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Forum on industrial development issues

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Issues paper by the Secretariat

The present document provides information on the events planned as part of the forum on industrial development issues, to be held in the plenary of the sixteenth session of the General Conference. The document further provides an overview of the additional events, which are planned to take place during the Conference's lunch breaks and in the evenings from 30 November to 3 December.

I. Introduction

1. The forum on industrial development issues was introduced into the proceedings of the General Conference with the intention of providing a high-level platform for informed dialogue on the role of inclusive and sustainable industrial development (ISID) in the achievement of broader social and economic development goals.
2. This year's General Conference will take place under the overarching theme "Sustainable industrialization for shared prosperity".
3. In light of the successful experiences of the UNIDO Forum on Inclusive and Sustainable Industrial Development (ISID) and of the UNIDO Donor Meeting, both of these events will be incorporated into the General Conference plenary as the principal elements of this year's forum on industrial development issues. Furthermore, capitalizing on past experience, the sixteenth session of the General

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Conference will focus the participation and spotlight on a restricted number of additional events by offering a single, streamlined schedule throughout the one week period. Participants at the Conference will be able to join these additional lunchtime and evening events, without jeopardizing their presence in plenary meetings.

4. The proceedings of all the events will provide a unique and interactive platform for an inclusive discussion and exchange of ideas and information between high-level development policy experts, private sector, academia and leading development partners.

5. In light of the calibre of both the panel participants and the audience members, it is envisaged that these discussions will provide a great opportunity to emphasize UNIDO's unique qualifications and to promote its ISID mandate in the context of the 2030 agenda. The events will showcase the Organization's positive track record regarding ISID.

6. The present document provides an outline of each of the planned events, including information on the topics and issues to be explored in each. Further information concerning the timing and location of each event will be made available to all participants of the Conference.

II. Events of the forum on industrial development issues

(a) The fourth UNIDO Forum on Inclusive and Sustainable Industrial Development

Background

7. UNIDO has organized three ISID Forums¹ since June 2014. The first ISID Forum served to reinvigorate UNIDO's global forum function within the context of its new ISID mandate. At the same time, the Forum raised the visibility of UNIDO and demonstrated the relevance of the Organization to Member States.

8. The second ISID Forum showcased innovative partnership business models to implement ISID strategies. The Forum benefited from the active participation of the United Nations Secretary-General and the Prime Ministers of Ethiopia and Senegal. The Programmes for Country Partnership (PCP) for Ethiopia and Senegal were presented and met with great appreciation by all potential partners, including Member States, development finance institutions (DFIs) and the private sector.

9. The third ISID Forum was organized as a side event to the Third International Conference on Financing for Development (FfD3) in Addis Ababa. It solidified concrete political support for ISID and demonstrated the PCPs as an innovative new model for mobilizing non-traditional funding for development, particularly for the upcoming Sustainable Development Goal (SDG) 9.

¹ The first Forum took place in Vienna from 23 to 24 June 2014; the second Forum took place from 4 to 5 November 2014, also in Vienna; and the third Forum took place in Addis Ababa on 14 July 2015.

Issues

10. The fourth ISID Forum will present the progress made during the first nine months of PCP implementation. As such it will explore the following topics:

(a) The positioning of UNIDO and the PCPs for the implementation of SDG 9;

(b) How UNIDO's range of integrated services and experiences related to industrial development policies, combined and/or synchronized with the initiatives of partners, can accelerate industrialization programmes in pilot PCPs;

(c) How UNIDO can play a critical role in supporting the mobilization of financial and human resources for industrial infrastructure development and for investment in manufacturing, in partnership with governments, DFIs, private enterprises and other actors;

(d) UNIDO's ambition with regard to the expansion of the PCPs to other Member States.

Format

11. Two sessions are planned, each featuring interactive discussions and presentations, focusing on different aspects of UNIDO's role in the 2030 agenda, including, inter alia, financing for and implementation of SDG 9, the Organization's PCPs and the mobilization of partnerships and leveraging of investment for ISID.

(b) UNIDO Donor Meeting 2015**Background**

12. The first UNIDO Donor Meeting took place on 3 November 2014 at the Vienna International Centre. At this event, UNIDO's success stories were presented in an interactive manner to over 260 high-level participants, including ministers, vice-ministers, government officials, and representatives of regional economic communities, the private sector, and DFIs.

Issues

13. The second UNIDO Donor Meeting will present participants with success stories of UNIDO's technical cooperation. These success stories will highlight the Organization's valuable work and its impact and relevance in the 2030 agenda and the implementation of the SDGs.

Format

14. During this event, participants in the General Conference plenary will be able to familiarize themselves with UNIDO's work through the presentation of selected success stories.

III. Additional interactive events

(a) Launch of the *Industrial Development Report 2016*

Background

15. The *Industrial Development Report (IDR) 2016* explores the relationships between inclusive and sustainable industrialization and technology and innovation. Among the three dimensions of sustainability, the first refers to the ability of a country's structural transformation process to sustain positive rates of growth over longer periods of time, leading to catch up with the more advanced economies. The second dimension of sustainability refers to the inclusiveness of the structural transformation process, in terms of poverty reduction, increased quality of life, increased participation in gainful employment and a more equitable distribution of incomes, assets and social welfare. The third dimension of sustainability refers to the environmental sustainability of structural transformation, in terms of resource use and environmental impacts that are compatible with the welfare of future generations.

Issues

16. Technological change is widely recognized as a key engine of growth, but rapid development through technology is still a rare phenomenon. The main issue to be addressed by the launch of the IDR 2016 is under which conditions structural transformation driven technological change leads to sustained growth, social inclusiveness and improving environmental performance, and what possible trade-offs may arise in trying to achieve the three dimensions of sustainability?

Format

17. The internal launch of the IDR 2016 in the plenary of the General Conference will be followed by a second, external launch event. This external launch will take place outside of the Vienna International Centre. Participants of the Conference will be informed of further details of this second event in due course, in order to facilitate their participation.

(b) Partnerships for ISID: UNIDO, the European Union and the European Investment Bank

Background

18. The cooperation between the European Union (EU) and UNIDO has developed very positively over the last decade. The EU has become the largest donor of voluntary contributions with benefits to more than 100 developing countries. It has particularly materialized through an enhanced policy dialogue and a growing partnership on technical cooperation programmes and projects. It is expected that this cooperation will continue to grow with the growing recognition of UNIDO within the framework events for the 2030 agenda, particularly the International Conference on Financing for Development (Addis Ababa Action Plan) and the

United Nations summit in September 2015 leading to the inclusion of Goal 9 in the 2030 Agenda for Sustainable Development.²

19. Over the last years, increasing interaction between UNIDO and the European Investment Bank (EIB), the largest borrower and lender in the world, has led to growing awareness of their complementarity and the benefits of closer cooperation to improve access to finance for ISID in UNIDO Member States. In this vein, a memorandum of understanding was signed in July of this year leading to the development of a work programme.

Issues

20. The lunchtime event on EU-UNIDO cooperation will consist of the launch of a report on 10 years of EU and UNIDO cooperation, at which remarks by UNIDO and the EU will illustrate their convergence of interests and the achievements already attained through the existing cooperation. This will be followed by remarks highlighting the benefits that the UNIDO-EIB cooperation will bring in terms of leveraging finance for ISID.

Format

21. This event will take place within the framework of the Director General's lunch on Monday, 30 November. As such, it will be restricted to invited participants only.

(c) Launch of Oxford Handbook: “Africa, whatever you thought, think again”

Issues

22. This lunchtime event will launch the Oxford Handbook of Africa and Economics, which was released in September 2015, and includes several chapters on economic transformation through industrialization. As reflected in the title of the event, the message of the launch is that African countries are industrializing despite problems with their business environments, and that the continent is becoming an indispensable part of the global economy. During the discussions planned at this event, participants will be able to explore the lessons learned in the successful experiences of industrialization, UNIDO's approach to ISID on the continent and possible policy recommendations for employment generation.

Format

23. The event will include short presentations of the Handbook by the two editors who are also contributors to the Handbook, comments by a discussant, and a general floor discussion open to all participants. This event will also feature a short musical recital.

² Transforming our world: the 2030 Agenda for Sustainable Development (A/69/L.85, Annex).

(d) The role of innovation hubs for sustainable industrialization and shared prosperity

Background

24. New business and innovation infrastructure plays a significant part in inclusive and sustainable industrial and economic development. In this model, innovation, technology and entrepreneurship are recognized as engines of economic growth. Technology and, consequently, innovation are expected to foster prosperity and competitiveness, environmental and social sustainability, stimulate industrial diversification and improve quality of life. The latest model is for innovation hubs to be living laboratories for smart living — to test new solutions and experiments with new technologies that can be applied to society and its distinct living environment — either in megacities or less urban and rural regions.

Issues

25. This panel will bring together experts from science, industry and technology parks (SITPs), technology-based incubators, academia, the public sector and business to discuss and debate the role of innovation hubs for pursuing inclusive and sustainable industrialization. The discussion will explore: the pitfalls and best practices in setting up and managing SITPs, innovation hubs and related services; how to leverage multi-stakeholder partnerships to provide high quality services supporting entrepreneurship, research and technology transfer; and how to bring innovation hubs to self-sufficiency and sustainability.

26. The expert panel will share examples from established innovation hubs, as well as the experiences of organizations with a proven track record in providing services in planning, designing, establishing, managing, and promoting innovation hubs.

Format

27. This interactive event will include a keynote speaker and an interactive discussion with a panel of experts.

(e) Youth and women entrepreneurship

Background

28. Youth unemployment is a global issue which disproportionately affects 1.2 billion young people between 15 and 24 years old around the world. The following statistics illustrate the situation: while young men and women represent 17 per cent of the world's population, they make up over 40 per cent of the global unemployed labour force. At the same time, youth employment has reached a record high of 1.8 billion, while it is also estimated that around 500 million young people live with less than 2 dollars a day.

29. As youth employment generation is emerging as a key challenge for the global community, micro, small and medium-sized enterprises (MSMEs) constitute the majority of the private sector in developing and transition economies, where they generate the bulk of employment and income opportunities. Moreover, experience shows that MSMEs are very important players of an innovative and dynamic economy.

30. Fostering entrepreneurship and developing MSMEs is critical to expand employment and earning opportunities, as well as reducing poverty. A critical role is played by the private sector in this latter aspect, as it is a primary driver of economic growth and employment creation. Contextually, a strong investment in developing growth oriented value chains will contribute dramatically to ISID. It is therefore critical to invest in upgrading and developing the skills of the young generation, to prepare the work force and align with the demand of the flourishing private sector.

31. In light of the public sector's capacity limitations in absorbing the unemployed, promoting the private sector becomes more important in fighting unemployment. At the same time, there is a growing mismatch between the skills that young people have and the jobs offered in markets. At present, young women and men in many countries face numerous obstacles to engage in productive activities:

(a) Due to their age and limited experience, they find it difficult to access capital to start or grow their businesses;

(b) Business development services are often lacking, hard to access, and not geared towards the particular needs of young entrepreneurs;

(c) They are often unaware of networks, markets and investment opportunities and relevant sources of information; and

(d) The educational and training system does not provide them with the skills required for a job in the private sector.

32. Finally, there is a growing realization of the private sector as a potential actor in development. Its role, especially when motivated by long-term sustainability interests, lies in core operations and the wide impact of business, and relates directly to United Nations values, poverty eradication and the spectrum of issue areas covered by the proposed SDGs. This dynamic role as a driver of sustainable economic growth brings with it opportunities in value creation as well as important responsibilities for business.

Issues

33. This event will highlight the significance of youth and women entrepreneurship as a key driver for ISID. Through the interactive discussion with panellists and audience members, it will identify the substantial opportunity areas for supporting the achievement of successful young entrepreneurs, while mitigating the challenges of poverty and youth unemployment. Furthermore, the event will also showcase UNIDO success stories in developing youth and women entrepreneurship.

Format

34. This event will include keynote speeches, testimonials and a questions and answer session with the audience.

(f) Sustainable industrialization for climate action**Background**

35. Industrialization has traditionally been identified with adverse environmental effects such as large greenhouse gas (GHG) emissions, particularly associated with its high energy and resource consumptions. According to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change,³ the global industry and waste/wastewater GHG emissions accounted for over 30 per cent of global GHG emissions in 2010. The report further highlights the need for “a broad set of mitigation options beyond energy efficiency measures”. On the other hand, industry has played a critical role in socio-economic development of countries through creating jobs and generally improving standards of living in general and job creation, making countries more resilient to external impacts, including those caused by climate change.

Issues

36. The session will explore how industry can further contribute to achieving sustainable development while addressing challenges arising from the impacts of climate change.

Format

37. This interactive session will consist of a moderator, a keynote speaker and 3 to 5 panellists.

³ Available from www.ipcc.ch/report/ar5/.