UNIDO Director General’s address
on the occasion of the
International Conference
Fostering inclusive and sustainable industrial development in middle income countries (MICs) in Europe and Central Asia through innovation and technological learning: Needs, potentials and best practices
23 April 2015
Minsk
Belarus

Excellences,
Ladies and Gentlemen,
Dear Friends and Colleagues,
It is a great honour for me to join you for the opening of this important conference devoted to fostering inclusive and sustainable industrial development in middle income countries in the Europe and Central Asia region.

Allow me to thank His Excellency, Mr. Vladimir Makei, Minister of Foreign Affairs of Belarus, and Mr. Sanaka Samarasinha, United Nations Resident Coordinator in Belarus, for giving me the opportunity to address you today.

I am confident that this conference will serve as a valuable platform to steer the debate on the prospective and emerging opportunities for strengthening the inclusive, interactive and dynamic partnership between Belarus and the United Nations.
UNIDO is pleased to be a part of the United Nations family in Minsk. Hand-in-hand with other UN agencies and partners, we are committed to fostering cooperation, intensifying dialogue and delivering high-impact and effective results for the benefit of the country and its people.
UNIDO appreciates the efforts of the Government of Belarus to deepen dialogue with the United Nations organizations operating in the country. We are pleased to acknowledge that the joint efforts of all stakeholders contributing to the development agenda in Belarus led to the formulation of the United Nations Development Assistance Framework (UNDAF) for 2016-2020. UNIDO is well placed to cooperate with the Government and other partners in the Framework’s implementation.
Ladies and Gentlemen

We all are aware that industry drives innovation and learning, and helps create new technological knowledge. This is vital for job creation, sustainable livelihoods, and equitable growth, and key to eradicating poverty. Modern industrialization is also about state-of-the-art innovative and environmentally sustainable technologies and practices that help reduce consumption of non-renewable resources, and minimize greenhouse gas emissions. Such green technologies stimulate innovation, technological change, and industrial diversification.

UNIDO recognizes that middle income countries face unique social, economic and environmental challenges, including rising inequality, energy, waste and efficiency issues, to name but a few, and in formulating and implementing strategies and instruments to address these challenges and boost economic competitiveness, modernization and diversification.

In the ongoing processes of rapid globalization and economic integration, MICs risk becoming trapped in a situation where they are unable to compete with either low-income, low-wage producers in labour intensive products or with high-skilled, fast-moving innovators in high value added products – the so-called middle income trap.

The threat of MICs becoming caught in this trap is also exacerbated by rising productive capabilities of other MICs, which have succeeded in catching up in terms of innovation and have become strong competitors in high-tech as well as low-tech goods. Middle income countries need to address market imperfections and barriers, strengthen their productive and institutional capacities, modernize industry, support entrepreneurship and SME development, and invest in skills, technological learning, innovation and development.

Policies are needed for MICs in the region to integrate into the global economy, manage macro risks, improve economic institutions, and foster inclusive and sustainable industrial development so that they can fulfil their aspirations to become HICs.

Donors and international development organizations, such as UNIDO, need to rethink their engagement with MICs, shifting from an assistance paradigm to a greater focus on cooperation and partnerships with various stakeholders. The UN can broker and create knowledge sharing platforms to pool and share resources and accumulated knowledge of high income and middle income countries.

As a specialized agency of the United Nations system, UNIDO is dedicated to promoting inclusive and sustainable industrial development.

Our approach is based on four major areas where inclusive and sustainable industrial development can play a key role: economic transformation, employment creation, greater social inclusion, and environmental sustainability, including climate change issues.

UNIDO’s project portfolios directly target the challenges faced by middle income countries. The impact of UNIDO’s activities can be seen in, among others, the creation of jobs through industrial diversification and upgrading, increased sustainable production and consumption using smart business models, and commitments to sustainable development through partnerships with the private sector.

We at UNIDO are constantly seeking to better understand the new realities of globalization, and how to work together with governments and other partners and identify opportunities for
successful collaboration. Pursuing inclusive and sustainable industrialization requires cooperation between many stakeholders, each contributing in its own distinctive way. MICs in the Europe and Central Asia region need to mobilize resources from such stakeholders, at the national and local levels, to achieve collective efficiency, attract investments, support SMEs, foster technological learning, upgrading and innovation, and stimulate job creation.

In recognition of this reality, UNIDO has made a partnership approach central to the operationalization of its mandate. Through this approach, we aim to mobilize multi-stakeholder partners and their resources to create greater impact on the ground. Currently, UNIDO is implementing this new multi-stakeholder partnership approach in Ethiopia and Senegal on a pilot basis. Similar programmes will be rolled out in other countries in other regions in the coming years.

With the support of member states, UNIDO has been working hard over the past few years to ensure that inclusive and sustainable industrialization is included in the Post-2015 development agenda and the new Sustainable Development Goals. It is therefore very rewarding for us to note that the Report of the Open Working Group of the General Assembly on Sustainable Development Goals recognizes the importance of industrial development in Goal 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

As we move forward into the final stage of the intergovernmental negotiations on the Post-2015 development agenda, UNIDO welcomes and encourages your strong support and trust to ensure that the Organization’s mandate of ISID is fully and visibly reflected in the new agenda, its SDG number 9, and its associated means of implementation.

In line with its increased emphasis on a partnership approach, UNIDO will continue its efforts to leverage resources from various stakeholders to support the implementation of the national industrialization strategies established by the governments of its Member States, with focused interventions in an action-oriented manner.

UNIDO is committed to providing its high quality services to Belarus as stated in the Framework Programme of Cooperation between UNIDO and the Government of Belarus for 2013-2016. Currently, UNIDO is working with Belarus in the areas of automotive clusters, the development of Grodno agro-industrial park, industrial energy efficiency, resource and efficient cleaner production and capacity building of climate change experts. Through these projects, and others, UNIDO is supporting the objectives of the country in the area of inclusive and sustainable industrial development.

I am confident that this conference will help stimulate an important dialogue on how to meet the challenges faced by MICs in Europe and Central Asia and will also help to further promote and advance cooperation between Belarus and the United Nations.

I thank you for your kind attention and wish you all a productive and successful conference.