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### MEDIUM-TERM PROGRAMME FRAMEWORK, 2002-2005

#### UNIDO involvement in major international conferences

Note by the Director-General

Summarizes UNIDO follow-up to LDC III and highlights inputs to two forthcoming conferences (Financing for Development and the World Summit for Sustainable Development).

#### Introduction

1. At its twenty-third session, the Board adopted decision IDB.23/Dec.10 on UNIDO involvement in LDC III (the Third United Conference on the Least Developed Countries). While focusing mainly on LDC III, the Board in the same decision also encouraged UNIDO to actively participate in its field of competence in the international development debate and to strengthen cooperation with other relevant organizations and agencies, and requested the Director-General to keep Member States apprised of progress achieved.

2. The present document therefore provides a brief summary of follow-up to LDC III and summarizes UNIDO's involvement in the preparations for two major conferences to be convened in 2002:

- International Conference for Financing for Development (FfD) (Monterrey, Mexico, 18-22 March 2002)
- World Summit on Sustainable Development (WSSD), also known as the Johannesburg Summit

2002 or Rio + 10 (Johannesburg, South Africa, 2-11 September 2002)

#### I. THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES (Brussels, Belgium, 14-20 May 2001)

3. The Third United Nations Conference for Least Developed Countries (LDC III) convened under the sponsorship of the European Union, resulted inter alia in the "Brussels Declaration", including the adoption of the new Programme of Action for the LDCs for the decade 2001-2010. It stressed the importance of "an effective follow-up to the conference at the national, regional and global level" and asked the United Nations Secretary-General to ensure that the Conference be followed-up in an efficient and highly visible manner.

4. During the fifty-sixth General Assembly session, the Second Committee will discuss on follow-up to LDC III based on a report by the United Nations Secretary-General, including specific mechanisms that recognize the primary responsibility of LDCs themselves but also the need for a coherent and proactive

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United Nations system engagement to assist LDCs to implement the programme of action and mobilize increased attention and support by the international community in the common fight against extreme poverty.

5. UNIDO reported to the Board at its twenty-fourth session on the active role played in LDC III, in particular through its role as lead agency for the Thematic Session on Energy and the preparation of various "early deliverables" (IDB.24/16/Add.1), in close cooperation with its United Nations partners and various Member States—LDCs as well as European Union countries (such as Austria). The present document briefly describes the pro-active follow-up developed by UNIDO since that time and some lessons learned and suggestions for effective follow-up.

#### A. Specific follow-up

6. On the **energy** front, good progress has been made. Renewable energy projects promoting solar, wind and biomass in rural areas have been formulated for five countries (Bhutan, Ethiopia, Gambia, Ghana and Zambia) and will be submitted for GEF funding. One project (Zambia) has already been approved by GEF. The multifunctional platform programme is being developed in many villages of several LDCs (e.g. Burkina Faso, Guinea, Mali, Senegal) in close partnership with UNDP.

7. With a financial contribution by the Austrian Government, UNIDO and UNCTAD will jointly host a conference in Vienna in January 2002 on efficient hydrocarbon pricing and procurement and managing oil price volatility in LDCs. While the lead responsibility lies with UNCTAD, UNIDO will contribute on the subject of energy and competitiveness.

8. UNIDO has also been achieving promising results on another front that relates both to commitment 4 (Building **productive capacities** to make globalization work for LDCs) and commitment 5 (Enhancing the **role of trade in development**), through a large-scale programme entitled "Enabling LDCs to participate in international trade", which was formally presented in Brussels as a deliverable at the Thematic Session on International Trade, Commodities and Services.

9. Within the framework of this initiative, the European Union has funded a regional programme for the UEMOA countries in West Africa (8 countries, of which 7 are LDCs: Benin, Burkina Faso, Guinea-Bissau, Mali, Niger, Senegal, Togo), with an estimated contribution of €12.5 million. Implementation has started and will cover a period of three years. A special feature of the programme is the substantive participation of ITC. Parallel to the UEMOA programme, UNIDO has started consultations with SADC countries in respect of a similar programme, in which WTO will be

an active partner to deliver advisory services related to the Technical Barriers to Trade agreement. UNIDO has also received funding from Germany to prepare a full-fledged programme for trade facilitation for the non-UEMOA African LDCs from the ECOWAS region (Cape Verde, Gambia, Guinea, Liberia, Sierra Leone).

10. Through LDC III and the programme development undertaken in the context of this "deliverable", a strong momentum has been triggered in terms of reaching out and involving other agencies in the field of trade facilitation. In the context of the High-Level Committee on Programmes, which is chaired by the Director-General of UNIDO, the Organization has invited other agencies, such as UNCTAD, ITC, WHO, FAO, and WTO, to come on board, with a view to developing a truly inter-agency approach to trade facilitation.

11. One of the striking features of this effort is the inter-agency collaborative aspect. As mentioned above, ITC is now involved in the UEMOA/EU/UNIDO programme in West Africa, and WTO will be involved in the similar programme for SADC countries. UNIDO is also actively participating in the Multi-Agency Programme on Investment Promotion, together with UNCTAD, FIAS, MIGA, initiated in four LDC pilot countries (Cambodia, Mozambique, Uganda and United Republic of Tanzania).

#### B. Lessons learned

12. Beyond the priority given by UNIDO to follow up the new Programme of Action, through the LDC III process UNIDO has learned some specific lessons to share with Member States and other concerned agencies. First, the situation of many LDCs has become more difficult since Brussels and recent world events. There is a growing gap between the objectives of the Programme of Action and reality confronted by each LDC, and this problem has to be addressed collectively, in terms of strategic priorities, realistic targets and monitoring mechanisms. Second, the partnership approach followed to prepare for Brussels, with the LDCs themselves and also with the European Union, was very fruitful and should be actively pursued and expanded. Third, the country level is of paramount importance for effective follow-up. The United Nations will have to strengthen its coordination and action, in the framework of the Resident Coordinator System, of the national poverty strategies and common tools such as CCA/UNDAF. Fourth, one of the most valuable outcomes of LDC III was the recognition of the critical importance of "building productive capacities to make globalization work for LDCs" (Commitment 4 of the Programme of Action), and of an integrated approach to trade, where supply-side, industrial and trade dimensions are balanced and in synergy. This represents a most positive step in the international recognition of

UNIDO's relevance and mandate at the beginning of the twenty-first century.

13. Finally, as far as African LDCs are concerned, it is important to consider the New Partnership for Africa's Development (NEPAD) as the overarching global policy framework developed and owned by African leaders when implementing the Brussels Programme of Action.

14. In accordance with the Business Plan and the Brussels Programme of Action, UNIDO will strengthen its attention to and cooperation with LDCs in the medium term, 2002-2005, as already demonstrated by the active follow-up undertaken since May 2001. This will require a closer and effective partnership within the United Nations system and with Member States themselves, including LDCs, given the daunting challenges faced and the absolute necessity to promote approaches that will ensure that their populations can also share the fruits of the globalization process.

## II. INTERNATIONAL CONFERENCE FOR FINANCING FOR DEVELOPMENT (Monterrey, Mexico, 18-22 March 2002)

15. Extensive preparations for FfD have taken place over the last two years, including regional consultations with Member States as well as with the private sector and non-governmental organizations. However, the first comprehensive overview of substantive coverage of the Conference was made available through the report of the United Nations Secretary-General to the (second) Preparatory Committee for the Conference.

16. In response, UNIDO participated in the second meeting of the Preparatory Committee in February 2001, and presented a short statement underlining the importance of strengthening productive capacities in developing countries, the issues involved in accessing international markets, focusing on the quality and conformity assessment aspects, and foreign direct investment—preferably of the enterprise-to-enterprise type. UNIDO's focus on these activities, mainly through the integrated programmes was highlighted.

17. Following this meeting, and in preparation for the third meeting of the Preparatory Committee, UNIDO prepared two notes: "Enabling developing countries to participate in international trade" and "Venture capital for industrial development". These were submitted to the Conference secretariat and distributed in early October 2001 to all UNIDO Member State representatives in New York via e-mail, under cover of a letter from the Director of the UNIDO Office in New York.

18. It may be noted that these two initiatives were in the meantime also presented to LDC III, where both were included in the official database of the Conference.

19. Finally, UNIDO participated in the third meeting of the Preparatory Committee, which took place in New York from 15 to 19 October 2001. UNIDO made two statements in the informal debate under the chapters "Foreign direct investment and other private flows" and "Trade", referring to and introducing the contributions presented in the two notes. The letter mentioned in paragraph 3 above and the two notes were distributed to all delegations. The statements and notes are available on the UNIDO web site ([www.unido.org/doc/451676.htmls](http://www.unido.org/doc/451676.htmls)).

20. UNIDO intends to continue its active participation in the preparatory process, including the third and last meeting of the Preparatory Committee in January 2002 and to promote the two contributions. However, the Secretariat is not waiting for the Conference to start implementing these initiatives, which are also being promoted to donors. Activities under both headings are well under way.

## III. WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT

(Johannesburg, South Africa, 2-11 September 2001)

### A. Background: The WSSD process

21. The 10-year review of progress achieved in the implementation of the outcome of the United Nations Conference on Environment and Development (UNCED, Rio de Janeiro, 1992) will be organized at the summit level to reinvigorate the global commitment to sustainable development in September 2002.

22. According to General Assembly resolution 55/199 of 20 December 2000, the review should "focus on the identification of accomplishments and areas where further efforts are needed to implement Agenda 21 and other outcomes of the UNCED".

23. Preparations for WSSD are under way at the national, regional and global levels:

- At the **national** level, Governments are encouraged to prepare national reports on progress achieved and challenges encountered.
- At the **regional** level, round tables of eminent persons were conducted throughout 2001. Building, inter alia, on their findings, regional ministerial preparatory meetings were facilitated by the respective regional commissions.
- For preparations at the **global** level, the General Assembly decided that "the meetings of the tenth session of the Commission on Sustainable Development (CSD-10) shall be transformed into an open-ended preparatory committee". Its first and second substantive meetings (in January/

February and March 2002) will undertake a comprehensive review and assessment of progress achieved and agree on the text of a document containing the results of the review and assessment, as well as conclusions and recommendations for further action. Drawing on the agreed text of such a document, the third and final substantive preparatory session, to be held at the ministerial level in May 2002 in Indonesia, will prepare recommendations for further consideration and adoption at the 2002 Summit.

#### B. UNIDO involvement in preparatory activities

24. UNIDO is actively contributing to the preparations at all three levels. At the **national** level, UNIDO is working with a number of developing countries in the context of the elaboration of national reports with a view to properly capturing the specific contribution of industrialization to the sustainable development of the respective country.

25. UNIDO participated in all the **regional** preparatory meetings, disseminated statements tailored to the particular challenges of the regions, and networked with other stakeholders.

26. For the African region, UNIDO's engagement resulted in the inclusion of a distinct chapter on industrial development in the ministerial statement, deploring the narrow industrial base and the declining performance of the manufacturing sector over the last decade which results in the "de-industrialization" of Africa. The ministerial statement calls upon the international community to assist in enhancing the industrial productivity and competitiveness of African industries through combinations of appropriate financing and technological support services, to promote the development of micro, small and medium enterprises with special focus on agro-industry as provider of sustainable livelihood for rural communities and to support multilateral and regional organizations in their effort to promote industrial development in Africa.

27. At the **global** level, UNIDO intervened in the deliberations of the Second Committee under the relevant agenda item to brief delegations in New York on UNIDO's participation at the regional level and to express UNIDO's readiness to participate fully and constructively in the global preparatory process.

#### C. Looking ahead: UNIDO's planned contributions

28. As mandated by the General Assembly, the global preparatory process will start with a general stocktaking exercise of progress achieved since Rio and challenges encountered. Only once the stocktaking has been concluded and agreement on the assessment achieved, is

the international community to move forward to determine future courses of action. UNIDO stands ready to participate actively in the stocktaking exercise.

29. While it cannot be desirable for UNIDO to get ahead of the intergovernmental assessment, it is at the same time necessary to build alliances and prepare initiatives in such a timely manner that they can come to fruition at the Johannesburg Summit. UNIDO is working with diligence in the areas of its comparative advantage, such as waste management, energy for sustainable development and technology transfer.

30. UNIDO has been leading the efforts of the United Nations system in the past in the area of **solid waste management**—a role recognized and endorsed by the Environment Management Group. UNIDO will seek to further develop these activities, in the context of WSSD, in cooperation with other relevant organizations and entities.

31. **Energy** is a key global issue on the international agenda for sustainable development. UNIDO will promote the inclusion of energy issues in the WSSD process in line with its own energy programme, which focuses on assisting countries in (a) formulating energy policies to reduce greenhouse gases and thereby mitigate climate change; (b) increasing energy efficiency on both the supply and demand side; and (c) promoting the application of renewable energies.

32. Together with financial resources and capacity-building, technology transfer has been clearly identified in Agenda 21 as one of the main means of implementation. Technological innovation will play a crucial role in any movement towards greater sustainability. UNIDO is working on concrete steps in the context of a broader initiative to help in assessing needs and facilitating cooperation for technology transfer.

33. Finally, it is clear that UNIDO's involvement in LDC III has impacted significantly on the evolving role of the Organization in WSSD, particularly in the energy sector. Similarly, it is anticipated that the achievements of the International Conference on Financing for Development will have a great bearing on the unfolding of the WSSD process. As discussed in chapter II above, UNIDO is participating actively in FfD preparations, and its contributions in the area of trade facilitation and venture capital for sustainable development have been recognized as valuable by stakeholders from developed and from developing countries.

#### IV. ACTION REQUIRED OF THE CONFERENCE

34. The Conference may wish to take note of the information provided in the present document.