technical cooperation projects in the region, in addition to the 179 ongoing TC projects. These are in different stages of preparation and part of a long-term planning exercise that will be synthesized into new Country Programmes as requested by the selected Member States in the region.

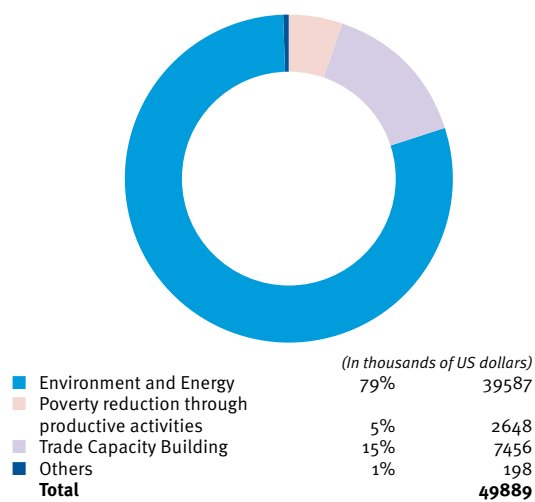
**Middle Income Countries (MICs).** UNIDO's services in terms of technology transfer, technical expertise and capacity building constitute vital positive contributions to these countries' development efforts. The MICs' priorities include building competitiveness, trade-related assistance and sustainable energy.

**Least Developed Countries (LDCs).** Projects for seven of Asia and the Pacific's eleven LDCs—Bangladesh, Bhutan, Cambodia, the Lao People's Democratic Republic (Laos), Myanmar, Nepal and Timor-Leste – provide assistance in the areas of agri-business, cluster development, private sector development, trade-related technical assistance, industrial policies and statistics, renewable energy and cleaner production systems.

UNIDO's Technical Cooperation with the Asia and Pacific Region's LDCs also features programmes for social inclusion, economic development and environmental sustainability. Of the 11 LDCs in the ASP region, seven benefitted from UNIDO's TC service from 2012 to 2014. These services were concentrated in the following areas:

- Trade Capacity Building: Fisheries sector;
- Renewable energy: Biomass and solar;
- "Cluster": Leather and leather goods sector;
- Agribusiness: bamboo sector;
- BAT/BEP (i.e. Best Available Techniques / Best Environmental Practices);
- POPs removal;
- Industrial Policy and Statistics; and
- Private sector development

**Expenditure on TC activities in the ASP region in 2014 by thematic areas**



Source: UNIDO Annual Report 2014

UNIDO Technical Cooperation also includes regional and inter-regional programmes and projects. Priority action areas under this regional approach generally include: peer review and coordination mechanisms, regional infrastructure programs, adoption of common practices for environmental norms, improved market access and strengthened market presence, accelerated progress on improving education and training and harmonization of policies, procedures and standards setting.

UNIDO's Technical Cooperation Programme from the Asia and Pacific Perspective					
Improving competitiveness for diversification and growth	Promoting the regions as an investment target through joint commitments to macro-stability and lowered country-risk	Creating greater weight in international negotiations through more effective collective bargaining in world forums	Contributing to peace and security through joint commitment to promoting cooperation and preventing/resolving conflicts	Resolving public goods issues that involve externalities	Promoting South-South Cooperation

**Selected ongoing ASP regional projects:** ASP's prioritized regional projects, formulated and implemented with the above objectives in mind, include the following:

- The Post-Harvest Survey in ASEAN countries;
- Market access and trade facilitation support for South Asian LDCs in SAARC countries (i.e. Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka);
- Trade capacity building in Mekong Delta countries (i.e. Cambodia, Lao People's Democratic Republic);
- Pathways to Green Industries in ASEAN countries: UNIDO/ERIA/IDE-JETRO<sup>8</sup> Joint Research Project;
- UNIDO-ASEAN Joint Expert Group Meeting on Upscaling Resource Efficient and Cleaner Production (RECP); and
- Demonstration of Best Available Techniques and Best Environmental Practices (BAT/BEP) in fossil-fuel fired utilities and industrial boilers in response to the Stockholm Convention on POPs in ASEAN countries.

#### Selected pipeline regional projects:

- Two current regional projects entitled, "The New Silk Road Economic Belt (NSREB)", and "Maritime and Continental Silk Road (MCSR)" aim to strengthen economic development through more effective regional integration, and
- The Bangladesh-China-India-Myanmar "Economic Corridor" uses an ISID focus to develop industrial parks and target increased UNIDO technical cooperation C in ASP Member States.

Through 3ADI<sup>9</sup>, UNIDO is spearheading a project in the Pacific Island Countries (PICs) to develop the "African, Caribbean and Pacific (ACP) fisheries value chain". Its aim is to strengthen the productive capacities of small businesses and improve marketing linkages in regional fisheries value chains, so as to enhance food security and create jobs in the PICs.

<sup>8</sup> Economic Research Institute for ASEAN and East Asia (ERIA); Institute of Developing Economies and Japan External Trade Organization (IDE-JETRO);

<sup>9</sup> The 3-ADI initiative aims at accelerating the development of the agribusiness and agro-industries to ensure value-addition to agricultural products. The three lead agencies—Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD) and the United Nations Industrial Development Organization (UNIDO)—join forces to support a well-coordinated effort to enhance development impacts.



## Advocacy initiatives

ISID—“inclusive and sustainable industrial development”—is UNIDO’s new mandate and programmatic direction since its introduction in 2013. Effective region-wide advocacy campaigns were launched during the 2013-2014 Biennium to promote ISID. These included UNIDO’s high-profile participation in, and contribution to, major international conferences, as well as “on the ground” workshops held in the ASP Region and high-level missions headed by UNIDO’s Director General to countries in the region. At the field level, the ISID campaign carried out by ASP regional and country offices enhanced UNIDO’s image and strengthened relationships with the region’s Member States.

As a result of these initiatives, a number of institutional arrangements have been developed between UNIDO and partners. During 2013-2014, UNIDO signed 16 partnership agreements to promote development cooperation within the region. These agreements and Memoranda of Understanding (MoUs) strengthened cooperation in the areas of energy, the environment, resource mobilization and investment promotion, trade capacity building, SMEs and entrepreneurship, inclusive development and green industry.

## Global Forum activities

The Asia and Pacific Region’s 2013-2014 ISID campaign was showcased in the following countries: Bangladesh, Cambodia, China, India, Indonesia, Lao PDR, Myanmar, Nepal, Pakistan, Thailand, and Viet Nam. ASP Field Offices also organized workshops, seminars and discussions with national stakeholders to incorporate ISID’s vision as an integral part of the Post-2015 Development Agenda.

The following Global Forum activities (listed in chronological order) hosted/participated by UNIDO in 2013-2015 in conjunction with development partners:



UNIDO co-hosted the 2013 Green Industry conference in Guangzhou, China.

- April 2013 and April 2014: Shanghai Tech Fair, including two UNIDO “Information Days”;
- September 2013 and September 2014: Eurasia Expo in Urumqi, China;
- September 2013 and September 2014: Xiamen Investment Fair;
- November 2013: Green Industry Conference in Guangzhou, China;
- September 2014: Small Island Developing States (SIDS) Conference, which produced “The Samoa Pathway 2014” as a concluding Declaration;
- June 2014: G77 Ministerial Meeting held in Bolivia;
- June and November 2014: Two ISID Forums held in 2014 in Vienna, attended by high-level government officials from Afghanistan, Sri Lanka, Bangladesh, Nepal, China, the Republic of Korea and Japan;
- November 2014: LLDC Conference, convened in Vienna, Austria, highlighted the importance of “inclusive and sustainable industrial development”— ISID—and UNIDO’s role in achieving it. and
- January 2015: “Partnerships for Shared New Realities” Summit in Jaipur, Rajasthan India.

## Cross-cutting issues

**UNIDO's South-South and Triangular Industrial Cooperation (SSTIC):** South-South Cooperation—as a complement to North-South Cooperation—is vital, particularly with regard to technical assistance, best practice sharing, productive capacity building, infrastructure, energy, science and technology, trade, investment and transit transportation. Just a few examples below:

- **South-South Centres:** UNIDO's Centre for South-South Cooperation in **China** and its International Centre for ISID in **India** have successfully implemented projects in a number of Asian countries.
- **SIDS Energy Centres:** In September 2014, UNIDO contributed to the launch of a South-South network of regional sustainable energy centers for SIDS in Africa, the Pacific, the Caribbean and the Indian Ocean.
- **Environmental Protection:** One specific example of South-South cooperation was an international workshop on plastics recycling organized in Bursa, Turkey in September 2014 in which Myanmar and Viet Nam participated.

**UNIDO's Post-conflict Technical Assistance:** UNIDO assisted four ASP countries—Afghanistan, Indonesia, Pakistan and Sri Lanka—that were labouring under post-conflict burdens. Projects aimed at strengthening national development efforts were aligned with post-conflict peace-building activities and focused on: 1) agro-industry development, including vocational skills training; 2) private sector development; 3) trade capacity building; 4) investment promotion and 5) environmental management.

In 2012-2014 the total for all ASP post-conflict projects amounted to US\$ 7.8 million. All of these projects featured a strong focus on women as targeted beneficiaries of economic opportunities in areas such as food processing, traditional handicrafts, embroidery and agro processing.

Overall, UNIDO's interventions in post-crisis situations, as per the Independent Thematic Evaluation Report, entitled "UNIDO Post-Crisis Interventions", indicated that the results achieved were effective and exceeded expectations, generating increased incomes for beneficiaries, greater awareness of SME development among local leaders, and improvements in sustainable livelihoods.

## Country project highlights in 2013-2014

### 1. Focus on Trade Capacity Building and SME Development.

Below are selected ASP country examples in this realm—one of UNIDO's three thematic areas for industrial development.



Bangladesh-Fish processing for export

**Bangladesh:** A series of UNIDO-supported trade facilitation projects are helping Bangladesh improve its competitiveness and access to international markets by ensuring that domestic products comply with international standards. The Better Work and Standards (BEST) project has achieved several tangible results to date: strengthening the National Quality Infrastructure; establishing the Bangladesh Accreditation Board (BAB) for product testing, medical testing and calibration laboratories; and creating the National Metrology Laboratory. The Bangladesh Standards and Testing Institution has acquired international accreditation for its management systems certification service and for testing laboratories and developing online services. New legislation, regulations and rules (e.g. fishery

exports), as well as improvements in control, testing, self-regulation and internal quality controls, have resulted in improved access to the major EU and US markets.

**Pakistan:** In 2014, UNIDO helped set up an investment promotion unit in Lahore to improve services for Pakistan's business sector. Financed by the Italian Development Cooperation and implemented by UNIDO, the project helps Pakistan to increase its number of industrial projects through business-oriented cooperation with foreign partners, in particular with Italy. Results achieved during 2013-2014 included visits to 56 Pakistani companies to collect information and assess their need for technology upgrading and foreign collaboration, the training of staff in counterpart institutions and reciprocal visits between Italy and Pakistan. The project identified 28 investment opportunities and helped local small and medium-sized enterprises (SMEs) to shape investment opportunities.

In 2013 UNIDO assisted Pakistani mango producers in accessing international retail markets through improved compliance with EU retailers' requirements in the Netherlands, France and the UK under an EU-funded, trade-related technical assistance programme. As a result, retailer partnerships for mangoes were established between Pakistani mango producers and EU markets.

## 2. Collaborating with the private sector, developing partnerships

**Cambodia:** In 2012 UNIDO launched a project in cooperation with the Korea International Cooperation Agency (KOICA) and Samsung Electronics that aims to provide employment and business opportunities for Cambodian youth and generally improve domestic e-waste management skills, knowledge and practices. By 2015, the project had already trained more than 60 local trainers as part of the capacity building strategy and 191 unemployed youths from five pilot provinces. It had built capacities on installation and repair skills for five priority products (i.e. mobile phones, air conditioners, televisions, refrigerators and washing machines). UNIDO has also developed local entrepreneurial and institutional capacities to create additional jobs and business opportunities.



Cambodian youth is introduced to state-of-the art repair and installation techniques of electronic products by Samsung experts

**Malaysia:** Through a TC project, UNIDO in Malaysia is working with the local offshoot of Japan's largest retail network, AEON, to implement the Sustainable Supplier Network Development Programme (SSDP). The project established a public-private partnership to increase safe and sustainable sourcing and business linkages between suppliers in Malaysia and Japanese retailers.

## 3. Development cooperation for Environmental Protection

**China:** The project "Environmentally Sound Management and Disposal of Obsolete POPs Pesticides and other POPs Wastes in China" is ongoing. The mid-term evaluation was completed in 2013. As a result of the implementation of the project, 5,000 tonnes POPs pesticides have been disposed of in an environmentally sound manner and approximately 3.25 g TEQ dioxins emissions were avoided. Also, two cement kilns have been upgraded for co-processing of POPs pesticides and a technical investigation and assessment has been carried out for the new mobile POPs disposal technologies.



Former Minister of Environment and Forestry Republic Indonesia, HE Mr. Balthasar Kambuaya signed the updated NIP on 8 October 2014.

**Indonesia:** In Indonesia, the umbrella project to phase-out HCFC-141b from the manufacturing of rigid PU foam at Isotech Jaya Makmur, Airtekindo, SinarLenteraKencana and Mayer Jaya, was



initiated in 2013 and has been under consultation with stakeholders in 2014-2015. The project “Enabling Activities to Review and Update the National Implementation Plan for the Stockholm Convention on Persistent Organic Pollutants in Indonesia” was funded by the GEF and implemented in cooperation with Indonesian Ministry of Environment and Forestry. The project continues to strengthen national capacity through various trainings and other capacity-building activities. The National Implementation Plan 2015-2019 (NIP) for Indonesia has been updated, signed by the Minister and endorsed by the Government of the Republic of Indonesia.

#### 4. Programmes for inclusive development



**Iran:** The ongoing project, “Sustainable Livelihoods Programme: Footwear Sector”, consists of the development of the Mashhad Footwear Cluster, including more than 3,500 footwear production firms, of which 900 firms are managed/owned by Afghan people. Also the footwear cluster in Mashhad employs 15,000 people of which 4,000 are of Afghan origin.

The project will also be carried out in the Herat province, building linkages with the footwear sector in Mashhad. The project directly responds to the UNHCR’s objective to enhance Afghans livelihood in Iran and Afghanistan, through business development.



Promoting good CSR practices in Vietnamese SMEs

**Viet Nam:** In Viet Nam, an ongoing project to “strengthen the supply capacity of the fruits and vegetable sector” by applying proper technologies along the value chain led to improved skills and knowledge for enterprises, collectors and smallholders on good vegetable management practice under the VietGAP (Good Agricultural Practice) standard, as well as post-harvest technology, management of vegetable production chain, improved organizational structure and management of post-harvest operations to reach a critical production capacity. Through the project “Promotion of Corporate Social Responsibility (CSR) among Vietnamese Small and Medium-sized Enterprises (SMEs) for Sustainable Consumption and Production (SCP)”, UNIDO implemented various activities including

communication and advocacy highlighting good CSR practices for Vietnamese SMEs and illustrating their business case; multi-stakeholder dialogues (CSR Calendar Forums) providing platforms to obtain a better understanding of core CSR subjects; SCP recommendations and suggestions provided for CSR promotion through national and other relevant policy initiatives.

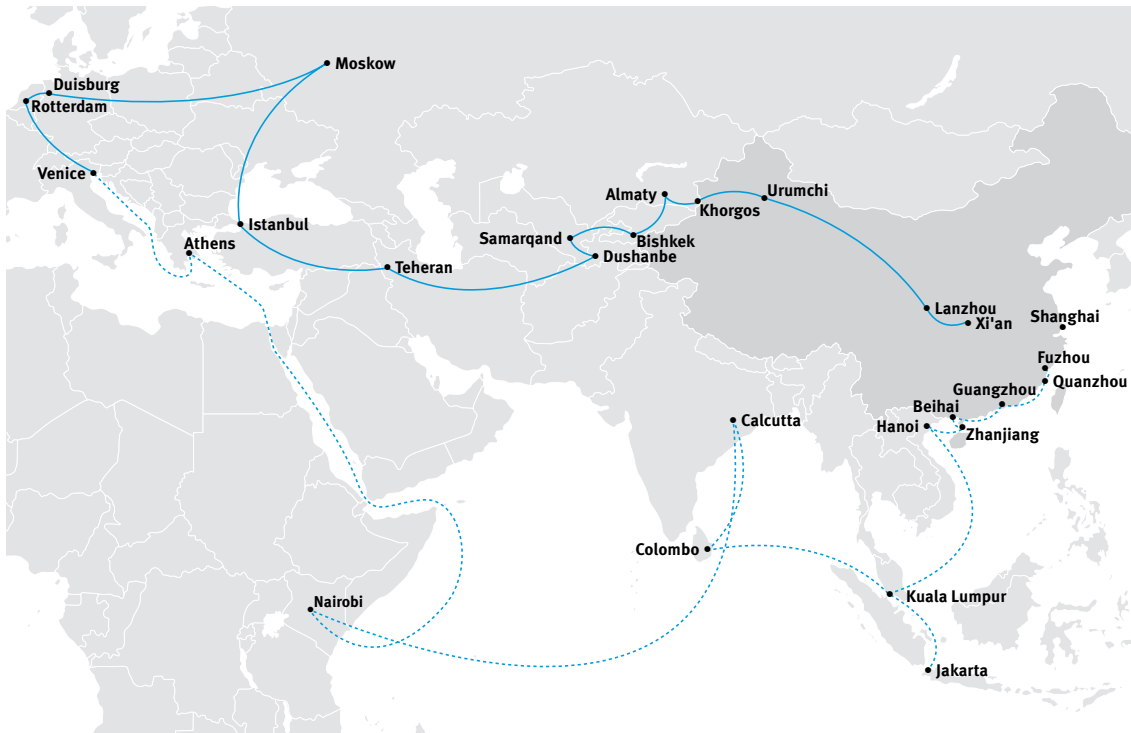
## Project highlights and achievements: ASP Regional projects in 2013-2014

**1. “Demonstration of BAT/BEP in Fossil Fuel-fired Utility and Industrial Boilers in Response to the Stockholm Convention on POPs”.** This project covered Cambodia, Indonesia, Lao PDR, Mongolia, the Philippines and Thailand and has been positively evaluated. The overall objective was to reduce and eliminate unintentionally produced POPs (UP-POPs) releases. The project enhanced guidelines and guidance on BAT/BEP for fossil fuel-fired utility and industrial boilers by addressing specific industry features, common practices in the region and related socioeconomic issues.



**2. “Promoting ISID along the Maritime and Continental Silk Road”.** This ongoing regional project is focused on awareness raising and capacity building, facilitation of private sector development using the Public-Private Partnership (PPP) mechanism and various regional cooperation activities. Environmentally sound economic development will be accelerated, leading to higher living standards. Countries from the region involved in the project are China, Indonesia, Japan, Republic of Korea Malaysia, Mongolia, Singapore, and Sri Lanka. The project’s results are expected to promote more cohesive regional trade networks, enhanced regional connections and better integration to promote economic cooperation, industrial upgrading and integration, as well as capacity building for developing knowledge-based economies.

### Maritime and Continental Silk Road



**3. “Trade Capacity Building in the Mekong Delta-Phase III”.** This ongoing regional project (including Lao PDR) is strengthening institutional and national capacities in Laos related to standards, metrology, testing and quality (SMTQ). As part of the project implementation, standards are being translated, new products identified, a library has been set up and necessary equipment installed and the Food Chemistry section of the Food and Drug Quality Control Center (FQDCC) upgraded.

# UNIDO AND ITS ENGAGEMENT WITH THE UN SYSTEM AT THE FIELD LEVEL



The One Plan for 2012-2016 represents a significant pillar of the Delivering as One Initiative in Viet Nam and demonstrates the commitment of UN agencies including UNIDO to continue to ‘deliver as one’ to benefit the people of Viet Nam.

UNIDO field offices in the Asia and the Pacific Region are actively engaged in promoting cooperation with UNCTS and the UN System-Wide Coherence.

**UN Development Assistance Frameworks (UNDAFs):** As of 2015, ten such UNDAFs were ongoing in the Asia and Pacific Region. UNIDO was involved in **United Nations Country Team (UNCT)** activities and its **Country Offices (COs)** contributed on a regular basis. New UNDAFs are being developed in four additional countries in the region—Afghanistan, Bangladesh, Cambodia and Lao PDR—while UNDAF Outcomes are being realized in Bhutan, the Maldives, Myanmar and Nepal.

**Joint UN Programmes/Initiatives:** As of 2015, there were nine Joint UN Programmes in the ASP Region, as well as three Joint Initiatives in India. The UN Trade Cluster Programme in Laos involved the International Labour Organization (ILO), the International Trade Center (ITC), the UN Conference on Trade and Development (UNCTAD) and UNIDO. The joint programmes promote UNIDO’s mandate and gives it visibility among stakeholders and other UN agencies for effective development cooperation.

**Pakistan:** Formulation of Pakistan’s Joint Programme on “Socio-economic Inclusion of Youth in FATA’s Promoting Peace” was led by UNIDO. This programme was developed upon request from the Secretariat of Pakistan’s Federally Administered Tribal Areas (FATA), jointly with five other UN Agencies.

**UNIDO as lead agency:** In October 2014, UNIDO was designated as lead agency in northeast India where a joint initiative was formulated together with FAO, IFAD, ILO and UNDP. UNIDO drafted the programme in Mizoram around common concerns of ecosystem management, addressing the related local issues of livelihood and gender mainstreaming.

**Philippines:** The UNIDO Country Office has been actively involved since 2013 in UN-wide discussions around the Post-2015 Development Agenda. The programmatic approach in the Autonomous Region of Muslims Mindanao (ARMM) Regional Government (ARG) will capitalize on possible synergies with other UN agencies such as FAO, ILO, UNOPS, WFP and UNDP.

**Thailand:** UNIDO collaborated on the UN Joint Programme on “Integrated Livelihood Development in Mae Hong Son” that was launched in 2009. UNIDO’s outputs were achieved in early 2014, thereby concluding its implementation.

**Viet Nam:** UNIDO has participated actively in the formulation of joint programming with UN System organizations, such as: UNDP, FAO, IOM, UNESCO, UNICEF, UNV, UNWOMEN and UNFPA. UNIDO contributed to the joint programming on technical assistance to Ministry of Industry and Trade (MOIT) on the steel sector.

**Indonesia:** UNIDO and ILO were joint partners in the “Sustainable Livelihoods Project”, which was independently evaluated and assessed. The evaluation produced positive results, especially regarding women as targeted beneficiaries from their engagement in wealth-creating activities.

## UNIDO HIGH-LEVEL MISSIONS 2013-2015

The UNIDO Director General’s Missions in the Asia and Pacific Region in 2013-2014 were as follows: UNIDO’s Director General visited China, India, Indonesia, Japan, the Republic of Korea, Pakistan, Sri Lanka and Thailand, during the period 2013-2015. These high-level missions provided invaluable opportunities to strengthen engagement and partnerships with Member States, public and private sector institutions, industry associations and Development Financial Institutions (DFIs).

The DG had meetings with national counterparts and institutions, UNCTs, and national development agencies. As a result, UNIDO’s ISID approach, as well its specialized role in promoting inclusive and sustainable development across the region, has been well received by its Member States. These missions served to revitalize partnerships, improve resource mobilization and promote collaboration; they also led to further joint programming initiatives and enhanced support for UNIDO’s development cooperation activities in the region and beyond.

The DG visited China in November 2013, meeting with XI Jinping, President of the People’s Republic of China, in Beijing and agreeing to strengthen their cooperation in promoting ISID in China and to contribute to the national and global development agenda. The DG also visited the International Center on Small Hydro Power in Hangzhou and attended a renewable energy workshop in Guangzhou.

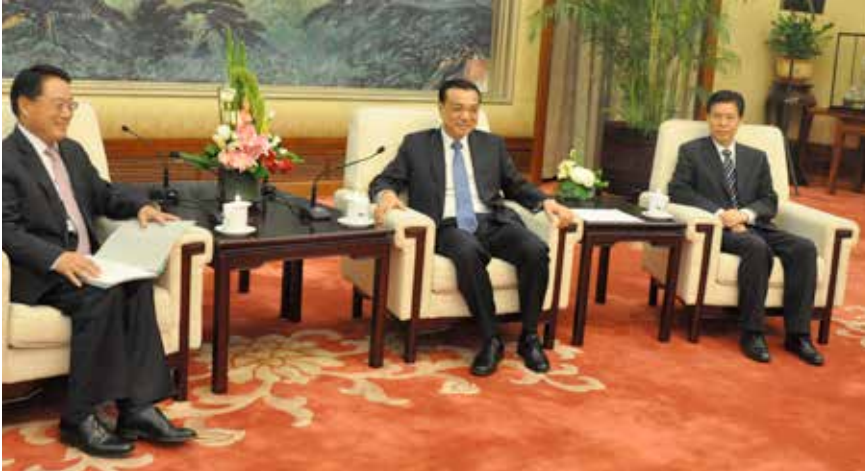
During his missions to China, Indonesia, Pakistan, Sri Lanka and Thailand, the Director General had meetings with high-level government officials, including the President and the Minister of Industry of Sri Lanka; the Ministers of Foreign Affairs of Thailand and Indonesia; and Thailand’s Deputy Prime Minister for Economic Affairs.

The DG also met with important private sector actors, such as Bill Gates in his capacity as founder and Co-Chair of the Bill & Melinda Gates Foundation (China Office), the presidents of the Thai Chamber of Commerce and the Pakistan Chamber of Commerce and Industry. Further meetings with the UN Resident Coordinator (UNRC) in Pakistan and the EU Ambassador, as well as with the USAID Country Head of Operations, have resulted in strengthening cooperation and incorporating UNIDO’s ISID vision.



Bill Gates, Co-Chair of Bill & Melinda Gates Foundation and Director General met on 10 February 2015, in Beijing, China.

**China:** In 2014, the DG traveled to China to attend the 2nd China International Technology Fair, which was held in Shanghai from 24-26 April and paid another official visit from 31 August-13 September 2014. He attended the China Eurasia Expo, which was held in Urumqi, and delivered a keynote speech. Further, he visited the UNIDO International Solar Energy Centre (ISEC) in Lanzhou and attended the Xiamen International Investment Forum. He also met with high-level



H.E. Mr. Li Keqiang, Premier of the State Council of China meeting Director General on 9th June 2015. The meeting focused on the successfully evolving cooperation between China and UNIDO as well as future joint initiatives.

officials in Beijing to strengthen UNIDO-China cooperation and promote ISID.

In June 2015, DG attended the International Advisory Meeting on China's 13th Five-Year Plan of the China Council for International Cooperation on Environment and Development (CCICED). UNIDO had prepared in advance a Background Paper on "Trends and Policy Options for Environment and Development in China for the 13th Five-Year Plan". The DG also met H.E. Mr. Li Keqiang, Premier of the State Council, where further information was exchanged on UNIDO ISID framework, the support to UNIDO's new mandate and on sharing China's experience in the sustainable industrial development with

other countries. In response, the premier confirmed strong support for UNIDO's work and mandate.

**India:** The DG was on official mission to New Delhi from 12-13 November 2013, taking part in an event hosted by the Confederation of Indian Industry and meeting with India's Minister of Finance. During a later mission to New Delhi from 14-17 January 2015, he visited the Energy and Resources Institute and delivered a speech at the Partnership Summit 2015, highlighting the importance of multi-stakeholder partnerships, as well as UNIDO's Programme for Country Partnerships (PCP) approach in promoting development cooperation. The DG also held discussions with India's Minister of State of Commerce and Industry; Bangladesh's Minister of Commerce; and Malaysia's Minister of International Trade. The DG delivered a speech at the Confederation of Indian Industry's (CII) Industry Partnership Summit, which focused on the "The Global Development Agenda Beyond 2015".



**Republic of Korea:** In April 2015, during the official visit to the Republic of Korea, the Director General met with ministerial and institutional partners in ROK which included Ministry of Foreign Affairs, Korea Institute for Industrial Economics and Trade (KIET), Korea Trade and Investment Promotion Agency (KOTRA) and Korea International Cooperation Agency (KOICA). The DG also met with the Representatives from the private sector, Executive Director of Global Climate Fund as well as the Under Secretary General of UN Department of Economic and Social Affairs. The Director General attended the Development Cooperation Forum High-Level Symposium on "Development cooperation for people and planet: what will it take". The Director General participated as a panelist in an interactive panel discussion on "Towards more coherent support for a post-2015 development agenda"

**Japan:** The Director General paid an official visit to Japan in November 2013, where he was received by the Minister of Economy, Trade and Industry (METI), the Vice-Minister of Finance for International Affairs, representatives of selected Japanese green technology SMEs, and leaders of the Japanese private sector at the Japan Association of Corporate Executives and the Japan Business Federation.



## *Member States' Bilateral Meetings with the DG at UNIDO HQ*

During 2013-2015, a number of high-level officials from the Asia and Pacific Region visited UNIDO's Vienna headquarters and held discussions on industrial development issues, including country programmes and UNIDO development cooperation.

**May 2013:** The Joint Secretary of **India's** Department of Industrial Policy and Promotion visited HQ and held discussions with the DG on the development of India's new Country Programme 2013-2017.

**January 2014:** **Sri Lanka's** Minister of Industry and Commerce met with the DG to explore possibilities to further strengthen the country's cooperation with UNIDO.

**November 2014:** The Minister of Industry of **Bangladesh** participated in the ISID forums and met with the DG. The Government requested that Bangladesh be selected as a pilot country for the next ISID Forum.

**January 2015:** **Cambodia** participated in the 1<sup>st</sup> ISID forum and also requested to be selected as a pilot country for the next ISID Forum. The DG met with Cambodia's Secretary of State and Ministry of Commerce.

**April 2015:** The DG met with the Secretary-General of the **D-8**, signed a Joint Declaration and announced a new institutional partnership.

Permanent Representatives from ASP countries, including Bangladesh, Iran, Indonesia, Malaysia, the Republic of Korea, Sri Lanka, Pakistan and the Philippines, had discussions with the DG regarding country programmes and technical cooperation. All such meetings and follow-up activities are duly shared with relevant staff and field offices to ensure delivery of UNIDO's services aligned to its new ISID vision and harmonized as an example of the UN's overarching "Delivering as One" and "One UNIDO".

# THE WAY FORWARD

Within the future-oriented ISID framework, UNIDO's Asia and the Pacific regional priorities focus on assisting countries to incorporate these new development guidelines—as set out at the beginning of this booklet—into their post-2015 development agendas.

**Future outlook.** The Asia and Pacific Region's future focus is clear:

- **Strengthen cooperation** through efficient and effective implementation of technical cooperation projects in the region;
- **Encourage interaction** with national counterpart institutions, including ministries, the private sector, chambers of commerce, corporate associations and other stakeholders;
- **Maintain momentum** in improving partnerships for programme development and delivery, thus producing the desired outcomes and impacts within the context of the ever-changing development landscape and emerging new challenges;
- **Participate dynamically** in high-level meetings and conferences; build on past successes and “invigoration” achieved through high-level participation by Member States;
- **Personalize interactions** – from the field to forums to the top echelons—over the coming Biennium because their effectiveness has been proven time and again. For example, Global Forum events provide valuable opportunities for policy makers and development practitioners to exchange experiences, share knowledge and stay abreast of “lessons learned” to enable a more practice-oriented approach to development cooperation. Conclusions and outputs from such forums feed into the design of future technical cooperation proposals.

Such high-level personal interactions with the Member States that took place at UNIDO Headquarters helped to identify development challenges. Aligned national development priorities are being integrated into Country Programmes (CPs) under development. In this regard, the ASP Bureau is developing CPs for thirteen countries in the region—Afghanistan, Bangladesh, Cambodia, China, Indonesia, Laos, Mongolia, Myanmar, Nepal, Pakistan, Sri Lanka, Vanuatu, and Viet Nam.

## *Strengthening cooperation*

**Within the UN System:** UNIDO will continue to strengthen cooperation within the UN System while providing assistance and technical cooperation to countries in the ASP Region. Greater participation will be ensured through the ASP's field presence (see map on page 5) in the UNDAF context, as well as through integrating UNIDO's TC programmes within the UN's System-Wide Coherence. A few examples below:

**“Delivering as One”:** Valuable experiences gained from pilot projects in DaO countries, such as Pakistan and Viet Nam, will be applied to better leverage UNIDO's role within the UN System and at the regional and country level. Building upon ongoing experiences in Bangladesh, Viet Nam and Indonesia, UNIDO will continue to forge joint programmes with the United Nations Conference on Trade and Development (UNCTAD), the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) focusing on: 1) youth employment; 2) quality standards; 3) industrial safety; 4) upgrading of agro-industrial value chains; and 5) environment and energy. UNIDO in the ASP Region envisages expanding its joint programmes for the realization of its

post-2015 development agenda within the ISID framework. For example, the Director General's visit to the Republic of Korea in 2015 initiated cooperation between the newly established Global Climate Fund (GCF) and UNIDO as an implementing partner for potential GCF-funded projects.

**“One UN”:** In 15 ASP countries, UNIDO was already actively participating in UN Joint Programmes that are streamlined within the UN System-Wide Coherence and integrated within UNIDO's country-level TC activities. UNIDO has initiated a Field Office support programme that will facilitate improved access to the One UN Trust Fund and strengthen partnerships with UN System organizations working at the country level. UNIDO will continue to serve as lead agency in relevant UNDAF thematic working groups, giving special importance to UNCT and UNDAF-related activities, as well as emerging concepts and tools adopted within the “One UN” and associated frameworks.

**Beyond the UN System:** UNIDO will strengthen partnerships with development partners and donors. For example, in 2014, outreach efforts were undertaken to solicit partnerships with USAID and China's EXIM bank and Global Climate Fund (GCF) for support of new projects and programmes.

**Global Environment Facility<sup>10</sup>:** Building on the US\$ 47 million in GEF funding for the ASP Region in 2013-2014, UNIDO will pay special attention and devote targeted efforts during the GEF replenishment cycle, which has already substantially benefitted ASP countries. The options for countries receiving GEF support will be more fully explored. In order to access this support, targeted projects will be developed within the continually evolving country programme frameworks.



At SEOUL/INCHEON, 8 April 2015  
The Director General met H la Cheikhrouhou,  
Executive Director of the Green Climate Fund (GCF).

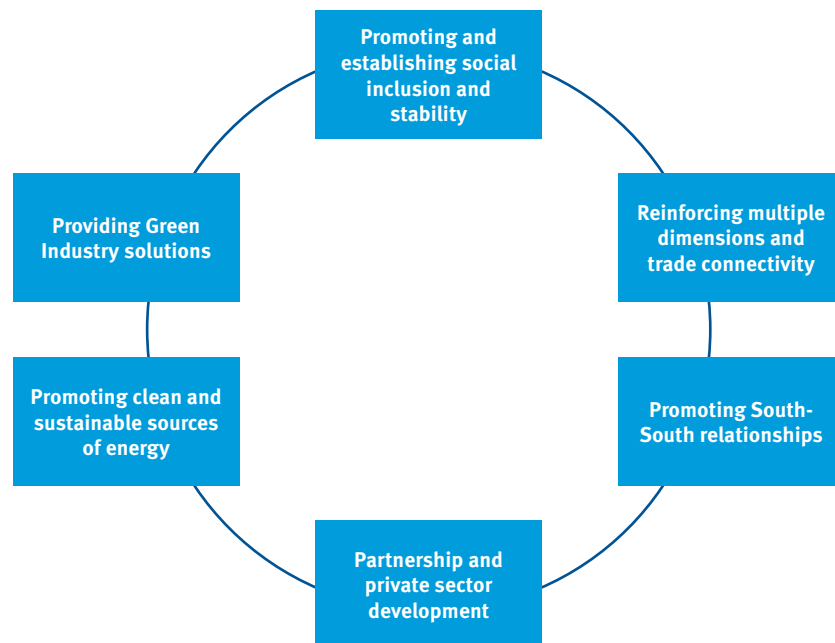
<sup>10</sup> The Global Environment Facility (GEF) is a partnership for international cooperation where 183 countries work together with international institutions, civil society organizations and the private sector, to address global environmental issues.

## Post-2015 positioning

In 2013, UNIDO positioned itself for the future through creation of its ISID Vision that highlights the importance of inclusive and sustainable industrial development as a key goal to be achieved in the post “MDGs” phase. UNIDO’s ISID vision is aligned with the UN’s post-2015 development agenda.

Sustainable Development Goal Nine (SDG-9) exhorts countries to “*build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*”. ISID-related targets have also been included in SDG-8 on “*sustained economic growth and employment*” and in SDG-12 on “*sustainable consumption and production*”. The graphic on UNIDO’s “Future-oriented Pathway” illustrates the synergies between inter-related development cooperation activities. Technically oriented education, as well as innovation and competitiveness in the region, will play vital roles in realizing sustainable industrial development in years to come. In fact, industry as an “engine of growth” necessitates and promotes these three earmarks of future success.

### Future-oriented pathway of UNIDO development cooperation activities in the ASP Region



Therefore, in conjunction with the twin ISID aims of balancing inclusive growth with sustainability aligned with the post-2015 development agenda, UNIDO will focus on:

- Promoting social stability in the region as the foundation of economic growth;
- Reinforcing multi-dimensional trade synergism, economic integration, physical, institutional and “people-to-people” connectivity;
- Cultivating South-South relationships as an effective tool to facilitate regional integration and accelerate progress on major development challenges;
- Developing partnerships and private sector involvement for productive job creation, domestic resource mobilization and investment, and knowledge sharing;
- Promoting clean and sustainable sources of energy, renewable energy and efficiency systems; and
- Encouraging Green Industry solutions to maximize energy and water efficiency, substantial recycling and improved consumption and production systems.

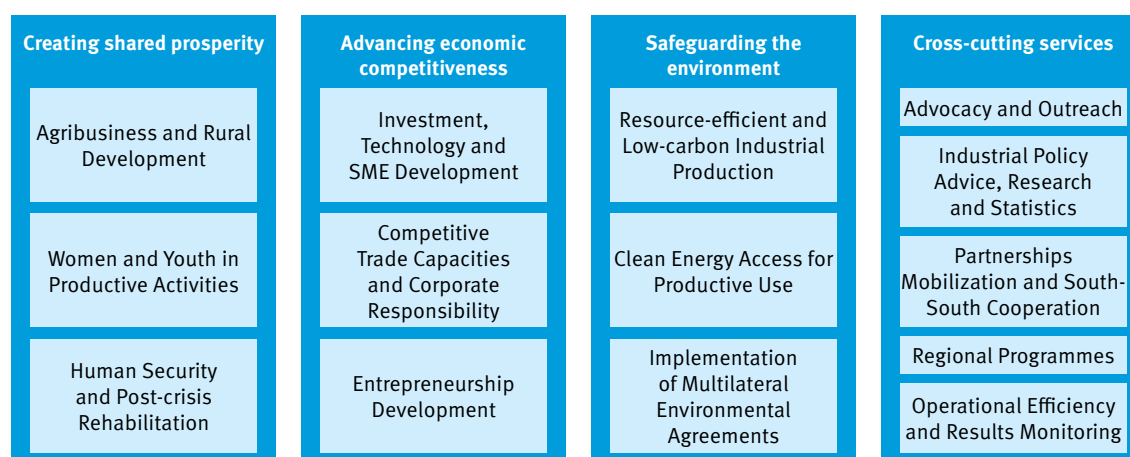


In order to implement the ISID mandate, UNIDO introduced—and will in future enhance—its innovative Programme for Country Partnerships (PCP) in 2014. The PCP modalities will increasingly be applied in the ASP Region to link up national industrial development efforts to the private sector, bilateral and multilateral development and finance organizations, academia and civil society to increase synergies and enhance the development impact. The PCP approach will leverage the potential of multi-stakeholder partnerships. In order facilitate integration of the Sustainable Development Goals (SDGs) into Country Programmes and projects, the ASP Bureau encourages greater involvement of the two South-South Cooperation Centres in China and India, the four ITPOs in China, India, the Republic of Korea and Japan, and the 14 RECPs along with UNIDO’s eight Country Offices.

UNIDO is also applying a regional approach to identify, formulate and implement programmes and projects. Energy and the environment will remain the primary focus development cooperation in the region. The pace of economic development and climate change challenges will necessitate increased UNIDO resources and expertise in future.

Overall, in response to ASP’s regional needs, UNIDO will apply its ISID strategy and goals— social inclusion, economic competitiveness and environmental sustainability—as represented in the graphic below.

#### UNIDO Thematic Programme Framework of inclusive and sustainable industrial development



Specifically, UNIDO is developing 112 technical cooperation projects (See the Overview Table ) in the region covering areas such as agro-industries and processing, SME development, environment and energy and trade capacity building. These projects will be developed as a “real world” manifestation of the 2012 “Rio+20” outcome document, “The Future We Want”. They will also reflect UNIDO’s 2013 Lima Declaration and align with the post-2015 development agenda.

UNIDO’s adoption of ISID and its greater involvement in global forums signals a revitalized involvement in shaping and implementing the post-2015 development agenda. Through these multi-pronged approaches, UNIDO will introduce programmes aimed at making industries more competitive and simultaneously contributing to income gains that are more equally distributed across society. This, in turn, should catalyze more private sector partnerships, along with institutions ensure that national economies benefit from higher employment levels, positive results in poverty alleviation and progress towards environmental sustainability.



Cooperation with partners in Government, the private sector, civil society, academia and others to realize the full potential of ISID will be a major priority for UNIDO in its future endeavors. As Director General LI Yong put it in introducing UNIDO's concept of ISID in 2013, "our challenge now, and our historic opportunity, is to recognize the potential of ISID and contribute our efforts for the common good in a new long-term development agenda beyond 2015."

We invite you to join us in making shared prosperity and sustainable development a reality for all the people on our planet, men and women, young and old, rural or urban-dwellers alike.



ASIA AND THE PACIFIC BUREAU

# REGIONAL PROGRAMMES & FIELD REPRESENTATION BRANCH

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