



UNIDO Forum
on
Strategies and Instruments for
Inclusive and Sustainable Industrial Development (ISID)

23 and 24 June 2014
Vienna

AIDE-MEMOIRE

1. Background: setting strategies and policies conducive to inclusive and sustainable industrial development

Strategies and policies to boost inclusive and sustainable industrial development (ISID), based on innovation, entrepreneurship and creativity, are attracting global attention. Countries around the world are developing and implementing strategies to create knowledge-based and diversified economies, boost green growth and create jobs. At the same time, the processes and consequences of globalization, and the economic crisis, have repositioned approaches to industrialization, growth and economic development towards ones that are more inclusive, competitive, sustainable, resource and energy efficient, and environment friendly. Many countries, however, are unprepared to meet the challenges that these changes present, or to take advantage of the concomitant opportunities.

Developing countries and economies in transition are often characterized by an undiversified industrial base, market imperfections and less conducive investment climate. Frequently, these economies lack access to information, advanced technological know-how, and financial resources. They also face higher transaction costs given the lack of infrastructure and weak enabling institutions. In response, countries need to accelerate economic and industrial development by mobilizing stakeholders at the national and local levels to achieve collective efficiency, attract investments, support SMEs, foster technological learning, upgrading and innovation, as well as stimulate job creation.

Countries are therefore seeking to develop and strengthen new business models and structures that promote an innovative and competitive green economy, and emphasize the creation and commercialization of new knowledge, and generation of productive jobs. Further, countries and regions want to exploit the opportunities generated by the exceptional pace of advancement of scientific knowledge and innovation. In this regard, the fundamental basis for pursuing inclusive and sustainable industrial and economic development is the creation of a business infrastructure that attracts investment, rewards entrepreneurship and ensures the generation and flow of knowledge and technology. This



shift is supported by initiatives at the international level, in developed, developing and transition economies. Policymakers and development practitioners try to seek answers from various national experiences of development strategies: what are the best practice policies for innovation, research and development (R&D), and entrepreneurship as well as inclusive and sustainable industrialization?

Industrial policies and tools are not particularly new in themselves. What is new is an approach bringing measures together in a holistic way addressing inclusive and sustainable industrial development that can be applied horizontally and vertically to industrial sectors and tailored to the specific country context. This new approach emphasizes that the formulation of sustainable industrial policy frameworks must address interactions and dependencies, as well as synergies and trade-offs between various development issues and focus areas. Hence, having a comprehensive vision of sustainable development in mind needs to be applied to identify the complex goal interdependencies, and to facilitate integrated development planning at all levels.

Targets should adequately address the key objectives of inclusive and sustainable industrial development, integrating economic, social, and environmental dimensions, and considering the interlinkages and collective impact of all three dimensions. Once realistic and measurable targets are set, their attainment can be enforced or encouraged through a coordinated set of regulatory and government policies and programmes addressing the range of issues set by the long-term strategy, such as job creation, gender mainstreaming, social inclusiveness, reducing pollutant emissions from industrial production, reducing material and energy intensity, distributing the benefits of industrialization more equitably in society, accelerating industrialization and international industrial cooperation, and ensuring economic sustainability of development.

The multi-faceted needs for supportive business infrastructure

By improving business infrastructure, countries enhance the general business climate, which in turn strengthens competitiveness and productivity, encourages investments, (R&D) and innovation, the use of information and communication technology (ICT), and job creation. An effective business infrastructure requires multilayered management, ensuring synergy between the various levels of government, national, regional and local, and partnerships between business, government, universities, and civil society. This enables the creation of broad links between knowledge generation and commercialization.

A key component of business infrastructure, and one in line with the objectives of separate but cross-cutting development strategies, such as on science and technology, innovation, job creation, education, and regional development, is the new generation of industrial, technology, science and innovation parks. In supporting the creation and growth of industrial agglomerations and facilitating regional innovation and development of clusters, parks act as catalysts for linkages (horizontal and vertical) between business and other pillars of knowledge and innovation based economic growth. In particular, parks can serve



as bridges between academia and industry, boosting scientific and technological advancement and enabling researchers and scientists to meet international standards. In addition, parks can be used as a testing ground for new reforms, policies and approaches to improve the business environment, as demonstrated in many East Asian countries.

Industrial and technology parks are instruments to meet the targets established in industrial policy strategies, particularly as part of policies to create an enabling business environment (including functioning cities and infrastructure and a stable legal framework). The advantage of parks is that they contribute to the achievement of multiple identified targets.

Although the role, relevance and applicability of parks vary according to specific national, regional and local contexts, it is generally accepted that parks have the potential to be a dynamic tool for accelerating economic growth and raising competitiveness, and function as hubs for creating, disseminating and applying industrial knowledge and stimulating innovation. With the potential to generate or strengthen comparative and competitive advantages, to help remove the binding constraints for development, and to test new reforms and policies, parks can be powerful tools for regional and national development. They attract innovative businesses, leading to both more jobs and a larger tax base. Parks support start-ups, incubation of new enterprises, the development of knowledge-based businesses, foreign direct investments and offer an environment where local and international firms can interact and build business linkages for mutual benefits. Industrial parks can be further adapted to suit national and regional priorities, and can impact upon several development objectives, including those related to education and human resource development, rural, urban and regional development, private sector development, and environmental sustainability. Strategic planning, in alignment with national and regional development goals and regulations, is therefore vital for sustainable regional, local, and overall socio-economic development.

Key to the success of parks is to make them an integral part of long-term development strategy, including commercial sustainability, target markets and firms, growth trajectory, technology innovation capability, and environment sustainability. This is particularly important since economic transformation can take decades. These initiatives should also be featured in national plans for research and innovation, thus reflecting the importance of parks in innovation policy. Similarly, regions and localities, as important players in industrialization and the knowledge-based economy, should focus on the integration of R&D and innovation into their development strategies. In this regard, it is important for policymakers to undertake horizontal joint actions in order to promote synergies among the different instruments, to intensify governance and coordination between the different programmes.

2. The two UNIDO forums in 2014

The concept of inclusive and sustainable industrial development was endorsed by Member States through the Lima Declaration at the fifteenth session of the UNIDO General



Conference in Lima, Peru. To support UNIDO's stated role as a facilitator of knowledge and advice on policies and strategies towards achieving ISID, UNIDO's Director General initiated plans to convene two global forums in 2014 to: (i) present best practices in pursuing ISID strategies and applying instruments such as a new generation of industrial parks, zones and cities; (ii) showcase UNIDO's own work related to ISID; (iii) learn from practitioners and partners, and assert the Organization's role in promoting smart policies and innovative business models for ISID; (iv) integrate UNIDO policy advice and clusters of technical assistance projects for more effective delivery of services; and (v) mobilize resources to expand UNIDO's role in delivering integrated solutions through partnership with governments, United Nations agencies, bilateral development agencies, development finance institutions (DFIs) and the private sector.

The objective of the **first global forum** is to engage in a strategic dialogue drawing on international expertise and regional knowledge with UNIDO Member States, development agencies, and other developed and developing countries on i) how to formulate inclusive and sustainable industrial development strategies and policies and ii) how to operationalize these strategies through the particular instrument of industrial parks according to international best practices and country specific conditions. This will serve as the foundation for the second forum focussed on how to upscale UNIDO's technical assistance with regard to the establishment and management of industrial parks.

The first forum will conclude with a publication summarizing background documents, proceedings and conclusions. It will serve as a reference document for UNIDO activities related to the development of inclusive and sustainable industrial development strategies, as well as the establishment of industrial parks, including various dimensions such as policy, regulatory and management issues.

The **second global forum** will draw on the plan of action and conclusions of the first forum in order to establish mechanisms for promoting investment in industrial parks. Clear concept notes and concrete technical assistance proposals will be presented to different investors.

It is foreseen that information on the forum activities will also be provided to the Industrial Development Board.

3. Issues to be addressed during the first forum

The agenda of the forum will address the following issues:

- (i) ISID as a response to new development challenges and how to achieve ISID through different industrial development strategies and instruments.
- (ii) Best practices and success stories on pursuing ISID through strategies, policies and instruments, such as for instance business development infrastructure and



- lessons learned from successful countries and regions in the design and implementation of industrial strategies incorporating the ISID concept.
- (iii) Mechanisms of implementation of strategies: the role of soft and hard business infrastructure such as industrial parks, zones and districts, as an integral part of strategic and targeted planning; The importance of ensuring an integrated and synergistic approach at the national, regional and local level; the role of public-private partnerships (PPP); the role of local/regional authorities, national ministries and international institutions and the private sector.
 - (iv) The role of the new generation of industrial parks as a concrete and well-circumscribed instrument and an area of rapidly growing demand for UNIDO services:
 - Managing and promoting the flow of knowledge and technology in parks.
 - Business development, marketing and branding, and relevant incentives.
 - Forging and sustaining linkages between stakeholders; promoting interaction between centres of R&D and innovation.
 - Promoting industrial parks as a key pillar of industrial development strategies to governments, donors and the private sector.
 - Linkages between parks and the local economy.
 - (v) Country case studies on business infrastructure and examples of UNIDO and partners' recent activities in the area of industrial and eco-industrial parks.
 - (vi) UNIDO's approach to leveraging static and dynamic gains from different types of parks and zones, including park planning and design, regulatory aspects, resource mobilization, investment and technology promotion, establishment and management of parks, capacity building of stakeholders, fostering cluster development and collective actions.
 - (vii) Way forward and relevant issues to take to the second forum in October on partnerships for resource mobilization.

4. UNIDO Inputs

UNIDO will prepare several background papers on the issues to be addressed during the forum and the final report from the forum.

5. Place, date and language

The first forum will take place in Vienna on 23 and 24 June 2014 at the Vienna International Centre (VIC). The working language of the forum will be English. Simultaneous interpretation in Arabic, Chinese, French, Russian and Spanish will be offered to participants.

6. Participation



The forum will gather high level government officials from relevant ministries, United Nations representatives, business leaders, and experts from industry, civil society and academic research institutions.

Industrial development strategies will be discussed during the forum focusing also on the joint promotion of industrial parks by participating governments and UNIDO, targeting the donor community, including the European Union (EU), bilateral donors, DFIs and the private sector.

7. Management arrangement for the meeting

Air tickets

UNIDO will cover the travel costs to and from Vienna, Austria for invited speakers, experts and a selected number of officials from developing and least developed countries. A detailed itinerary with dates and times of departure and arrival will be e-mailed to participants. UNIDO will request a UNIDO travel agent to purchase an e-ticket to be sent via e-mail. Any extra costs of tickets due to the extension of the participant's stay in Vienna, and/or deviation from the authorized route, will be borne by the participant.

Subsistence allowance

To cover the costs of boarding and lodging in Vienna for invited speakers, experts and a selected number of officials from developing and least developed countries, UNIDO will provide a Daily Subsistence Allowance at the applicable UN rate for the number of nights spent in Austria and related travel, up to a maximum of four days.

Other costs

Participants other than those sponsored by UNIDO will be responsible for their own costs of travel and all other expenses incidental to travel abroad incurred in the home country, e.g. passports, visas, required medical examinations, inoculations and other such miscellaneous expenditures, as well as internal travel to and from the airport of departure in the 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) Costs incurred by participants with respect to private local travel, any insurance, medical bills, and hospitalization fees.
- b) Incidental costs incurred with travel, e.g. passport, visas, private stopover.
- 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.
- f) Other unforeseen expenditures.



Accommodation

Participants should make their reservations by the end of May, as hotel rooms are scarce at this time of the year. A list of hotels together with contact numbers is attached. Please see annex 4 for a list of hotels.

Visas

Prior to leaving their home country, participants are requested to make their own arrangements for entry visas, or travel permits, that may be required for the entire travel (including for transit countries) to Vienna, Austria. A Letter of Assistance from UNIDO to facilitate the receipt of visas could be issued when needed. Please note that issuance of visas is subject to consultations among all Schengen countries and requires three weeks.

Registration form

To facilitate arrangements, a registration form is attached. All participants are requested to complete and return the form as soon as possible by fax or e-mail to the contact person (below). Furthermore, it would be appreciated if participants could submit a scanned picture together with the completed registration form to the contact person below in order to help with early preparation of UN grounds passes at the Vienna International Centre (VIC). This would help expedite the registration process significantly.

Registration will be open at Checkpoint 1 of the VIC on 23 June from 8:30 to 9:00 a.m. Participants are kindly requested to present their national passports with them for VIC registration procedures.

Venue

The Forum will be held on 23 and 24 June 2014, at the Vienna International Centre, at Wagramerstrasse 5, 1040 Vienna, Austria.

Getting there

Transportation arrangements from and to the airport will be made for ministers and/or high level officials. Regular airport buses run directly to the VIC from Vienna International Airport (see Annex 3). The nearest U-Bahn (metro) station to the VIC: **Kaisermühlen-Vienna International Centre** – located on the ‘U1’ line to the north-east of the city centre. A map of Vienna’s U-Bahn service is attached as annex 1 and the airport bus time table in annex 2.

Contact persons

Enquiries may be directed to

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Forum 1 - Tentative Agenda

Day 1: (23 June 2014)

08:30 Registration

09:30 Opening ceremony

Welcome address and opening remarks by UNIDO Director General, Mr. LI Yong

10:00 Coffee break

10:30 Keynote addresses: Mr. Justin Y. Lin, Mr. Jeffrey Sachs and Mr. Nicholas Stern

Session 1 – Strategies and instruments for pursuing inclusive and sustainable industrial development (ISID)

Issues to be addressed:

- Why ISID is necessary as a response to current development challenges;
- Policy frameworks and instruments that can be used at the national level to pursue inclusive and sustainable structural transformation in economy and industry;
- Private sector involvement and state-business relations, practices and principles that result in good policymaking, innovation and productivity growth;
- The importance of synergies between related fields, such as investment and trade policy, skills development and labour policies, science and technology, eco-industrial policy, energy and resource efficiency and effectiveness, regional development policy, macroeconomic policy, competition policy, and environmental policy.

12:30 Lunch break

Side event – Book launch

- *The Industrial Policy Revolution I: The Role of Government Beyond Ideology.* Edited by Joseph E. Stiglitz and Justin Y. Lin
- *The Industrial Policy Revolution II: Africa in the Twenty-first Century.* Edited by Joseph E. Stiglitz, Justin Y. Lin and Ebrahim Patel

13:30 Session 2 – Best practices and successful cases in pursuing ISID at the national and regional levels

Issues to be addressed:

- What are the lessons learned in pursuing ISID at the national and regional levels?
- What can we learn from the experiences in Asia, Africa, Arab countries, Europe and Latin America?

15:30 Coffee Break



15:45 Session 3 – Mechanisms of implementation and the role of soft and hard business infrastructure and institutional innovations such as public-private partnerships (PPP)

Issues to be addressed: the role of the new generation of industrial parks as a concrete and well-circumscribed instrument and an area of rapidly growing demand for UNIDO services:

Issues to be addressed:

- Promoting a new generation of industrial parks as a key pillar of national, regional and local industrial development strategies;
- The role of parks in realizing the objectives of national and regional ISID strategies; relationship between parks and innovation strategies, networks and infrastructure; best practice of strategies for industrial parks within broader development strategies;
- Preparation, implementation and monitoring of strategic and regional programmes for the development of business infrastructure, i.e., relevant regulation and legislation for establishing business infrastructure;
- Management and promotion of industrial parks, including business development, marketing and branding, and other incentives. Forging and sustaining linkages between stakeholders; promoting interaction between centres of research and development (R&D) and innovation.

17:45 Closing of day 1

19:30 Dinner



Day 2: (24 June 2014)

- 09:30 Session 4 – Role of business infrastructure
Country case studies on business infrastructure and examples of recent and ongoing activities by UNIDO in the area of industrial and eco-industrial parks.
- Country presentations;
 - Recent UNIDO initiatives on promoting business infrastructure.
- 11:30 Coffee Break
- 12:00 Session 5 – UNIDO’s approach to leveraging static and dynamic gains from science, industrial and technology parks, zones, and eco-industrial parks
Issues to be addressed:
- Examples of recent and ongoing activities by UNIDO in the area of industrial and eco-industrial parks, and industrial clusters;
 - Industrial park design and management (master plans, feasibility, ownership and business models, green industry, industrial symbioses, income and job creation for the surrounding communities);
 - Resource mobilization and investment and technology promotion (government, finance institutions, private sector, donor community);
 - Capacity building of key stakeholders (good manufacturing practices (GMP), good hygiene practices (GHPs), technical, managerial and entrepreneurial skills);
 - Fostering cluster development and collective actions with local community.
- 14:00 Lunch break
- 15:00 Session 6 - The way forward – conclusions and findings of relevance for the second forum in October 2014 on partnerships for resource mobilization for the new generation of industrial parks in a selected number of countries
- 17:00 Closing ceremony



Annex 2 - Airport bus time table



Gültig ab 15.12.2013. Fahrplanänderungen vorbehalten.

1183 Flughafen Wien ← > Wien Kaisermühlen VIC ① > Wien Donauzentrum ①

Fahrnummer		1183 102	1183 132	1183 104	1183 106	1183 108	1183 110	1183 112	1183 114	1183 130	1183 116	1183 118
Fußnoten			©	Ⓐ					Ⓐ	©		
Nr.												
1	Flughafen Wien Busterminal ← ab	7.10	8.10	8.10	9.10	10.10	11.10	12.10	13.10	13.10	14.10	15.10
2	Wien Donaumarina (Wehlistraße) ①	☛ 7.27	☛ 8.27	☛ 8.27	☛ 9.27	☛ 10.27	☛ 11.27	☛ 12.27	☛ 13.27	☛ 13.27	☛ 14.27	☛ 15.27
3	Wien Stadion (Stadion-Center) ①	☛ 7.30	☛ 8.30	☛ 8.30	☛ 9.30	☛ 10.30	☛ 11.30	☛ 12.30	☛ 13.30	☛ 13.30	☛ 14.30	☛ 15.30
4	Wien Kaisermühlen VIC (Wagramer Straße) ①	☛ 7.40	☛ 8.40	☛ 8.40	☛ 9.40	☛ 10.40	☛ 11.40	☛ 12.40	☛ 13.40	☛ 13.40	☛ 14.40	☛ 15.40
5	Wien Julius-Payer-Gasse (Hotel Park Inn)	☛ 7.43	☛ 8.43	☛ 8.43	☛ 9.43	☛ 10.43	☛ 11.43	☛ 12.43	☛ 13.43	☛ 13.43	☛ 14.43	☛ 15.43
6	Wien Donauzentrum ① an	7.49	8.49	8.49	9.49	10.49	11.49	12.49	13.49	13.49	14.49	15.49

Fahrnummer		1183 120	1183 122	1183 124	1183 126	1183 128
Fußnoten						
	Flughafen Wien Busterminal ← ab	16.10	17.10	18.10	19.10	20.10
	Wien Donaumarina (Wehlistraße) ①	☛ 16.27	☛ 17.27	☛ 18.27	☛ 19.27	☛ 20.27
	Wien Stadion (Stadion-Center) ①	☛ 16.30	☛ 17.30	☛ 18.30	☛ 19.30	☛ 20.30
	Wien Kaisermühlen VIC (Wagramer Straße) ①	☛ 16.40	☛ 17.40	☛ 18.40	☛ 19.40	☛ 20.40
	Wien Julius-Payer-Gasse (Hotel Park Inn)	☛ 16.43	☛ 17.43	☛ 18.43	☛ 19.43	☛ 20.43
	Wien Donauzentrum ① an	16.49	17.49	18.49	19.49	20.49

- © Samstag, Sonn- und Feiertag
- Ⓐ Montag bis Freitag, wenn Werktag
- ☛ Kurs hält nur zum Aussteigen

Am 24.Dez. und 31.Dez. Verkehr wie an
schulfreien Samstagen
Fahrpreis: Einfache Fahrt 8,00 Euro, Hin-
und Rückfahrt 13,00 Euro

Fares: One-way ticket 8.00 Euro, return
ticket 13.00 Euro

ÖBB-Postbus GmbH

Check-in 3, Ankunft, 1300 Wien Flughafen

www.postbus.at

Kundeninformation 0810 222 333 (täglich von 6 bis 22 Uhr)

29.11.2013 10:33:42



Gültig ab 15.12.2013. Fahrplanänderungen vorbehalten.

1183 Wien Donauzentrum ① > Wien Kaisermühlen VIC ① > Flughafen Wien ←

	Fahrnummer	1183 101	1183 103	1183 105	1183 107 A	1183 129 C	1183 109	1183 111	1183 113	1183 115	1183 117 A	1183 131 C
Nr.	Fußnoten											
1	Wien Donauzentrum ① ab	5.58	6.58	7.58	8.58	8.58	9.58	10.58	11.58	12.58	13.58	13.58
2	Wien Kagraner Brücke (Hotel Lenas Donau)	▶ 6.01	▶ 7.01	▶ 8.01	▶ 9.01	▶ 9.01	▶ 10.01	▶ 11.01	▶ 12.01	▶ 13.01	▶ 14.01	▶ 14.01
3	Wien Hotel NH Danube City	▶ 6.05	▶ 7.05	▶ 8.05	▶ 9.05	▶ 9.05	▶ 10.05	▶ 11.05	▶ 12.05	▶ 13.05	▶ 14.05	▶ 14.05
4	Wien Kaisermühlen VIC ①	▶ 6.10	▶ 7.10	▶ 8.10	▶ 9.10	▶ 9.10	▶ 10.10	▶ 11.10	▶ 12.10	▶ 13.10	▶ 14.10	▶ 14.10
5	Wien Stadion (Stadion-Center) ①	▶ 6.20	▶ 7.20	▶ 8.20	▶ 9.20	▶ 9.20	▶ 10.20	▶ 11.20	▶ 12.20	▶ 13.20	▶ 14.20	▶ 14.20
6	Wien Donaumarina (Wehlistraße) ①	▶ 6.23	▶ 7.23	▶ 8.23	▶ 9.23	▶ 9.23	▶ 10.23	▶ 11.23	▶ 12.23	▶ 13.23	▶ 14.23	▶ 14.23
7	Flughafen Wien Busterminal ← an	6.40	7.40	8.40	9.40	9.40	10.40	11.40	12.40	13.40	14.40	14.40

	Fahrnummer	1183 119	1183 121	1183 123	1183 125	1183 127
	Fußnoten					
Wien Donauzentrum ① ab		14.58	15.58	16.58	17.58	18.58
Wien Kagraner Brücke (Hotel Lenas Donau)		▶ 15.01	▶ 16.01	▶ 17.01	▶ 18.01	▶ 19.01
Wien Hotel NH Danube City		▶ 15.05	▶ 16.05	▶ 17.05	▶ 18.05	▶ 19.05
Wien Kaisermühlen VIC ①		▶ 15.10	▶ 16.10	▶ 17.10	▶ 18.10	▶ 19.10
Wien Stadion (Stadion-Center) ①		▶ 15.20	▶ 16.20	▶ 17.20	▶ 18.20	▶ 19.20
Wien Donaumarina (Wehlistraße) ①		▶ 15.23	▶ 16.23	▶ 17.23	▶ 18.23	▶ 19.23
Flughafen Wien Busterminal ← an		15.40	16.40	17.40	18.40	19.40

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