



United Nations Industrial Development Organization

Distr.: General
17 October 2016

Original: English

Industrial Development Board

Forty-fourth session

Vienna, 22-24 November 2016

Item 5 of the provisional agenda

UNIDO and the 2030 Agenda for Sustainable Development, including the implementation of the Lima Declaration

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Report by the Director General

The present document provides information on UNIDO's implementation of the Lima Declaration and its work within the framework of the 2030 Agenda for Sustainable Development, in line with General Conference resolutions GC.15/Res.1 and GC.16/Res.2. This report builds on the Director General's update on the implementation of the Lima Declaration provided in document GC.16/7.

I. Inclusive and sustainable industrial development and the 2030 Agenda for Sustainable Development

1. Two years after UNIDO's renewed mandate and strategic direction of promoting inclusive and sustainable industrial development (ISID) was adopted by its Member States in 2013 (GC.15/Res.1) in Lima, the vision of the Lima Declaration was echoed in the 2030 Agenda for Sustainable Development, adopted by the United Nations General Assembly on 25 September 2015 in resolution 70/1.

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* Reissued for technical reasons on 18 October 2016.

V.16-05709 (E) 160916 190916



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2. With the adoption of the Sustainable Development Goals (SDGs), particularly SDG 9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”, the international community recognized the importance of industrialization and industry for realizing sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all, on the way to eradicating poverty everywhere.

3. Rarely has a country progressed and become developed without sustained structural transformation from an agrarian or resource-based economy towards higher productive agriculture and a sophisticated industrial or service-based economy. Industry, by providing decent jobs and by expanding the fiscal revenues needed for social investments, can boost capacity for inclusive development, creating decent work for all, improving health and education systems, and alleviating sociopolitical tensions. Industrial processes that are less carbon-intensive can reduce the consumption of non-renewable resources and minimize greenhouse gas emissions while also stimulating innovation, technological change, diversification and job creation. ISID is thus recognized as a primary engine of technology development and transfer, skills development, productivity growth, infrastructure and green technology development and adoption — some of the key requirements for eliminating poverty by 2030, as set out in Goal 1.

4. Inclusive and sustainable industrialization that mainstreams the three pillars of sustainable development permeates the 2030 Agenda in many other SDGs, as outlined in the UNIDO publication *Achieving the industry-related goals and targets*.¹ The adoption of the 2030 Agenda therefore represents a call for accelerating collective action for the implementation of the Lima Declaration.

II. The follow-up and review of the 2030 Agenda for Sustainable Development

5. The processes and mechanisms for the monitoring and reporting of the SDGs have been greatly clarified through the Secretary-General’s report “Critical milestones towards coherent, efficient and inclusive follow-up and review at the global level” (A/70/684). This report described the role of intergovernmental bodies and forums to monitor and report to the high-level political forum (HLPF) on sustainable development issues.

6. At its forty-seventh session in March 2016, the United Nations Statistical Commission (UNSC) agreed on a global SDG indicator framework, subject to refinements and improvements, as methods and data availability improve. The UNIDO Department of Policy Research and Statistics closely coordinates with other United Nations agencies under the UNSC framework towards the identification of viable indicators for the entire SDG process and with specific reference to Goal 9 identification of baselines, and capacity-building of national statistical offices.

7. In 2016, further to the establishment of the SDG framework and the issuance of the first *Sustainable Development Goals Report 2016*,² the first HLPF was held

¹ Available at www.unido.org/fileadmin/user_media_upgrade/Who_we_are/Mission/ISID_SDG_brochure_final.pdf.

² Available from <http://unstats.un.org/sdgs/report/2016/>.

in New York in July, under the theme “Ensuring that no one is left behind”. The session considered voluntary national reviews of 22 countries and thematic progress reviews provided by 48 functional commissions and other intergovernmental bodies and forums, including by UNIDO, submitted through the Acting President of the Industrial Development Board, further to deliberation and approval by the Enlarged Bureau of the Board (PBC.32/CRP.6). HLPF 2016 resulted in the adoption of a Ministerial Declaration which stresses “the attention given by the 2030 Agenda to building resilient infrastructure and its particular connection with the promotion of inclusive and sustainable industrialization and the fostering of innovation” (E/HLS/2016/1, para. 12). The theme of the 2017 HLPF will be “Eradicating poverty and promoting prosperity in a changing world” (resolution 70/299) and the set of Goals to be reviewed in depth will include SDGs 1, 2, 3, 5, 9, 14 and 17. The next HLPF will therefore be of particular importance for UNIDO, as it will feature a high-level discussion on the current status of inclusive and sustainable industrialization.

8. In 2016, the United Nations development system (UNDS) held further discussions on its future role to support Member States in their efforts to implement the SDGs. The outcome of this process, which included the “ECOSOC dialogues on the long-term positioning of the UNDS”, will inform the next resolution on the quadrennial comprehensive policy review (QCPR), 2017-2020. Through QCPR, the General Assembly assesses the operational activities of the United Nations and establishes system-wide policy orientations. The results of the ECOSOC dialogues have outlined a shift in the overall role of UNDS towards upstream operations, while QCPR was conceived as a general strategic planning tool for UNDS, with potentially significant implications for specialized agencies. UNIDO has monitored and participated in these processes and is gradually aligning its strategic planning cycles with the QCPR cycle, with a view to achieving full alignment by the beginning of the quadrennial 2021 cycle.

9. UNIDO is actively engaged in the United Nations Chief Executives Board and its discussions on the implementation of the 2030 Agenda, and in the Advisory Group of the United Nations Development Group, which ensures system-wide coherence by responding to Member States’ needs in this regard, through the “One United Nations” mechanism.

10. At the Organization’s level, progress was also made in the establishment of an integrated corporate monitoring and reporting system. The integrated results and performance framework (IRPF) facilitates monitoring the relevance, effectiveness, and efficiency of the Organization’s response to the 2030 Agenda, as well as reporting on the implementation of the Lima Declaration and industry-related SDGs.

III. UNIDO strategic and operational approach towards Goal 9 and other industry-related SDG targets

11. In line with the UNIDO renewed mandate and the 2030 Agenda, UNIDO’s medium-term programme framework (MTPF) 2016-2019, provides a strategic framework for alignment of UNIDO to the SDGs, from the conceptual level to a programmatic one. The three dimensions of sustainable development were moulded

into the three thematic priorities that constitute the foundation for the design and management of UNIDO's operations: (a) creating shared prosperity, (b) advancing economic competitiveness, and (c) safeguarding the environment.

Leveraging power of partnerships

12. In line with the Addis Ababa Action Agenda, Member States and all other UNIDO stakeholders have recognized the ambition of the SDGs and that official development assistance (ODA) resources are insufficient to realize these Goals by 2030. Innovative solutions therefore have to be found to leverage additional resources, and not only financial ones but also those such as new knowledge, skills and information. In UNIDO, the main instrument identified to achieve these objectives is the consolidation and strengthening of the Organization's partnership approaches at the global, regional, and subregional levels. As the Lima Declaration underlines, this approach necessitates leveraging multi-stakeholders resources, including from the public and private sector, development finance institutions, national and international, as well as international organizations.

13. UNIDO has developed its Programme for Country Partnership (PCP), as a unique partnership approach to accelerate the operationalization of ISID. Under the leadership and ownership of the national Government, PCP mobilizes resources from development partners, United Nations agencies, development finance institutions, and the private sector, to advance ISID in alignment with the Government's national development strategy. In this framework, UNIDO's convening and policy advisory role, to design industrialization strategies and instruments, complements its well-established technical assistance operations.

14. UNIDO's approach to the implementation of the Lima Declaration, including the Organization's emphasis on partnerships, mirrors the set of means of implementation stipulated in the Addis Ababa Action Agenda (General Assembly resolution 69/313). In the 2030 Agenda for Sustainable Development, this is particularly evident, inter alia, with regard to the 2030 Agenda's vision of the global partnership; the need for multi-modal financing; the catalytic role of official development assistance in resource mobilization; and the specificity of each country's individual challenges.

15. UNIDO's PCP partnership approach thus profiles itself as one clear example of those innovative partnership models needed to implement the 2030 Agenda. It provides answers to many of the necessities and priorities mentioned above through its (a) initial emphasis on least developed countries (LDCs); (b) potential for leveraging private funds with ODA resources; (c) focus on national ownership; (d) leveraging the increasing national capacity of developing countries to invest domestic resources in their own development programmes; and (e) measures for ensuring policy coherence not only among external development partners, but also within national governments.

16. In the frame of PCPs and beyond, UNIDO has also been working on strengthening South-South and triangular industrial cooperation (SSTIC), and enhancing partnerships with the private sector, international organizations, civil society and development finance institutions, to tap into larger resource pools, such as the Global Environment Facility and the Green Climate Fund (GCF), with a view

to increase the impact of its operations in the relevant areas. UNIDO is currently going through the accreditation process for GCF.

UNIDO technical cooperation programmes, projects and tools

17. In light of the above, UNIDO's contribution to the achievement of SDGs lies, in the short and medium-term, in the full implementation of the Organization's strategic programme framework and its three thematic priorities. The instruments used to do so are described in the *Annual Report of UNIDO (IDB.44/2)*, and a summary of these instruments is provided for ease of reference. However, for cost saving purposes, it is not contained in the present report but will be issued in a conference room paper (IDB.44/CRP.3).

IV. Conclusions and recommendations

18. With the 2030 Agenda for Sustainable Development and its 17 SDGs, the United Nations General Assembly adopted a universal vision of creating equitable, prosperous and environmentally sustainable societies, marking the transition to a new era in the global fight against poverty. The 2030 Agenda recognizes that inclusive and sustainable industrialization is integral to the effort to realize many of the SDGs. UNIDO has a key role to play in supporting countries to realize ISID and other industry-related SDGs and targets, in collaboration with other United Nations agencies, development finance institutions, donors and the private sector. In the years ahead, UNIDO is committed to further consolidate its role as the reference organization supporting national efforts towards inclusive and sustainable industrialization — recognized as instrumental for the achievement of the SDGs and related targets.

19. UNIDO will continue to build on its abilities to mobilize multi-stakeholder partnerships that identify and foster country-specific modalities to pursue inclusive and sustainable industrialization, as a pathway for efforts to narrow many of the widening development gaps that characterize the current global development situation.

V. Action required of the Board

20. The Board may wish to take note of the information contained in the present document and endorse UNIDO's engagement in the implementation of the 2030 Agenda, and in particular Goal 9 and other industry-related SDGs and targets. Following the Programme and Budget Committee's adoption of conclusion 2016/6 on the enhanced dialogue with Member States, the Board may wish to provide guidance on the most suitable framework and preparatory arrangements for the follow-up and review mechanism for Goal 9 and other industry-related goals and targets in the 2030 Agenda in preparation for HLPF 2017, scheduled to take place from 10 to 19 July 2017.