

UNIDO and the Millennium Development Goals



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

MILLENNIUM DEVELOPMENT GOALS

UNIDO AND THE MILLENNIUM DEVELOPMENT GOALS (MDGs)

The United Nations Industrial Development Organization (UNIDO) is a specialized agency of the United Nations. UNIDO's primary objective is to promote and accelerate sustainable industrial development in developing countries and economies in transition. The Organization works towards improving the quality of life in the world's poorest countries by drawing on its combined global resources and expertise. UNIDO's work focuses on three interrelated thematic areas: poverty reduction through productive activities; trade capacity-building; and energy and environment. Its assistance is based on two core functions: as a global forum generating and disseminating industry-related knowledge; and providing technical support and cooperation.

UNIDO recognizes the Millennium Declaration as the overarching framework for collective action. The Organization believes that competitive and environmentally sustainable industries play a crucial role in accelerating economic growth, thereby reducing poverty and helping to achieve the Millennium Development Goals (MDGs). However, the current global economic crisis is having a detrimental impact on industry and significantly affecting the most vulnerable sectors and groups in society. These economic developments and the impending target year of 2015 pose a challenge to the achievement of the MDGs. Despite the challenges of our time, UNIDO sees working with its Member States and other partners to meet these development objectives as its major goal.



MILLENNIUM DEVELOPMENT GOALS

While industrial development has an important bearing on the achievement of all MDGs, the Organization especially focuses on the following:

- **MDG 1: Eradicate Extreme Poverty and Hunger**
UNIDO's work in this field is centred on the promotion of industry-led pro-poor growth to lift people out of poverty.
- **MDG 3: Promote Gender Equality and Empower Women**
The participation of women in the productive sectors, and especially as entrepreneurs, is fostered through policy and institutional support as well as capacity-building.
- **MDG 7: Ensure Environmental Protection**
While industry is a key source of the economic growth needed to fight poverty, it is also the cause of much environmental degradation. UNIDO helps to protect the environment by reducing industrial pollution, seeking new and cleaner technologies for industry and promoting renewable energy and energy efficiency.
- **MDG 8: Develop a Global Partnership for Development**
Meeting development goals is a collective undertaking. UNIDO works in partnership with others to address MDG 8 through its trade capacity-building activities, thereby helping developing countries to take advantage of the opportunities provided by trade liberalization and global markets.



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MDG 1: ERADICATE EXTREME POVERTY AND HUNGER

The widening gap between rich and poor worldwide is a major threat to global security and economic integration. Poverty is a vicious circle, being both the cause and effect of the lack of opportunities that exist for the poor to help themselves. As a primary driver of economic growth and employment creation, the private sector plays a central role in reducing poverty. However, in many developing countries the majority of the population face obstacles in starting or expanding industrial activities. Few small and micro-enterprises have the capacity to become stable small and medium enterprises (SMEs) and to respond to the opportunities available in the export sector and the global economy. For MDG 1, UNIDO aims to unleash the productive potential of the poorer groups in the world by promoting productive activities, industrial policies, institution-building and industrial support services.



PMEMENT GOALS

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SME CLUSTER DEVELOPMENT PROGRAMME

The programme for SME cluster development aims at addressing the challenges associated with the lack of linkages among small businesses and support institutions, which often prevents SMEs from realizing their full growth potential particularly in the context of global value chains. To strengthen its contribution to poverty reduction, the cluster development programme increasingly focuses on working directly with the poor. Projects for SME cluster development are under way in Colombia, Ecuador, Ethiopia, India, the Islamic Republic of Iran, Morocco, Nicaragua, Pakistan and Senegal.

INDIA

Together with the United Kingdom's Department for International Development (DFID) and the Government of the state of Orissa (India), UNIDO developed a stone carving cluster support programme. The programme had the following impacts:

- Artisans in self-help groups and cooperatives were given low-interest loans that were invested in productive activities.
- Products of the cluster are now sold in new markets; the increased sales and prices for high-quality products have raised the income of both skilled and semi-skilled artisans.
- Productivity has increased by 15 to 20 per cent, product quality has improved and the cost of production has decreased, while mechanization has made work easier and improved living conditions.
- Women artisans have been able to sell their own products in markets within and outside the state and have gained greater self-confidence in doing so.

UNIDO also implements the following activities that directly relate to MDG 1:

- Policy support for competitive industries and private sector development
- Rural and women's entrepreneurship development
- Agro-based industries
- Food processing
- Textiles and leather
- Restoring agro-industries
- Sharing innovative agribusiness solutions
- Investment and technology
- Rural energy for productive use



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MDG 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Poverty often has a woman's face. Women and girls constitute three-fifths of the world's poor: their poverty level is worse than that of men as a result of clear gender disparities in education, employment opportunities and decision-making power. It is clear that achieving the MDGs will not be feasible without closing the gap between women and men in terms of capacities, access to resources and opportunities, and vulnerability to violence and conflicts. For MDG 3, UNIDO's response is to actively foster the participation of women in the productive sectors, with a strong focus on entrepreneurship, in an effort to enable women to generate a sustained income. This is achieved primarily through enterprise development programmes that address the inequalities faced by women with a focus on capacity-building, policy and institutional support.



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RURAL AND WOMEN'S ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

The Programme stimulates entrepreneurship in developing countries, with a focus on women and youth. Under this programme, UNIDO has prepared entrepreneurship development curricula for secondary and vocational schools in Angola, Cameroon, Guinea, Mozambique, Namibia, Rwanda and Timor-Leste. Due to its integrated nature (covering technical, management and marketing aspects of manufacturing from production to markets), the programme has made a significant contribution to rural development and women's entrepreneurship by providing women with the necessary skills to succeed in business.

MOROCCO

In collaboration with the Spanish Cooperation Agency, UNIDO developed a women's entrepreneurship programme for Moroccan women. UNIDO helped women producers to improve their knowledge, technology and hygiene practices to produce safe, good quality olive oil. The programme had the following impacts:

- 339 women have been trained in production management, technological improvements and systems assuring safety and quality in manufacturing;
- More than 70 women have been trained in spinning, weaving and finishing as well as in management, accounting and maintenance reporting;
- Women entrepreneurs have participated in trade fairs in Spain and Italy, thereby building their understanding of markets and market requirements;
- Women entrepreneurs in rural areas have been able to generate an income and improve their standards of living, as well as offer stable employment.

UNIDO also implements the following activities that directly relate to MDG 3:

- Women's entrepreneurship development
- Business environment reform through technical and advisory services
- SME cluster development
- Technological upgrading and agro-value chain development
- Rural and renewable energy for productive use
- Entrepreneurship curriculum programmes
- Building of national and regional networks of Business Support Organizations (BSOs)



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MDG 7: ENSURE ENVIRONMENTAL PROTECTION

The global economy has adopted patterns of growth that are driving our consumption of materials and energy beyond the limits of what is available on our planet. Industry, as a sector designing and manufacturing goods that our economies consume, has a key responsibility for this. Many enterprises use more materials and energy than their production processes require. They continue to use obsolete, inefficient technologies and fail to adopt proper management systems. This is particularly true of SMEs and industry in developing countries, both a reflection and a cause of lower levels of development. For MDG 7, UNIDO's response is to actively foster the flows of information, experience, expertise and equipment between countries that hold the key to transfers of technology for both climate change mitigation and adaptation. The adoption of renewable energy sources, as well as energy efficiency, are the keys to addressing climate change by moving economies onto a lower carbon path.



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CLEANER PRODUCTION CENTRES

UNIDO and the United Nations Environment Programme (UNEP) cooperate specifically to establish and support National Cleaner Production Centres (NCPCs) in developing and transition economies. Since 1994, such centres have been launched in 37 countries. The Centres work with private sector and government agencies in their home countries to implement cleaner production. The aim is to reduce the use of energy, water and other natural resources, while also reducing the generation of waste and emissions, in particular from small and medium-sized enterprises. In cooperation with UNEP, UNIDO is the only United Nations organization established in developing countries with NCPCs to give advice on the ground.

VIET NAM

The National Cleaner Production Centres in Viet Nam, established in cooperation with UNEP, have recently carried out several projects to improve the use of energy, water and materials and help create a cleaner environment. In its first seven years of operation, the programme fostered investments worth some US\$ 2.4 million with annual savings in excess of US\$ 7.4 million. Collectively these save annually around:

- 57,000 MWh of electricity
- 33,000 tons of coal
- 7.3 million cubic metres of water

UNIDO also implements the following activities that directly relate to MDG 7:

- National Cleaner Production Centres
- Renewable energy
- Industrial energy efficiency and climate change
- Energy policy and partnership
- Cleaner and sustainable production
- Water management
- Montreal Protocol
- Stockholm Convention



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MDG 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Globalization has emerged as the dominant feature of the world economy and is bound to retain this pre-eminence in the coming years. For some time, trade has been recognized as a central element in industrial development strategies. However, the liberalization of investment and trade regimes on their own do not ensure that much of the developing world benefits from global markets and achieves rapid economic growth. The MDG 8 on global partnership contains the important target of developing an open, rule-based, predictable and non-discriminatory trading system. For MDG 8, UNIDO's response is to actively foster value-addition, diversification of production away from heavy reliance on commodities, and promote capacity-building to meet the technical and business requirements of participation in trade. UNIDO works in partnership with other organizations, such as the World Trade Organization (WTO), to address the problem of non-tariff barriers through its trade-capacity building and Aid for Trade activities. In this way, it also helps partner countries to take advantage of the global trading system.



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QUALITY AND COMPLIANCE INFRASTRUCTURE

UNIDO has developed a comprehensive programme to help developing countries and economies in transition to comply with the requirements of the WTO agreements on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary Measures (SPS). This programme will facilitate entry into new markets with a substantial development potential, improve the conformity of their products to market and regulatory requirements, and establish cost-effective and internationally recognized local proof of such conformity. These objectives are supported by strengthening the standards, testing and conformity infrastructure, as well as by enhancing product competitiveness through quality and productivity development and industrial upgrading.

EGYPT

In July 2004, with support from Italy and Egypt, UNIDO launched the Egyptian Traceability Centre for Agro-Industrial Exports (ETRACE). This project aims at helping Egyptian farmers, growers and packers along the food value chain to meet European and international food quality, safety and traceability standards, ensuring that products are safe for consumption and do not encounter barriers to trade.

More than five million people are indirectly assisted through ETRACE:

- ETRACE provides financial and technical assistance to support farms, packing houses and food manufacturers in applying traceability systems, upgrading their technology and management systems to control the use of chemicals and in acquiring certification for their exports.
- Assistance has been provided to about 90 of the 200 packing houses in the country (and eight pilot food processors), and it is estimated that the assisted packing houses account for approximately 85 per cent of exports.

UNIDO also implements the following activities that directly relate to MDG 8:

- Industrial policy, business environment and institutional support
- Agro-processing and value chain development
- Sustainable production in poor communities
- Technology diffusion
- Promotion of domestic investment, foreign direct investment (FDI) and alliances
- Competitiveness analysis and trade-related policies
- Enterprise upgrading for trade enhancement
- Innovation systems, technology management and foresight
- Modernization of export-oriented agro-industries
- Corporate social responsibility for market integration
- Standards, metrology, testing and conformity

- The project has reached around 45,000 farms and thus nearly five million people.
- ETRACE has also provided support to the General Organization for Import and Export Control (GOIEC) in establishing the national traceability system.



THE UNITED NATIONS MILLENNIUM DEVELOPMENT GOALS (MDGs)



GOAL 1:
ERADICATE EXTREME POVERTY AND HUNGER



GOAL 5:
IMPROVE MATERNAL HEALTH



GOAL 2:
ACHIEVE UNIVERSAL PRIMARY EDUCATION



GOAL 6:
COMBAT HIV/AIDS, MALARIA AND
OTHER DISEASES



GOAL 3:
PROMOTE GENDER EQUALITY AND
EMPOWER WOMEN



GOAL 7:
ENSURE ENVIRONMENTAL SUSTAINABILITY



GOAL 4:
REDUCE CHILD MORTALITY



GOAL 8:
DEVELOP A GLOBAL PARTNERSHIP
FOR DEVELOPMENT



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