Briefing to Permanent Missions
on the intergovernmental negotiations on the post-2015 development agenda
and the second UNIDO ISID Forum

23 July 2014

It is my sincere pleasure to welcome you all today to this briefing. I would like to take this opportunity to update you on the positioning of UNIDO and our mandate of Inclusive and Sustainable Industrial Development (ISID) in the post-2015 processes, and on the current status of the ISID campaign.

In addition, I would also like to provide you with some advance information on the second forum that we are planning to host later this year in connection with our efforts to operationalize the implementation of ISID through a partnership-based approach.

Update on the current situation regarding the Post-2015 Development Agenda
Allow me begin with the current situation regarding the Post-2015 Development Agenda. The consultations on the Post-2015 Development Agenda continue to follow numerous tracks.

Of these tracks, the two most important for UNIDO so far are the intergovernmental deliberations of the Open Working Group (OWG) on Sustainable Development Goals (SDGs), and the ECOSOC-related High-level Political Forum on Sustainable Development (HLPF) and associated Ministerial Meetings. These two tracks are the most closely associated with the determination of the future development goals and their related targets and indicators. In addition, they are considering a number of other critical issues such as the means of implementation and the monitoring and accountability framework of the post-2015 development agenda.

As I have mentioned in previous meetings, the OWG is at the centre of a complex, intergovernmental consultation process aimed at identifying a set of proposed SDGs. During its 13th and final session held last week, the OWG agreed on 17 proposed goals. These goals, and their related targets, will be submitted to the Secretary-General of the United Nations and the President of the General Assembly in August-September 2014, and will form the basis of the intergovernmental negotiations due to take place in the General Assembly over the coming year to finalize the post-2015 development agenda.

In this connection, I am very pleased to inform you that the 17 proposed sustainable development goals approved at the 13th session of the OWG last week include, as Goal 9, one referring to Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialization and foster Innovation. This highlights the extraordinary importance that ISID is gaining within these critically relevant processes and, in addition, reflects the success of the different activities undertaken under the umbrella of the ISID campaign.
While there was a very intense debate among Member States on the 17 proposed goals, it was broadly acknowledged that industrialization is the long term trend with the greatest impact on reducing poverty and inequality. It was also recognized that industrialization will continue to be the most successful strategy in the future to reconcile the imperatives of eradicating poverty, reducing inequality, strengthening resilience, preserving natural resources, and ensuring the sustainability of gains across generations.

As the OWG is about to conclude its activities, the ECOSOC-related High-Level Political Forum on Sustainable Development is just commencing its activities.

It held only its second meeting in June-July 2014, after having held the first in September 2013. The second meeting of the HLPF concluded with the adoption of the Ministerial Declaration of the 2014 High-Level Segment of ECOSOC. It is essential in this regard to note the great significance of the HLPF, as it will influence the direction and focus of the post-2015 Development Agenda, in particular with regard to the issues of means of implementation and monitoring and accountability.

UNIDO has also been actively engaged in the HLPF process. Earlier this month, on 8 July, I myself had the pleasure to contribute, as a panellist, to the ministerial dialogue on “Long-term measures to make poverty eradication irreversible and reduce inequalities” conducted under the auspices of the HLPF. During this discussion, I made a strong case for the importance of industry as the driving force for promoting lasting reductions in poverty and inequality. I will revert to these arguments later in this briefing.

Allow me briefly turn to the next steps in the process of determining the post-2015 development agenda. In this connection, let me refer you again to the process map that has been projected on the screen.

We are approaching the end of the preliminary stage of fact-finding, stocktaking, and generating inputs through a widely diversified range of processes. This stage lasted more than two years, and involved a number of activities. These included the deliberations of the High-level Panel on the Post-2015 Development Agenda and the Sustainable Development Solutions Network, both of which had been established by Secretary-General Ban Ki-moon and have submitted their reports. They also included two series of national, regional and global consultations undertaken by the United Nations Development Group, of which the first series has been concluded and the second is nearing conclusion. In addition, they included a wide variety of other processes undertaken by governments, the multilateral system, academia and civil society.

The outcomes of these consultations will be brought together in a synthesis report that the Secretary-General will issue towards the end of 2014. This report will be submitted to the General Assembly and will form the basis of a year of inter-governmental negotiations in the General Assembly culminating in the adoption of the final post-2015 development agenda at a UN summit in September 2015.

This second stage of purely intergovernmental negotiations in the UN General Assembly will be critical for the final determination of the Post-2015 and the SDGs. In fact, during my recent mission to New York, I was cautioned by many colleagues within the UN system and among the Permanent Missions that we must continue to advocate strongly over the coming year to ensure that our mandate of ISID, which all of you unanimously adopted at the Lima
General Conference, emerges intact from this year of intense negotiations. It is for this reason that I would like to take this occasion to reiterate my request to you, our stakeholders, the delegates and representatives to UNIDO, to support industrialization in these complex negotiations that are about to commence.

**ISID campaign**
Against the background of the deliberations on the post-2015 Development Agenda and the SDGs, I would also like to brief you on our efforts to promote ISID throughout the world during the half year since the adoption of the Lima Declaration. I honestly believe that our campaign to promote ISID has been very successful so far, with a number of solid outputs already in evidence. Without further ado, let me inform you of the latest developments.

In the context of the UNDG consultations on engaging with the private sector that UNIDO is co-leading with the Global Compact, UNIDO has had the opportunity to highlight ISID to private sector and government representatives.

To date, UNIDO has successfully facilitated 11 consultation events at the national, regional and global level, with several to follow. From Washington to Aruba and including Bratislava and Cartagena, UNIDO has successfully promoted the ISID concept before hundreds of participants in these consultations.

There are still several events to come in the context of the UNDG consultations. In this connection, I would like to express my sincere thanks to the Governments of Spain and the USA for their financial support for these consultations.

In this regard please allow me to mention the work of our UNIDO officers in the field:

- 46 meetings and activities have been held with relevant representatives of members of the Open Working Group, 18 of these meetings have been held by UNIDO Headquarters and 28 meetings have been held by UNIDO Field Officers with post-2015 focal points of national governments. In this regard it is an honour to mention the full statement supporting ISID and industrialization endorsed by 21 Member States, all Friends of ISID that are also members of the OWG;
- 6 workshops and events have been held on ISID and related-topics;
- 11 UNDG Consultation events towards the means of Implementation for SDGs have been facilitated to also promote and support ISID.

To illustrate these engagements, allow me to give you a few examples:

- In June, the UNIDO Representative in Algeria met the country’s Minister for Industry. He also intervened on ISID at a post-2015 international symposium in Algiers, in the presence of Algeria’s focal point on the post-2015 agenda at the Ministry of Foreign Affairs, with whom he also spoke on the margins of the symposium.
- Also in June, UNIDO organized a series of workshops on ISID, in order to raise awareness of the concept. These workshops were held in Dhaka, Hanoi, Jakarta and Islamabad.

The UNIDO Secretariat in Vienna is also playing a major role in our outreach efforts to promote and support Inclusive and Sustainable Industrial Development. Informal and formal meetings with national governments are crucial elements of our advocacy.
We have also held six meetings with Non-member States such as the United States, Canada, UK, and Australia in order to promote ISID in every corner of the globe.

We believe that such focused outreach will be successful in promoting and supporting the adoption and implementation of Inclusive and Sustainable Industrial Development policies, leading to the creation of jobs, increased prosperity and reduced poverty.

Indeed, I myself have actively promoted the concept of ISID wherever I have been, UN, CEB, EU HLRM and various conferences, and with all high-level dignitaries, Ambassadors, Ministers, leaders and opinion makers that I have met in Vienna, at the UN and in the field. Only last week in New York I engaged with the Secretary General, with the President of ECOSOC, with the Special Advisor of the Secretary General on Post-2015 planning, as well as several ministers and ambassadors.

I also made an important statement at the ministerial dialogue of the High-level Political Forum on making poverty irreversible and reducing inequalities. In this statement, I highlighted the five reasons why I believe that ISID is the absolutely critical prerequisite for achieving these aims – why ISID is at the core of any effective long-term effort to eradicate poverty and achieve equality.

**Reasons to believe in ISID**

Allow me to reiterate these five reasons in my briefing to you today:

1: The historical experience

Throughout history, industrialization has been the primary driver of economic growth and development. The reason behind this is that industry leads to structural transformation and a diversification of the economy. Industry provides greater opportunities for value addition, increased productivity, capital accumulation, economies of scale and technological progress than any other sector. It is, therefore, by far the most important sector in the economy for the creation of wealth, and thereby for the effective reduction of poverty.

2: Universal demand

Over the past few years we have witnessed a growing demand for industrialization throughout the world. This demand is coming from least-developed countries, from middle-income countries, and from developed countries. It is coming from Africa, Latin America, Asia, and even Europe, as shown by the recent EU communication calling for a European industrial renaissance that is intended to raise industry’s share in GDP to 20 per cent by 2020.

3: Reducing inequalities

Industry helps to combat inequalities by providing increased and improved employment, and hence income, opportunities for disadvantaged members of society, including women and youth. Industries engaged in the processing of agricultural commodities not only increase domestic value addition and food security, but also bring much needed jobs to often underprivileged rural areas.

No-one should be left behind. **Industrial development must be inclusive.**
4: Environmental sustainability

The environmental sustainability of our economic activities is a particularly important consideration.

A rapid reform of our industrial processes towards sustainability is needed. Demanding to choose between industrial growth and sustainability is therefore not a right approach. It is the transformation in production processes and business models that will present the solutions to the daunting environmental challenges of our times. Industrialization can, and must, be sustainable.

UNIDO has been actively engaged in the promotion of resource-efficient and cleaner production technologies, in phasing out the use of ozone-depleting substances and persistent organic pollutants, and promoting renewable energy sources and industrial energy efficiency.

5: Industry’s linkages with all other developmental objectives

All of these objectives are very valuable and will make an important contribution to the achievement of the world we want. I submit, however, that industry will have to play a crucial role in the achievement of these objectives.

Without the contribution of industry, these objectives will not be met in an enduring manner – a manner that will enable the developing countries to break their dependence on aid flows, and achieve self-sustained economic and social development in an environmentally sustainable framework.

In other words, industry provides the basic tools for the achievement of almost all development objectives.

Allow me to conclude this part of my briefing by reiterating once again my conviction that industrialization is the most powerful tool that the international community can draw upon to eradicate poverty and reduce inequality in the next generation.

I would like to express my sincere gratitude for your support along this process. Thanks to you, the delegates and representatives to UNIDO, we have been able to attain a good position for ISID in the international development agenda.

However, while we can be justly proud of what we have achieved so far, the time has not yet come to rest on our laurels. Indeed, the Secretary-General himself has advised me to continue to push for the inclusion of industry in the Post-2015 Development Agenda as we enter the final, and crucial, stage of intergovernmental negotiations on this subject.

It is in this regard that UNIDO will still need support and trust from you, our stakeholders, to successfully overcome all our common challenges and achieve a position in the Post-2015 Development Agenda from which we will be able to make an effective contribution to the world we all want.
We have decided to convene two global forums on ISID in 2014 to support the new mandate you have given UNIDO in the Lima Declaration 2013: one in the first half of the year, and the other in the second half of the year.

The first UNIDO ISID Forum took place on 23 and 24 June 2014.

According to the positive feedback we received from participants, including many of you, this forum was regarded as a full success. I would like to take this opportunity to thank you for your support for the forum.

In the second event, we intend to weave partnerships among member states, aid agencies, development finance institutions and the private sector around shared development programmes for ISID, and to facilitate the mobilization of resources needed for the implementation of these projects.

Building upon the first forum, the second forum will take place on 4-5 November 2014 and aims to pilot the development of innovative partnership-based “business models” to implement ISID strategies in two pilot countries, Ethiopia and Senegal.

Through these two pilots, we aim to demonstrate the effectiveness of the partnership concept in leveraging additional resources — from development finance institutions (DFIs), from UN agencies, from bilateral development partners, private investors, corporations etc. — thereby enhancing the development impact of our own technical cooperation services.

We therefore want to impress upon the Member States that the impact of UNIDO’s operations extends well beyond the grant-funded, capacity-building assistance we traditionally deliver: only by creating synergies with other partners can UNIDO trigger the critical mass necessary for a tangible contribution to the country’s national ISID strategies.

In doing so, we will showcase in the forum an integrated portfolio of services, drawing from UNIDO’s distinctive TC expertise, but explicitly embedded for the first time in broader flows of resources in support of national industrial development strategies. This practice, hopefully, will contribute to global development with a new approach.

The host governments must lead the exercise. We therefore envision that high-level government officials from the two pilot countries will introduce in detail their strategies and policies as well as their priority needs. These may be of interest to public and private investors.

The UNIDO TC portfolio will then be presented to an audience made up of high-level Government officials, as well as partners from the donor community, other UN partners, development finance institutions, private firms, etc., to demonstrate that we are acting together, but as part as a coherent, carefully designed and executed, multi-partner strategy in support of the industrialization agendas of the two pilot countries.

I would like to inform you that I also plan to hold a half-day donor conference on the afternoon of 3 November, the day preceding the second ISID forum. This conference will be intended to strengthen policy-level relations with our donor community, to increase donor visibility, and to showcase the successful implementation of
UNIDO projects and programmes funded by our donors. We would expect the participants of the donor conference to stay for the second ISID forum, and thus participate in both meetings.

Allow me to summarize the benefits I see in this new approach, the benefits to you and to our partners. You will understand why I am so passionate about it and you will hopefully share my vision:

1. The benefits to you, our Member States:
   I strongly believe that the partnership approach will raise the efficiency and effectiveness of our services. We will implement the mandate you have given us in Lima through new mechanisms that will increase the development impact of the resources you are investing in us. Most importantly, partnerships will help us to reach out to the poorer of our Member States, those where an ISID momentum requires massive infrastructure investment as much as it does advisory services and capacity building assistance.

2. The benefits to our partners:
   Infrastructure investment alone is not sufficient; it can even create white elephants, as ill-conceived industrial zone projects have shown across the developing world. An effective ISID programme feeds on services; it needs policy advice and vocational training. It needs technology and testing laboratories; it needs market access and resource efficient processes; it needs qualified technicians and savvy managers. It needs daily interactions with seasoned experts. This is what our staff are good at, what we are known for, and where we are increasingly seen to complement the resources of development finance institutions and corporations.

**Pilot Country Programme**
The preparations of the pilot country programme must be carefully planned and conducted before the Forum.

Considering the time constraint we face, we therefore should try our best to move as quickly as we can.

To this end, we envisage fielding technical teams to both pilot countries in the coming weeks to hold discussions with government officials and potential partners on modalities of cooperation, which will form the central part of the pilot country programme for partnerships.

In the case of Ethiopia, we have already completed a very successful partnership identification mission led by Mr. Philippe Scholtes one month ago. During that mission, UNIDO’s proposed partnership approach was well received by all of the potential partners that our team met, including the government, the World Bank, the International Finance Corporation (IFC), the African Development Bank, FAO, IFAD, AU, EU, and the Embassy of China.

As for Senegal, our UR Mr. Victor Djemba has already established contact with the Prime Minister, Mr. Mahammed Dionne, our former colleague from UNIDO, and other potential partners, including the UN Resident Coordinator in Dakar, Ms Bintou Djibo. According to Ms. Djibo’s reply, the UNDP Administrator Ms Helen Clark would like UNDP to be associated with this initiative and has given instructions to her staff in the country to engage with UNIDO on the ISID pilot initiative.
I paid a visit to the HQs of the World Bank Group on 10 July and met the Managing Director, Mr. Badre, as well as the Vice President for Global Practice on Trade and Competitiveness, the Vice President for Treasury and Syndication, and the Acting Vice President for the Africa Region. In the meetings, we received strong support from the management and operational staff of the World Bank Group as well as their commitment to work together with us in the two pilot countries based on our respective strengths.

In preparing the Pilot Country Programmes, we expect that lessons will be learned from UNIDO’s past experience in working on the integrated programme approach.

Moreover, I believe that five characteristics should be demonstrated in the design and execution of the programme:

- First, a strong country ownership;
- Second, a clear alignment to UNIDO’s ISID objectives;
- Third, a close alignment with the national resource mobilization strategies of the countries concerned, and the potential to upscale TC services through the establishment of partnerships;
- Fourth, an opportunity to deploy a multi-disciplinary array of UNIDO services; and
- Fifth, a rigorous monitoring and reporting mechanism so that you, our Member States, can measure the concrete benefits of this new approach.

I am pleased to inform you that our teams have already developed detailed work plans for the preparation of the pilot country programme. The teams will report to you on the progress made in the near future.

**Conclusions**

In conclusion, I welcome the guidance and good advice and participation of our Member States in this process, and call upon them to establish a continuous consultation process, which would also engage the broader range of development partners, such as bilateral development cooperation agencies and development financing institutions.

In this sense I also would like to inform our Member States that are beneficiaries of our TC programmes that we will be reaching out to them individually in the preparation of the upcoming forum and the larger ISID Country Partnership programmes to start identifying the scope for UNIDO ISID partnership interventions in their respective countries.

The institution-wide collaboration and strong support from our Member States and their Permanent Missions based here in Vienna, as well as partners like the World Bank, helped us make the forum a great success. I believe that, with our dedicated staff’s hard work and continuous support from member states, their permanent missions, and partners, we will make the second forum a continued success.

I thank you for your attention.
List of Proposed Sustainable Development Goals to be attained by 2030

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10. Reduce inequality within and among countries
11. Make cities and human settlements inclusive, safe, resilient and sustainable
12. Ensure sustainable consumption and production patterns
13. Take urgent action to combat climate change and its impacts
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development
Five Reasons for ISID

1. The Historical Experience
2. Universal Demand
3. Reducing Inequalities
4. Environmental Sustainability
5. Industry’s Linkages with other Developmental Objectives
The Contribution of Inclusive and Sustainable Industrial Development to Global Development Objectives

ISID

- Wealth creation
  - Structural transformation and diversification
    - Resource efficient and cleaner production
    - Renewable energy and energy efficiency
    - Building materials
  - Job creation, including women and youth
- Human settlements and infrastructure
- Inequalities, unemployment and decent work
- Educational materials and equipment
- Pharmaceuticals and medical equipment
- Food processing and agro-industries
- Food and nutrition
- Health
- Sustainable economic growth
- Climate change & environmental sustainability
- Poverty eradication
- Energy
- Food and nutrition
- Quality education

The Contribution of Inclusive and Sustainable Industrial Development to Global Development Objectives
UNIDO

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