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Third ISID Forum showcases UNIDO model for financing the post-2015 development agenda

Partnerships are key for the implementation of the post-2015 development agenda and financing inclusive and sustainable industrialization, emphasized participants at UNIDO's third ISID Forum. The event took place on 14 July on the sidelines of the third International Conference for Financing for Development (FfD3) in Addis Ababa, Ethiopia.



Opening session. From left to right: World Bank Group President, Jim Yong Kim; UNECA Executive Secretary, Carlos Lopes; AUC Chairperson, Nkosazana Dlamini-Zuma; UN Secretary-General, Ban Ki-moon; UNIDO Director General, LI Yong; Prime Minister of Ethiopia, Hailemariam Dessalegn; Minister of Economy, Finance and Planning of Senegal, Amadou Ba; and EC Director General for International Cooperation and Development, Fernando Frutuoso de Melo.



Over 400 participants convened at the ISID Forum, co-organized with the governments of Ethiopia and Senegal, and the United Nations Economic Commission for Africa. The Forum attracted one of the most impressive lists of high-level speakers and panelists in the history of the organization. Held at the historic Africa Hall, it was the most attended side event of the FfD3 conference and received the most coverage from local media, out of 180 side events.

UNIDO's partnership approach and its role in promoting inclusive and sustainable industrial development were recognized in the outcome document of the FfD3. The Addis Ababa action agenda welcomed "relevant cooperation within the United Nations system, including the United Nations Industrial Development Organization (UNIDO), to advance the linkages between infrastructure development, inclusive and sustainable industrialization and innovation."

Director General, LI Yong, spoke about the crucial challenge for the global community gathered in Addis Ababa to agree on how to finance the achievement of the proposed Sustainable Development Goals (SDGs), which are expected to be adopted in September.

"In my view, this challenge is so immense that no single country or institution will be able to overcome it on their own. I firmly believe that it can only be resolved through effective multi-stakeholder partnerships bringing together all the major players in the development process."





Opening session - UNIDO's partnership approach for financing ISID garners high-level support

UNIDO received high praise for its Programme for Country Partnership approach as a means of mobilizing additional resources for ISID and implementing the broader post-2015 development agenda.



"The forum has a special significance in both its timing and focus [...]. I believe that the concept of inclusive and sustainable industrial development goes right to the heart of the Sustainable Development Goals. It is needless to say that a high state of economic and social development is unthinkable without having a developed and advanced industrialized sector. Neither history nor practice proves otherwise."

Hailemariam Dessalegn, Prime Minister of Ethiopia



"It is my firm conviction that the implementation of the partnership approach will reinforce industrialization and the manufacturing sector, operate special economic zones and industrial parks, and establish large-scale infrastructure. In this regard, the Programme for Country Partnership introduces innovative financing and partnership models for inclusive and sustainable industrial development, in particular through the establishment of a Partner and Donor Working Group, chaired by the Minister of Economy, Finance and Planning that will coordinate, harmonize and allocate financial and non-financial resources according to the priorities of the Plan Senegal Emergent."

Amadou Ba, Minister of Economy, Finance and Planning, Senegal



"I applaud UNIDO and the Governments of Ethiopia and Senegal for their dedication and hard work towards advancing inclusive and sustainable industrialization in their countries through the Programme for Country Partnership. They set an example for the rest of us on how to partner together to accelerate public investment and attract private finance in key industrial sectors. These Programmes for Country Partnership can serve as a model for realizing the other SDGs too."

Ban Ki-moon, United Nations Secretary-General



"Inclusive and sustainable industrial development [...] 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, create decent jobs, attract foreign direct investment, upgrade technology and ensure environmental sustainability. In recognition of the complexity of these challenges, we applaud UNIDO for launching its Programme for Country Partnership."

Jim Yong Kim, President, the World Bank Group



"Achieving SDG 9, in particular "promoting inclusive and sustainable industrialization", means getting all businesses on board – from local small and medium-sized enterprises to large-scale multinationals – and involving them actively in this new global partnership to achieve sustainable development."

Fernando Frutuoso de Melo, Director General, Directorate General for International Cooperation and Development, European Commission



"Inclusive sustainable industrialization is central to the eradication of poverty and building 'the Africa we want'. Africa is committed to structural transformation and has no choice but to embark on a transformative economic development path to break from its recent past of underdevelopment."

Nkosazana Dlamini-Zuma, African Union Chairperson



"Our African position is that inclusive sustainable industrialization is the primary path to structural transformation, we make no apologies for promoting industrial policies."

Carlos Lopes, Executive Secretary, United Nations Economic Commission for Africa



Panel participants discuss how to finance ISID

A vibrant panel discussion with the participation of high-level representatives of governments, development finance institutions, academia and the private sector elaborated on the potential of multi-stakeholder partnerships for leveraging financing for ISID.



Panel discussion. From left to right: Ambassador and Director-General for Global Issues at the Ministry of Foreign Affairs of Japan, Atsuyuki Oike; Honorary Dean of Beijing University, Justin Yifu Lin; UNIDO Managing Director, Philippe Scholtès; UNIDO Director General, Li Yong; Global Environment Facility Chief Executive Officer and Chairperson, Naoko Ishii; and Chief Executive Officer and Chairman of Illycafé s.p.a., Andrea Illy.

Panelists voiced their thoughts on topics from infrastructure development to capacity-building to leveraging private investment. Special attention was paid to inclusive and sustainable industrial development in the context of Ethiopia with contributions from discussants such as Ethiopian ministers and businesspeople. Moderator Todd Benjamin engaged participants to consider what developing countries themselves can do to finance and achieve ISID. Jeffrey Sachs of the Earth Institute at Columbia University emphasized some of Africa's advantages as a latecomer in terms of 'leapfrogging' its development, for example by capitalizing on the backlog of technology and its major untapped energy resources. "Africa should be able to achieve at least 10% growth in the coming 15 years of the SDG period".



Moderator Todd Benjamin.



Jeffrey Sachs, Director of Columbia University's Earth Institute.



Participants also discussed the importance of partnerships to finance and achieve ISID. Ambroise Fayolle of the European Investment Bank provided an example of his organization's work with the African Development Bank Group on renewable energy, whereby Kenya's largest public-private partnership helped create a 300 MW windfarm close to Lake Turcana. Naoko Ishii of the Global Environment Facility (GEF) also remarked on the importance of a multi-stakeholder platform approach for ISID when she described how UNIDO and GEF are partnering together to help small- and medium-sized enterprises working on renewable energy technologies to access larger markets. Furthermore, Andrea Illy of illycaffè shared how the company's partnership between Ernesto Illy Foundation and UNIDO is aiming to improve agricultural practices in Ethiopia.

Targeted industrial policy and overseas development assistance (ODA) were noted as key for attracting private investment for ISID. Philippe Scholtès of UNIDO and Justin Lin of the National School of Development noted that a stable business environment and focus on clusters or sectors are two potential strategies that could de-risk and attract private investment. Traditional ODA channeled towards industrial zones was highlighted as another way to attract both foreign direct investment (FDI) and leverage

private investment. Atsuyuki Oike from the Ministry of Foreign Affairs in Japan noted how ODA can be used as loans for banks that, in turn, extend loans to micro, small and medium-sized enterprises.

After the panelists, discussants spoke about financing and advancing ISID in the context of Ethiopia. Belete Beyene of Hilina Enriched Foods Processing Centre PLC said that access to finance, markets and a reliable supply of raw materials were major constraints for the growth of small enterprises in the country. Ahmed Abtew, Minister of Industry of Ethiopia, went on to describe the Government's commitment to developing agro-industries, upscaling domestic enterprises and establishing industrial parks. "There is very little we can accomplish with divided and fragmented efforts...We ask [partners] to join us in the stride we are making...by coordinating our effort under the Programme for Country Partnership framework for synergy and complementarity," Abtew remarked.

His Senegalese counterpart, Aly Ngouille Ndiaye, Minister of Industry and Mining, noted that the allocation of USD 40 million mobilized by the Government of Senegal for the integrated industrial platform of Diamniadio was an important step forward for Senegal's commitment towards industrialization. Ndiaye said that this engagement will initiate further investments and interventions from technical and financial partners. He also welcomed the exchange of experiences between both the Government of Ethiopia and Senegal with regards to the implementation of industrial parks, and added that such mutual cooperation should be pursued.

Other discussants from the floor included Oumar Seydi from the International Finance Corporation and Fuar Albassam from the OPEC Fund for International Development.

Overall, the panel discussion showcased the breadth of support for UNIDO's partnership model for financing and achieving ISID.



Ahmed Abtew, Ethiopia's Minister of Industry.



Aly Ngouille Ndiaye, Senegal's Minister of Industry and Mines.



Ethiopia paves the way for industrial park development



Participants at the Forum also took part in a field visit to the Eastern Industrial Zone (EIZ), an industrial park in the town of Dukem, 37 km southeast of Addis Ababa. It was organized by UNIDO and the Ministry of Industry of Ethiopia. Some 80 people, including a delegation representing the Government of Senegal, received a guided tour of two factories.

Mebratu Meles, State Minister of Industry of Ethiopia, highlighted the importance of infrastructure development, including industrial zones, for accelerating industrialization and attracting FDI. He said that his Government will facilitate the establishment of another eight industrial zones in the next four years.

EIZ, Ethiopia's first industrial park, has created more than 50,000 new jobs and some 20 companies now lease land there, among them the Huajian Group, the renowned Chinese shoemaker. Huajian produces more than 7,000 pairs of shoes a day and generates some USD 1.3 million per month, employing around 3,500 local workers.



Participants also visited Be Connected Industries, a garment printing and labelling factory developed through Belgian-Dutch investment. The factory produces one million labels daily for export and 80,000 garment prints for local textile manufacturers.





Partnerships move forward on the sidelines of the third ISID Forum



UNIDO and the Volvo Group will collaborate to develop industrial skills for youth in Africa. They will work together to establish training academies that focus on fostering job-oriented and demand-driven skills in selected countries. A memorandum of understanding on this matter was signed in Addis Ababa on 15 July.

Also on 15 July, Phumzile Mlambo-Ngcuka, UN Under-Secretary-General and Executive Director of UN Women visited Shir-Shir, one of UNIDO leather products women entrepreneurs production units in Addis Ababa. She met a group of women entrepreneurs and discussed their achievements and challenges.

UNIDO also facilitated a high-level meeting between the European Investment Bank (EIB) and the Government of Ethiopia to discuss financing the development of a sustainable leather tanning district, Modjo Leather City. The Ministry of Industry and the Leather Industry Development Institute met EIB on 15 July. Further meetings among the groups are planned as the implementation of Modjo Leather City moves along.



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Video and audio recordings of the speeches and panel discussion can be found on the following platform:



**INCLUSIVE AND SUSTAINABLE
INDUSTRIAL DEVELOPMENT
OPERATION PLATFORM**

<https://isid.unido.org>