



ETHIOPIA



SENEGAL



United Nations  
Economic Commission for Africa



THIRD FORUM

# iSID

INCLUSIVE AND  
SUSTAINABLE  
INDUSTRIAL  
DEVELOPMENT

14 JULY 2015

AIDE MEMOIRE



FINANCING FOR INCLUSIVE AND  
SUSTAINABLE INDUSTRIAL DEVELOPMENT



CO-ORGANIZED WITH THE GOVERNMENTS  
OF ETHIOPIA AND SENEGAL, AND UNECA

<https://isid.unido.org>



FINANCING FOR  
DEVELOPMENT  
15-16 JULY 2015 - ADDIS ABABA - ETHIOPIA  
TIME FOR GLOBAL ACTION



# FINANCING FOR INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT SPECIAL EVENT TO THE 3<sup>RD</sup> INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT

## **A. Building partnerships to leverage resources for extended inclusive and sustainable industrial development impact**

Development actors engaged in formulating innovative proposals to adequately finance the post-2015 agenda have realized that the ambition and universality of the new agenda requires a global development cooperation framework that attracts and catalyzes resources from diverse sources. The success of such a framework requires good policies, the capacity to implement them, effective approaches to mobilize the required resources from both public and private sources, and credible institutions to optimize the development impact of the scarce resources available. The implementation of a successful global partnership framework is particularly significant for addressing complex issues such as inclusive and sustainable industrial development (ISID), an issue that requires many different stakeholders to come together and act in a coordinated manner.

The post-2015 development agenda fully recognizes the crucial role of inclusive and sustainable industrialization in driving development. The outcome document of the Open Working Group on Sustainable Development Goals thus calls upon the international community to “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” as Goal 9 of its 17 proposed goals.

Investing in resilient infrastructure, inclusive and sustainable industrialization, and innovation has also been identified as a pre-requisite for achieving a wide range of sustainable development priorities. This requires a strong private sector and adequate public policies that provide an enabling environment for private investment and business development. Industrialization can be a driver not only of job creation and economic growth, but also of technology transfer. Combined with appropriate capacity-building, attracting investment in productive activities, allows developing countries to advance rapidly in terms of the adoption, application and adaptation of modern technology.

In the spirit of the international community’s efforts to establish strong partnerships and resource mobilization strategies, a special event will be co-organized by the Government of Ethiopia, the Government of Senegal, the United Nations Economic Commission for Africa (UNECA) and the United Nations Industrial Development Organization (UNIDO) on the margins of the Third International Conference on Financing for Development. This special event is expected to constitute an important contribution to the search for innovative partnership approaches for financing and catalyzing all relevant resources for ISID, within the framework of the post-2015 development agenda.

## **B. A new financing approach for ISID: Presenting Ethiopia and Senegal’s Programmes for Country Partnership**

Promoting ISID calls for a broader range of resources than any single development organization can individually provide. The effective achievement of the ISID mandate requires investments not only in industry, but also in associated infrastructure, such as transport facilities and utilities. It also calls for policies, strategies and regulatory frameworks designed to facilitate market access, generate employment and decent jobs, attract foreign direct investment (FDI), upgrade technology, increase exports and foreign exchange earnings, encourage social inclusion and gender equality, and ensure environmental sustainability.

In recognition of the complexity of challenges facing the implementation of ISID, UNIDO has developed an innovative new partnership approach to the provision of its services. Known as the Programme for Country Partnership (PCP), this approach is designed to better support the implementation of the industrialization plans and programmes of national Governments. It was developed in close consultation with a large number of existing and potential partners and counterparts during 2014. The PCP launched in two pilot countries, Ethiopia and Senegal, in November of that year.

Ethiopia and Senegal's PCPs are the first of their kind, aiming at bringing together all relevant stakeholders to mobilize finance and other resources, including technology and expertise, for an accelerated achievement of national industrialization ambitions.

The PCP approach rests on the establishment of multi-stakeholder partnerships under the strong leadership of the national Government. The potential partners include bilateral and multilateral development agencies and financial institutions, the private sector, academia and civil society, whose joint efforts permit an effective pooling of resources and concerted collective action. The approach requires strong coordination of UNIDO's service delivery with that of partners, in order to enhance synergies and the overall development impact of the various partner interventions. UNIDO's technical assistance can leverage and/or accelerate large-scale public and private investments. The technical assistance includes policy advice, feasibility studies, investment promotion, and support in the implementation of major industrial projects, as well as industrial skills development and capacity-building.

The PCP creates conducive environments to attract the private sector as supporting policy and regulatory frameworks are established by national Governments, and development financial institutions (DFIs) and other partners invest in the required infrastructure. Partnership opportunities through the PCPs can hedge risks and leverage additional private sector investments, allowing enterprises to expand their business into new markets, thus making an effective contribution to sustainable development and poverty reduction.

Since the launch of the pilot programmes a few months ago, significant progress has been achieved in both Ethiopia and Senegal. This includes the formulation of supporting policies, the development of projects for the establishment of industrial parks with relevant infrastructure facilities, and the mobilization of financial resources from national and international sources, both public and private.

### C. Objective, output and expected outcome of the special event

#### Objective:

The objective of the special event is to demonstrate concretely how multi-stakeholder partnerships can mobilize and upscale financing for industrial infrastructure as well as for industrial projects of various scales, ranging from domestic small and medium-sized enterprise (SME) upgrading to international large-scale investments.

#### Output:

The envisaged panel discussion, with representatives from governments, DFIs and the private sector, will elaborate on the potential of multi-stakeholder partnerships for leveraging financing for ISID.

The following issues will be covered in the panel discussion:

- (i) Public finance for industrial infrastructure and its benefits for attracting investment, job creation and export promotion;
- (ii) Aligning private finance to the industrial strategy of the Government – constraints of financing domestic manufacturing enterprises and partnership solutions;
- (iii) What is required to attract quality foreign investment in large industrial projects – how do the business environment, skills, labour and other factors influence investment decisions;
- (iv) Challenges for future official development assistance – how can traditional development aid be applied to leverage additional investment in industrial infrastructure and manufacturing capacities;
- (v) Outlook for investments in developing and emerging countries – partnerships for upscaling institutional investment flows; and
- (vi) UNIDO's role as a neutral broker in coordinating and forging partnerships, creating synergies, and facilitating technology transfer.

After the panel discussion, participants will be provided with an opportunity to gain firsthand experience on Ethiopia's progress with regard to industrial park development. A field visit will be organized to two established industrial parks relatively close to the venue, where modern light manufacturing factories have recently been established as a result of FDI from various countries.

#### **Expected outcome:**

Participants will reach consensus on the importance of multi-stakeholder partnerships (such as the PCPs) for financing ISID. This will guide the future expansion and development of the PCP approach, and could serve as a blueprint for similar "partnerships for development" within the post-2015 framework.

#### **D. Date and venue**

The special event will take place in Addis Ababa on 14 July 2015, at the headquarters of the United Nations Economic Commission for Africa (UNECA), Africa Hall at 10:00.

#### **E. Language requirements**

The working languages of the event will be English and French. All documentation and background materials will be available in English only.

#### **F. Participation**

Since the event will be co-hosted by the Prime Ministers of Ethiopia and Senegal, participants are expected to be high-level delegates. The event will gather high-level political representatives, including heads of State and Government, ministers of finance, foreign affairs, and development cooperation, as well as relevant institutional stakeholders, development partners, civil society organizations and business sector entities. In particular:

- Prime Ministers of Ethiopia and Senegal and their accompanying delegates;
- Secretary-General of the United Nations;
- Chairperson of the African Union Commission;
- Relevant commissioners of the African Union Commission;
- Leaders and commissioners of OECD countries and the European Union;
- Delegations from other African countries;
- Delegations from developing countries and economies in transition in Asia and Latin America;
- Delegations from development finance institutions (World Bank Group, African Development Bank, European Investment Bank, International Bank for Reconstruction and Development, OPEC Fund for International Development);
- Ambassadors from partner and donor countries accredited to Ethiopia;
- Delegations from potential donor countries;
- The Executive Secretary of UNECA and his delegation;
- The Director General of UNIDO and his delegation;
- The United Nations Under-Secretary-General for Economic and Social Affairs;
- The United Nations Country Team (UNCT) in Ethiopia;
- Representatives of academia; and
- Media representatives and journalists.

## G. Enquiries and correspondence

All enquiries and correspondence prior to the event may be addressed to the following contact persons:

### UNIDO headquarters:

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## ANNEX I – LOGISTICAL ARRANGEMENTS

### Plane tickets

UNIDO will cover travel costs to and from Addis Ababa for invited speakers. A detailed itinerary with dates and times of departure and arrival will be sent to participants by e-mail. A UNIDO travel agent will purchase an e-ticket to be sent by e-mail. Any extra costs due to the extension of the participant's stay in Addis Ababa, and/or deviation from the authorized route, will be borne by the participant.

### Subsistence allowance

To cover the costs of boarding and lodging in Addis Ababa for invited speakers, UNIDO will provide a daily subsistence allowance (DSA) at the applicable UN rate for the number of nights spent in Ethiopia and related travel, up to a maximum of two days.

### Other costs

Participants other than those sponsored by UNIDO are responsible for the costs of their travel and other related expenses, such as passports, visas, required medical examinations, inoculations, etc. as well as internal travel to and from the airport of departure in their home country.

UNIDO will not assume responsibility for any other costs, including, but not limited to, the following expenditures, which may be incurred by participants:

- a) Any costs related to private local travel, insurance, medical bills, and hospitalization fees;
- b) Costs incurred in case of private stopover during travel (passport, visa, etc.);
- c) Compensation in the event of death, disability or illness;
- d) Loss of or damage to personal property;
- e) Purchase of personal belongings and compensation for damage caused to them by climatic and other conditions; and
- f) Other unforeseen expenditures.

### Accommodation

Participants should make their own reservations as soon as possible, as hotel rooms will be limited at that time of the conference.

### Visas

Prior to leaving their home country, participants are requested to make their own arrangements for any entry visas or travel permits that may be required for the entire travel (including for transit countries) to Addis Ababa. A letter of assistance from UNIDO to facilitate the issuance of visas could be provided upon request.

## Registration procedure

Participants are requested to register with the main organizers of the 3<sup>rd</sup> Conference for Financing for Development. A separate registration form for participation in the Special Event will be attached to the invitation letter.

## Transportation arrangements

The UNIDO Field Office in Addis Ababa will be responsible for logistical arrangements. Any queries can be forwarded to the UNIDO Representative and Director of the Regional Office, Mr. Jean Bakole (contact details under G. Enquiries and correspondence).





UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

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