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Implementation of the Lima Declaration:

Towards inclusive and sustainable industrial development

(b) UNIDO and the post-2015 development agenda

UNIDO and the post-2015 development agenda

Report by the Director General

In line with resolution GC.15/Res.2, the present document provides information on the participation of UNIDO and the coordination between UNIDO and the United Nations Secretary-General in the ongoing process of elaboration of the post-2015 development agenda. The report focuses on how inclusive and sustainable industrial development (ISID) features in the deliberations on the post-2015 development agenda and UNIDO's engagement therein.

I. Introduction

1. Based on the core issues addressed in the Lima Declaration: Towards inclusive and sustainable industrial development, the present report will (a) provide a short background on the mandate and aims of the post-2015 development agenda, (b) analyse the relevance of ISID in the debate, (c) summarize UNIDO's engagement, and (d) present the way forward.

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II. Background

2. The process of defining the post-2015 development agenda has been clearly mandated by Member States. These mandates stem from (a) the outcome document of the High-level Plenary meeting of the General Assembly on the Millennium Development Goals at its sixty-fifth session (General Assembly resolution 65/1, hereafter “the 2010 MDG Summit”), (b) the outcome document of the 2012 United Nations Conference on Sustainable Development (General Assembly resolution 66/288, hereafter “the Rio+20 Conference”), and (c) the outcome document of the September 2013 special event of the President of the General Assembly to follow up on efforts made towards achieving the MDGs (General Assembly resolution 68/6, hereafter “the September 2013 special event”).

3. These mandates also reflect the resolve of Member States to learn from the past experience of the MDGs, in particular with a view to improving the consultation processes leading to the establishment of common goals and objectives, as well as integrating national priorities and enhancing the policy ownership of Member States in line with the principles of development effectiveness. The current process is therefore based on comprehensive and complex consultations with all relevant stakeholders, which so far have included: (a) at the intergovernmental level: the Open Working Group on Sustainable Development Goals (OWG), the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), and the High-level Political Forum (HLPF) on Sustainable Development, organized under the auspices of the Economic and Social Council; (b) at the United Nations inter-agency level: various initiatives including the United Nations System Task Team and reports of the United Nations Secretary-General; (c) at the multi-stakeholder level: expert groups and academia such as the Secretary-General’s High-level Panel of Eminent Persons (HLP) or the Sustainable Development Solutions Network (SDSN); and (d) structured consultations with global civil society and the private sector hosted by the United Nations Development Group (UNDG).

4. Beyond the process-related concerns of allowing greater inclusiveness in the definition of the future development policy, Member States have also shown a determination to create a thematically universal agenda to address the complex challenges of our times with more systemic responses. While the rather exclusive focus on social development goals of the MDGs, broadly to the detriment of other development issues, has often been seen as a strength of the current agenda regarding prioritization, this narrow view on development also constituted one of the greatest weaknesses of the MDGs, particularly due to the lack of consideration of the means to implement these important social goals in a sustainable manner. Lessons learned over the past fifteen years as well as new global challenges (inter alia the job crisis, climate change, economic stagnation and rising inequality) have brought into renewed focus the relationship between economic growth, environmental safeguards and inclusive development. They have also confirmed that development progress can only be achieved in a systemic manner if it impacts all three dimensions — economic, social and environmental — of sustainable development alike.

5. Therefore, the international community agreed at the September 2013 special event to aim for a transformative agenda that places poverty eradication and

sustainable development at its core. It should also be a global agenda that fosters responsibility for all stakeholders in the development processes, and which should be supported by ambitious yet credible means of implementation (MOI).

III. Inclusive and sustainable industrial development (ISID) in the post-2015 development agenda

6. There is growing recognition in the post-2015 debate that ISID should feature prominently in the new development framework, since it drives the structural transformation of economies, which is key for realizing the economic growth rates and decent job opportunities needed to achieve shared prosperity for all women and men in an environmentally sustainable manner (see annex, figure 1). ISID is credited with promoting value addition, realizing productivity gains and returns to scale, creating jobs and income, enhancing international competitiveness and trade, building efficient and effective productive capacity, supporting economic diversification, and building green industries. This structural transformation unleashes an enormous development potential as it features close linkages to infrastructure development, innovation and the efficient and sustainable use of resources. A range of such linkages with a non-exhaustive number of other sustainable development priorities is depicted in the annex, figure 2.

7. A declared objective of the post-2015 development agenda is to “leave no one behind” and to address inequalities at all levels. Similarly, discussions on ISID gained traction as historical experiences and empirical evidence show that this development path can support countries in their efforts to “catch up” with industrialized countries, and can thus lead to a gradual convergence among nations. Consequently, the call for building productive capacity is strongly pronounced among all developing countries, regardless of their specific situation or development levels, including least developed countries, landlocked developing countries, small islands developing States and middle-income countries. This call is also supported by the fact that the relative resilience of manufacturing in developing and emerging countries with a robust industrial base has softened the effects of the financial and economic crisis in many cases.

8. The current status of the discussions on the post-2015 development agenda strongly reflects this call. Most prominently, the final report of the OWG, which was tasked with proposing a set of sustainable development goals (SDGs), includes in its final outcome report as goal 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”, as shown in the annex.¹ In the spirit of strengthening the linkages between SDGs to capitalize on synergies and further break down previous silo-approaches, ISID-related targets have also been included in goal 8 on “Sustained economic growth and employment” and in goal 12 on “Sustainable consumption and production”.

9. In addition, the final report of the ICESDF highlights several critical policy areas for sustainable development financing, including those related to the promotion of investment in infrastructure, innovation capabilities, trade capacities,

¹ Outcome Document of the Open Working Group on Sustainable Development Goals (final version of 19 July 2014). Available from <http://sustainabledevelopment.un.org/owg.html>.

and small and medium enterprise (SME) finance.² The report was submitted to the General Assembly for Member States' consideration during the post-2015 negotiations in early August 2014. It confirms that "the eradication of poverty requires sustained and inclusive growth and job creation" and that in this regard, investment in infrastructure for, inter alia, the industrial sector as well as increased lending to SMEs assume a critical role. With regard to foreign direct investment, the report also calls on governments to encourage linkages between multinational enterprises and local production activities, support technology transfer, provide local workers with opportunities for further education, and strengthen the capacity of local industry to effectively absorb and apply new technology. Regarding global economic governance and the role of development partners therein, it suggests reinforcing trade-related technical assistance, capacity-building and trade facilitation, to allow the fair integration of developing country industries into global value chains.

10. ISID-related issues are also highlighted in the outcomes of various other lines of consultation. For example, the Secretary-General's HLP report prioritizes the structural transformation of economies and includes targets on strengthening productive capacity, boosting entrepreneurship and innovation, and enhancing value-addition in its goal 8.³ The global consultations of the UNDG echo this call to promote employment-generating sectors, higher value-added production, international competitiveness and trade, while advocating for solutions to be found to decouple economic productivity from the use of natural resources.⁴

11. In summary, the discussions on the post-2015 development agenda currently confirm the provisions of paragraphs 7 and 9 of the Lima Declaration and demonstrate the relevance of ISID for the new global agenda.

IV. UNIDO's engagement in the processes

12. In line with paragraph 10 of the Lima Declaration and Conference resolution GC.15/Res.2, UNIDO is actively engaging in the various processes to elaborate the new development framework:

(a) As a member of the inter-agency technical support team for the OWG, UNIDO has led the preparation of substantive inputs by the United Nations system to OWG sessions in the field of inclusive and sustainable economic growth, industrialization and infrastructure development. In this capacity, the Organization authored the corresponding Issue Brief for the fifth session of the OWG, which was presented to the group by the UNIDO Director General.⁵ The Organization further co-led all inputs on sustainable consumption and production, and contributed to

² Report of the Intergovernmental Committee of Experts on Sustainable Development Financing (final draft, 8 August 2014). Available from <http://sustainabledevelopment.un.org/content/documents/4588FINAL%20REPORT%20ICESDF.pdf>.

³ Report of the High-Level Panel of Eminent Persons in the Post-2014 Development Agenda (May 2013). Available from www.un.org/sg/management/pdf/HLP_P2015_Report.pdf.

⁴ UNDG MDG Task Force report on the post-2015 consultations. *A million voices: The world we want*. Available from www.worldwewant2015.org/millionvoices.

⁵ Available from <http://sustainabledevelopment.un.org/owg5.html>.

other areas where it has expertise, including poverty eradication, agriculture, education, health, employment, gender, inequalities, and energy;

(b) As a member of the UNDG, UNIDO, through its field representations, also engaged in the various consultations organized at the country and regional levels. It further lent its expertise to respectively support and co-lead the UNDG's thematic consultations in the areas of economic growth and employment, environmental sustainability, and energy. As part of the UNDG's second round of consultations on means of implementation, UNIDO, based on its expertise and experience, was requested to co-lead the consultations on "Engaging with the private sector", together with the United Nations Global Compact;

(c) In order to be responsive to the specific needs and expectations of Member States, UNIDO has fostered an open dialogue with its Member States throughout the process. Since March 2013, five briefings on the post-2015 development agenda have been held, with the active participation of Member States representatives in Vienna. Communication channels and cooperation have also been strengthened in field locations and through the work of UNIDO's Liaison Offices to the United Nations and the European Union. In support of ISID, a Group of Friends of ISID was established in the autumn of 2013, comprising 35 Permanent Representatives to the United Nations in New York. UNIDO has supported this group where requested and facilitated a series of briefings on ISID-related issues to various regional and political groups.

V. The way forward

13. Although great progress has been made in elaborating the post-2015 development agenda, its final content and shape are far from completion. Key milestones ahead include the Secretary-General's Synthesis Report, mandated by Member States to summarize all inputs to the post-2015 deliberations so far, which is anticipated to be released by the end of 2014. The report is expected to inform the final round of intergovernmental negotiations during the sixty-ninth session of the General Assembly, which should lead to the adoption of the post-2015 development agenda at a high-level summit in September 2015.

14. The consultations of the Second Committee on economic and financial issues, which is in the process of negotiating the next biennial resolution on industrial development cooperation, will also take place during the sixty-ninth session of the General Assembly. The deliberations of the Second Committee are based on the latest edition of the Director General's biennial report on industrial development cooperation. They offer UNIDO additional opportunities to highlight the importance of ISID and present related policy recommendations for its implementation in the context of the development agenda beyond 2015.

15. Furthermore, the findings of the ICESDF present an important input to the discussion on both the means of implementation (MOIs) and a "renewed global partnership" for sustainable development. UNIDO will continue to work as a reliable partner in this context, and provide its expertise and experience to the discussions on thematic priorities and corresponding MOIs.

16. Also, the Third International Conference on Financing for Development will take place from 13 to 16 July 2015 in Addis Ababa. It will be held at the highest political level and is expected to result in an intergovernmentally negotiated and agreed outcome. The conference outcome is envisaged to be a significant input to the understanding of realistic and implementable MOIs, and UNIDO will actively contribute its expertise, including in the field of private sector engagement, to this important process.

VI. Action required by the Board

17. The Board may wish to take note of the information provided in the present document.

Annex

ISID in the global development landscape

Sustainable Development Goals (as included in the Outcome Document of the Open Working Group on Sustainable Development Goals)⁶

- Goal 1. End poverty in all its forms everywhere
 - Goal 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
 - Goal 3. Ensure healthy lives and promote well-being for all at all ages
 - Goal 4. Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
 - Goal 5. Achieve gender equality and empower all women and girls
 - Goal 6. Ensure availability and sustainable management of water and sanitation for all
 - Goal 7. Ensure access to affordable, reliable, sustainable, and modern energy for all
 - Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
 - Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
 - Goal 10. Reduce inequality within and among countries
 - Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable
 - Goal 12. Ensure sustainable consumption and production patterns
 - Goal 13. Take urgent action to combat climate change and its impacts*
- * Acknowledging that the UNFCCC is the primary international, intergovernmental forum for negotiating the global response to climate change.*
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
 - Goal 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
 - Goal 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
 - Goal 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

⁶ Outcome Document of the Open Working Group on Sustainable Development Goals (final version of 19 July 2014). Available from <http://sustainabledevelopment.un.org/owg.html>.

Figure 1
The role of ISID in the global development landscape

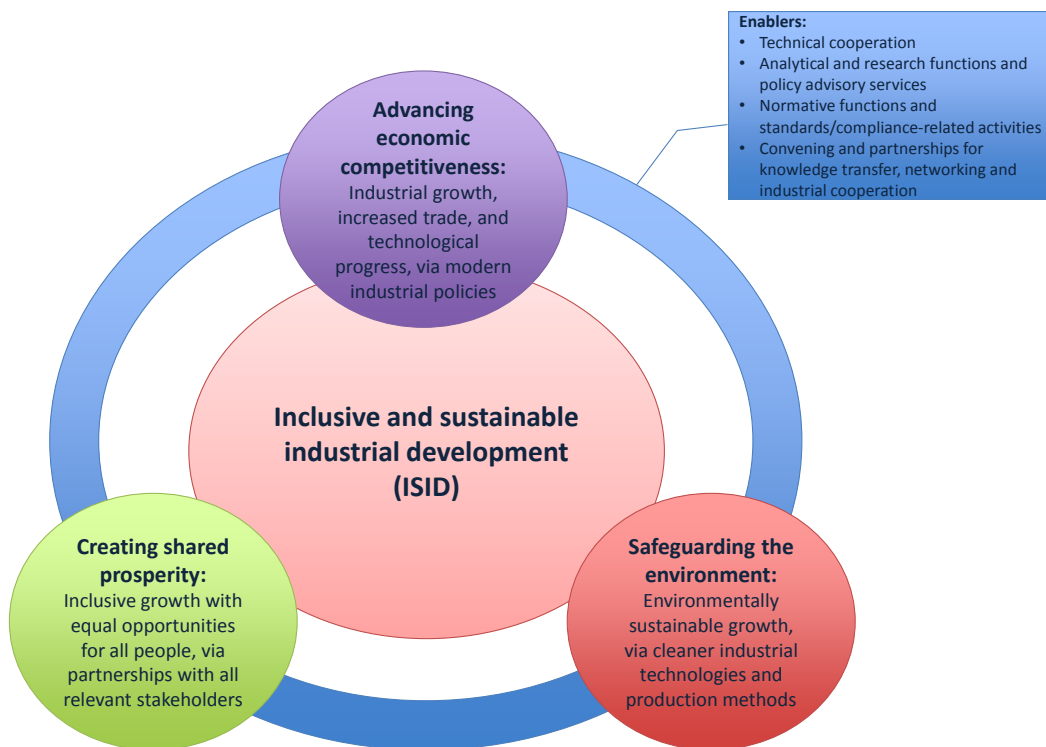


Figure 2
 The contribution of ISID to global development objectives

