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INDUSTRIAL DEVELOPMENT ORGANIZATION



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## FOURTH FORUM



# iSID

INCLUSIVE AND  
SUSTAINABLE  
INDUSTRIAL  
DEVELOPMENT

## CONFERENCE REPORT



**PARTNERSHIPS: MOVING SUSTAINABLE  
DEVELOPMENT GOAL 9 INTO ACTION**

**30 NOVEMBER – 1 DECEMBER 2015  
VIENNA INTERNATIONAL CENTRE**



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

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## FOREWORD

The global community finds itself at a critical juncture today. While poverty is still the central challenge of our world, we now have the opportunity and the means to align our efforts to eradicate poverty within the next generation. The international community has come together at the United Nations General Assembly to adopt the 2030 Agenda for Sustainable Development with poverty eradication at its helm. Industrialization is recognized in the new, universal and integrated agenda as one of the key drivers for the transformative change that is required to end poverty in all its dimensions. In particular, the role of inclusive and sustainable industrialization finds explicit recognition in Sustainable Development Goal 9 (SDG 9), which calls for building resilient infrastructure, promoting sustainable industrialization and fostering innovation.



SDG 9, and the 2030 Agenda at large, gives UNIDO's mandate of inclusive and sustainable industrial development further relevance in the sustainable development agenda, for which the Organization is ready to play its leading role. UNIDO has developed new programmatic models for advancing the Agenda and maximizing the impact of its activities, in particular the Programme for Country Partnership (PCP).

With all this in mind, UNIDO convened the fourth Inclusive and Sustainable Industrial Development forum with the title "Partnerships: Moving Sustainable Development Goal 9 into Action" featuring high-level panellists and speakers, and an attendance of over 400 participants from more than 90 countries. The Forum examined the links among the three "I"s of SDG 9: industrialization, infrastructure and innovation.

The first session brought together experts from the United Nations, development finance institutions, academia, and other development partners in a panel that highlighted the interdependence of the industry, infrastructure, and innovation, and stressed the importance for governments to create synergies between infrastructure development projects, industrialization, and innovation programmes.

The second session presented the early achievements of the PCPs in Ethiopia and Senegal, and demonstrated how partnerships were mobilized for SDG 9. Industry, infrastructure, and innovation were linked in dynamic and holistic ways within the framework of these programmes. The third pilot PCP in Peru was introduced, with its key features being a focus on forestry, aquaculture and textiles as priority sectors.

The ISID forums have paved the way for the formation and execution of the Programmes for Country Partnership which represent UNIDO's means of advancing the 2030 Agenda for Sustainable Development. As the global community takes seriously its commitment to overcome poverty in economically and environmentally sustainable ways, UNIDO looks forward to being one of the key players working towards a world in which there is prosperity for all.

A stylized blue ink signature of Li Yong, consisting of several fluid, connected strokes.

LI Yong

Director General

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Raluca Ursu led the invitations and logistics working group and had the overall responsibility for facilitating the participation of the Forum panellists and presenters.

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## SUMMARY OF PROCEEDINGS

The Forum took place from 30 November to 1 December at the Vienna International Centre within the framework of UNIDO's 16<sup>th</sup> General Conference. The Forum was part of the "Forum on industrial development issues", a recurring event of the General Conference that hosts several side events. The Forum discussed how UNIDO can contribute to advancing industry, infrastructure and innovation in the context of Sustainable Development Goal 9, "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation".

The first day consisted of a high-level panel discussion focusing on the potential of multi-stakeholder partnerships for creating linkages and synergies between investment in infrastructure, industrial development and innovation. The panellists included: Ms. Moono Mupotola, Director, New Partnership for Africa's Development, Regional Integration and Trade, African Development Bank; Mr. Wu Hongbo, Under-Secretary-General for the United Nations Department of Economic and Social Affairs; Ms. Heike Rüttgers, Head of Division from the European Investment Bank; Mr. Pavel Kabat, Director-General and Chief Executive Officer of the International Institute for Applied Systems Analysis; Mr. Martin Ledolter Managing Director, the Austrian Development Agency; and Mr. Philippe Scholtès, Managing Director of UNIDO. Discussants from the floor included: H.E. Mr. Amir Hossain Amu, Bangladeshi Minister of Industries; Mr. Klaus Rudischhauser from the Directorate General for Development and Cooperation of the European Commission; and Mr. Leonid Efimov from the Eurasian Development Bank.

The second day presented the early achievements of the Programmes for Country Partnership (PCPs) in Ethiopia and Senegal. It also announced the expansion of the PCP to Peru which aims to support the implementation of the Government's National Plan for Productive Diversification. Presenters included: H.E. Mr. Mebrahtu Meles, Ethiopian State Minister of Industry; Mr. Modienne Guisse, Senegalese Vice-Minister of Industry and Mining; H.E. Mr. Piero Ghezzi Solis, Peruvian Minister of Production; Mr. Andreas von Wedemeyer Knigge, President of the National Society for Industry of Peru; Mr. Johannes Dobinger, UNIDO Representative, Regional Office in Colombia; Mr. Dejene Tezera, team leader for PCP Ethiopia; Mr. Tidiane Boye, team leader for PCP Senegal; and Ms. Petra Schwager, team leader for PCP Peru. Discussants from the floor included: Mr. Luca Zelioli from the Italian Development Cooperation; Tajikistan's First Deputy Minister of Industry and New Technologies, Mr. Haidar Kholov; and Mr. Zhang Chao of the China Energy Conservation and Environmental Protection Group. Panel discussions on both days were moderated by Mr. Todd Benjamin.

The following is a summary of the discussion of the first day:

The panel discussion centered on the three "I"s of SDG 9. The importance of industrialization for sustainable development was reiterated throughout the forum, with UNIDO as the key organization to spearhead the UN-system's efforts in this regard. Wu Hongbo, Under-Secretary-General of the United Nations Department of Economic and Social Affairs, congratulated UNIDO and its Member States for their determination and far-sightedness in the Lima Declaration. "Industrialization is the way to get rid of extreme poverty," stated Wu.

Panellists also stressed the importance of hard and soft infrastructure for advancing industrialization and integration on the African continent. Both the African Development Bank (AfDB) and the European Investment Bank (EIB) described the value of partnering with UNIDO to develop infrastructure, commending UNIDO's global presence and technical expertise in preparing feasibility studies and social/ environmental impact assessments. Heike Ruetters from the EIB noted that the Bank is currently working with UNIDO on developing a sustainable leather industry in Ethiopia, while Moono Mupotola representing the AfDB described the Bank's partnership with UNIDO to help upgrade the capacity of private companies to meet export standards. Private sector development was described as crucial for poverty eradication. Martin Ledolter from the Austrian Development Agency also stressed the importance of capacity-building, such as vocational training, for increased employability and productive capacity.

Innovation means not having to reinvent the wheel and can accelerate sustainable development, according to panellists. Pavel Kabat from the International Institute for Applied Systems Analysis, described how knowledge-sharing can produce innovation that can save money, while other panellists affirmed how innovation can create jobs. Specifically, renewable energy and clean technologies were put forward as examples where there is a huge potential for innovation and partnerships, particularly for developing countries.

The below is a summary of the presentations of the three Programmes for Country Partnership of the second day:

## Ethiopia

The features of the PCP were elaborated in the context of UNIDO's work with the Government of Ethiopia.<sup>1</sup> The country's vision to achieve middle-income status by 2025 and the corresponding development strategy – the Growth and Transformation Plan II – were discussed. Major implementation milestones include the four ISID forums. Early achievements include the set-up of national structures for PCP governance and monitoring, completed feasibility studies for integrated agro-industrial parks (IAIPs), and several investors and donors already mobilized for infrastructure development. A policy document for IAIPs was developed and is currently going through the approval process.

Mr. Luca Zelioli from the Multilateral Development Cooperation Office of the Italian Development Cooperation remarked that the PCP framework encourages national and international investment and ensures more effective collaboration. He described how UNIDO's technical assistance is strengthening the Ethiopian coffee value chain and, in turn, boosting investment and coffee exports through a project funded by the Italian Development Cooperation. Illycaffè joining hands – as a co-donor and co-implementing partner providing vocational training – was cited as concrete example of a successful public-private partnership. Other collaboration areas include the leather industry and enterprise clustering.

## Senegal

The PCP Senegal team presented its progress to date. The governance structure of PCP Senegal was described; it includes coordination among the Ministry of Industry (the coordinating agency), other sectoral ministries (such as investment promotion, finance and agriculture), the Prime Minister's office, UNIDO, and other stakeholders. An incentive package and business plan for Diamniadio, the country's first integrated industrial platform, and the creation of a special economic zone are among the emerging outcomes of UNIDO's interventions in Senegal. Public financing of an amount of USD 32 million has already been mobilized for this industrial platform, with construction having begun and the first garment factory expected to start operations in February 2016.

## Peru

Peru was introduced as the newest pilot PCP country. The PCP will support the Government's National Plan for Productive Diversification and objective of joining the Organisation for Economic Co-operation and Development (OECD). Priority sectors include forestry, aquaculture, and textiles and garments. Major PCP Peru components include sustainable industrial parks and zones, technology and innovation centres, and the environmentally sound management of chemical substances and wastes. At the national level, the multi-stakeholder partnership includes several ministries, the national society of industries, and national development banks. At the international level, it includes the Development Bank of Latin America, the Global Environment Facility, the Inter-American Development Bank, the International Finance Corporation, the OECD, United Nations agencies, and the World Bank.

<sup>1</sup> In complement, a *PCP Ethiopia 2015 Progress Report* was prepared and distributed as part of the materials in the 4<sup>th</sup> ISID Forum bag. It can be found online at <https://isid.unido.org/forum-4.html>.



## Opening remarks

**Mr. Li Yong, Director General, United Nations Industrial Development Organization**

Excellencies, Distinguished delegates, Ladies and gentlemen

I would like to thank all of you for attending this Fourth Inclusive and Sustainable Industrial Development (ISID) Forum.

A special thank you goes out to Professor Stiglitz. He gave us such a marvelous presentation. Among his ideas is how to prove that industrial policy is really helping countries to move ahead, whether they are big ones, small ones, developed or developing.

I really believe that he gave us encouragement to move ahead with innovation and this is an important message to all of us.

Interconnectedness is precisely the overarching backdrop of our Fourth ISID Forum. UNIDO has recently found its mandate reaffirmed with the newly adopted 2030 Agenda for Sustainable Development, among which SDG 9 calls clearly for inclusive and sustainable industrialization, alongside other crucial sub-goals of building resilient infrastructure and fostering innovation.

We can see these three “I”s – industry, infrastructure, and innovation – are intimately related. We will explore these relationships over the course of this forum.

UNIDO’s new partnership approach – the Programme for Country Partnership (PCP) – is what we envision as the means of bringing these three “I”s together. Partnerships have been at the forefront of international discussions on how countries can achieve their development agendas.

One example: The United Nations Chief Executives Board (CEB) for Coordination’s recent statement illustrates the need for partnerships to achieve sustainable development. The CEB calls for United Nations organizations to “act swiftly to adopt new ways of working” to be “collaborative rather than competitive” and asks United Nations (UN) agencies to work together and to be “open to innovative ideas that better respond to the new sustainable development paradigm.” This is a very powerful message to all the UN agencies and international communities.

For UNIDO, partnerships, as operationalized through our PCP, exemplify this collaborative and innovative spirit which heeds the CEB’s call to act swiftly in light of the Agenda for Sustainable Development.

There is much for us to discuss to create an in-depth understanding about how best to fulfill this ambitious but urgent agenda and, in particular, Goal 9 which has special relevance for our organization. With our Fourth ISID Forum, we aim to explore the synergy among industry, infrastructure and innovation together with the partnership approach of the PCP which aims to upscale investment for ISID.

And also for us to work together for other goals and move towards our final destination: eradicating poverty across the world.



## Session 1: Panel discussion on partnerships – moving SDG 9 into action

**Mr. Todd Benjamin, Veteran journalist, experienced interviewer and former financial editor, CNN International**

Innovation is one of the pillars of SDG 9. Professor Stiglitz pointed out one of the great ironies, especially in advanced countries, is that when we think of innovation, we think of how we can increase productivity and therefore destroy jobs. What you need to think about in developing countries is: how can innovation be an engine for creating jobs? That's a very different challenge. Also, Professor Stiglitz endorsed the road map that UNIDO is taking in terms of its approach to industrial policy, this idea of being inclusive and sustainable.

Interconnectedness is the overarching backdrop for this ISID Forum. We need a multi-stakeholder approach if we are going to realize SDG 9. We have representatives from six different organizations. Each will speak from 4 to 5 minutes, talking about their institutions and SDG 9.

**Mr. Wu Hongbo, Under-Secretary-General, United Nations Department of Social and Economic Affairs**

My department is responsible for normative and analytical work. In other words, we are not field-operational. This might sound rather abstract, so let me give you some examples. For example, we all know the Rio+20, the United Nations Conference on Sustainable Development that took place in Brazil in 2012. The entire conference was supported by my department.

Over the past three years, we have supported open working groups, high-level expert committees on financial affairs, which produced financing for development options, and this year we supported negotiations between Member States in New York, which led to the 2030 Agenda and the successful conclusion of the Third International Conference on Financing for Development in Addis Ababa, Ethiopia.

The question is: what does the United Nations Department of Social and Economic Affairs (UNDESA) have to do with SDG 9? My department has something to do with all the 17 goals.

Let me just give you one example. When LI Yong was applying and campaigning for the job, I remember having a discussion and saying, "We only have one billion people out of seven living in an industrial country. The other six billion people are in countries where industrialization either has not started or is just in the process. If we want to leave no one behind, we need industrialization".

I would like to congratulate UNIDO and all its Member States for their determination and far sightedness two years ago, when you declared to the world that you want inclusive and sustainable industrialization.

I think this is one powerful way that we can eradicate extreme poverty in the world, and this is a way that we cannot avoid. This is a way that we have to choose for ourselves.

**Ms. Moono Mupotola, Director, New Partnership for Africa's Development, Regional Integration and Trade, African Development Bank**

Our relationship with SDG 9 is embedded in our 10-year strategy, which really has two objectives. The first is sustainable and inclusive growth, and the second is movement towards green growth. For the past 10 years, our focus has been on infrastructure development. We see infrastructure development as an enabler towards industrialization and integration of the continent.

You've often heard the statistic that Sub-Saharan Africa, which has a population of 47 million people, generates less electricity than Spain. Only seven countries in Sub-Saharan Africa have electricity access rates exceeding 50 per cent, while the rest of the region has average access rates with only 20 per cent. Therefore, the focus of our

new President is to energize Africa. Energy is important for us; it is the key ingredient for industrialization. Most of our businesses run on diesel which really doesn't make them competitive. So we seek to increase this access, to have an energy mix from more solar sources or more hydro, and to really exploit some of the capacities on the continent.

Over the past 10 years, sixty per cent of our loans have gone towards the energy and transport sectors. One of the things we are also moving towards is helping those projects to reach bankability.

Let me move quickly to another area we believe we should be supporting. As we spoke to our clients, it became very clear that given the need for jobs, industrialization is important and that we should see how we can move up the value chain. One of the phenomena that has been really encouraging for our continent is that 97 per cent of intra-investments within Africa target non-primary sectors compared to investments coming from outside, from overseas, which target the primary sectors.

We are seeing this movement towards industrialization at an intra-Africa trade level, and at an intra-Africa industry and investment level. There are a lot of things happening that we need to support. This is where we come in and look at partnership with UNIDO; our focus has been on infrastructure. The question is how to move forward the industrial aspects for a continent that desperately needs it.

#### **Mr. Todd Benjamin**

So to recap, 60 per cent of your loans over the past 10 years have been in the energy and transport sectors and 97 per cent of your industrial emphasis is on the non-primary sectors, with an emphasis on Africa.

#### **Ms. Heike Ruetters, Head of Portfolio and Policy for Africa, the Caribbean and the Pacific, European Investment Bank**

I would like to build upon what my predecessor said as we are co-financing a lot together. The European Investment Bank (EIB) is the bank of the European Union (EU) and, as such, the long-term investment and development bank of the EU. It has been active outside the EU for more than 50 years now.

The SDGs are also at the very core of our daily strategy. Like other multilateral development banks (MDBs), we are committed to achieving these goals. Especially Goal 9 which comes very close to what we have been doing in Europe and where we can also bring our knowledge to our partner countries outside the EU.

I would like to stress that 70 to 75 per cent of what we do, for example in Sub-Saharan Africa, goes to the private sector, and we have seen an increasing interest, especially from European companies to invest in Africa. This is a very exciting evolution which brings together a lot of opportunities in order to bring innovation to this continent. We see a lot of innovation rising from inside the continent but which can – with catalytic investment from development banks like the African Development Bank (AfDB) and the EIB – flourish ultimately to create jobs outside.

I would like to say that in terms of instruments we would like to bring along, we cover a whole range not only of loans, but also covering micro-finance through equity, to guarantees as well as finance, to larger public and private partnerships. I would also like to stress the need to create an enabling environment through infrastructure investment in our partner countries, as well as providing access to finance for small and medium-sized enterprise (SMEs).

I would also like to stress that, along with other MDBs, we are working on multi-stakeholder partnerships but also with other institutions like UNIDO. We believe that we can create a lot of synergies in order to be complementary in what we do. We need to combine not only finance, but also capacity-building and thus take a holistic approach. I think that's what's needed with the SDGs; to take a universal approach for universal objectives.

**Mr. Todd Benjamin**

My first question is – you have more European companies that are interested in investing in Africa. Some see the opportunity is there. Some see basically the taking of natural resources. How do you make sure that the companies you are working with are taking an approach which is sustainable, not only from an environmental standpoint, but also creating employment, as opposed to exploiting employment?

My second question is – you said you are creating a lot of synergies with UNIDO. Specifically, elaborate on those.

**Ms. Heike Ruettgers**

Sustainable investment is key for an institution like ours, which is not only seeking a profitable investment but indeed a sustainable impact. We ensure this by having a results-measurement framework, by looking at indicators we want to measure and actual results we want to achieve with our investments. So any investor coming from our partner countries and wanting to work with us has to demonstrate that this sustainability can be achieved, so going beyond just having a profitable investment and creating the development impact we want to achieve.

We have started to combine our activities and our loans with technical assistance (TA) measures. We know that institutions like UNIDO have a broad presence in the field and can create a much broader capacity-building impact than we can by recruiting and outsourcing TA. We bring together combined field expertise and to give you an example, we are working on a common initiative to develop a sustainable leather industry in Ethiopia. We provide the financing for the industrial side to establish the necessary infrastructure and UNIDO brings in the expertise and the knowledge in order to build around that.

**Mr. Todd Benjamin**

One of the values of working with UNIDO is that you don't have to come out and seek the expertise. UNIDO has the expertise and therefore you can be more expedient and more efficient in delivering the goals you want to deliver.

**Ms. Heike Ruettgers**

Correct. Actually, when we had the first technical meetings on both sides, our conclusion was why haven't we started this collaboration much earlier? It seems so obvious and complementary.

**Mr. Todd Benjamin**

Mr. Pavel Kabat, how is your institute and its goals aligned with the goals of UNIDO and SDG 9?

**Mr. Pavel Kabat, Director General and Chief Executive Officer, International Institute for Applied Systems Analysis**

We have 17 SDGs and 168 plus targets. Every single SDG has its own favorites, its own team playing their own game. They will be implemented in a competitive way because this is the way we do the governance of implementation. We all know that they are connected. We all know that energy is in Goal 7 which is connected to water and water is connected to education. We all know this is the reality, but we don't understand really how the system of SDGs looks like in reality. We have a feeling they are connected, but we have no tools.

My institute – the International Institute for Applied Systems Analysis (IIASA) – focuses on systems analysis. It was put together in the 1970s by the world's leading nations to build bridges across systems and sectors. This is where our contribution to the SDG is.

UNIDO and IIASA go back many years, where we started to collaborate exactly on this aspect. My institute was privileged to support UNIDO and the Secretary General in putting together all the numbers behind Goal 7, which became “energy for all”. We have done this using this core benefit of the system.

Let me give you a concrete example. The challenge of SDG 7 was energy: energy access for over two billion people without it, doubling of the efficiency of systems and doubling of the rate of renewables. We said, “Energy? Isn't it very much connected to the climate mitigation target?” Over 80 per cent of the mitigation target is energy targets. So we looked at whether we can do the calculations for energy for all, respecting the two degree second sector target too. Many of the energy emissions are connected to the air quality problem. So we look at the number three sector, which is trying to address air quality issues in mega cities to World Health Organization standards.

In the end, we added a sector which is health. Forty thousand people yearly die due to air quality problems. Those four sectors are usually treated separately on my own continent, as much as in Austria, as much as in the UN system.

If you add up, cut the boundaries, try to be co-beneficial, you can save up to USD 80 billion a year. This is the value of systems thinking.

We have been working on this through a project with UNIDO, the Global Environment Facility (GEF) and the World Bank, looking into a so-called nexus where we combine environment and industrialization, and energy and water. As Joseph Stiglitz said, Goal 9, industrialization, is an inclusive agenda which must be cross-sectoral, must be transdisciplinary. This is when we come and partner; the Director General and I are meeting regularly, are trying to set-up an example of implementing without regrets, trying to see the co-benefits and how we can do it more effectively and cheaply.

Same in Paris, New York and Vienna. We are sitting here discussing Goal 9. We were sitting in New York two months ago discussing Goal 17 and in Paris we discussed the planet. There is a road between New York-Vienna-Paris, because we agreed on Goal 7, and we should agree that this is a big co-benefit for climate goals too. So there is also horizontal time integration in the co-benefit description.

I would like to challenge all of us to think in systems, think in integration, to leave our protected beds and preferred regions and sectors, and try to bit a bit more advanced in terms of integrated systems syncing.

#### **Mr. Todd Benjamin**

You are looking behind all the numbers and trying to see what the numbers really tell us. You mentioned UNIDO, but how can you cooperate with all these other bodies to make sure we are being as efficient as possible? You gave one example, you can save USD 80 billion a year, when you were focusing on energy.

#### **Mr. Pavel Kabat**

I am very privileged to be on this panel, because every single colleague is part of this agenda. If I look at the banks, both AfDB which has an extremely progressive agenda, but also EIB, this is where the investment and loans will come from. We need your vision to look upfront before we loan the money to these issues. What sense does it make to set up an energy project somewhere in Africa or Asia, for example, forgetting that at the same time, it will need water and we are competing with the agriculture sector? So we need this upfront information together.

We are ready to partner, which means throughout the whole process. Science should not stay at the beginning and then leave the stage because the conditions are changing. We are really interested to collaborate, especially with the banks. The International Monetary Fund, for example, the GEF as well, is working together with UNIDO and IIASA on a project on nexus.

**Mr. Todd Benjamin**

I want to ask the two bankers here, how can we use this sort of analysis and come to the same result that we want in terms of inclusive and sustainable industrial development?

**Ms. Heike Ruetters**

I would agree that we have to take a much broader view in identifying projects and be really catalytic in the market. Banks should also have a demonstrative effect with any project we finance so that it may be replicated by others at a later stage. I would totally agree, for example, if we look at agriculture, a sector which the bank has been increasingly engaging in recently. Going into agriculture without considering water resources would be a big mistake, so we need to have a crisis resilience approach to any investment we take and also take a global view on what are the potential impacts of any investment we do. This is a very important and where we can work together.

**Ms. Moono Mupotola**

Through all the loans that we provide, we always undertake an environmental impact assessment to ensure that there is no negative impact created by the project we are going to fund. Going forward, one of the things we are doing and this is where we see the partnership with UNIDO being very useful, is that we fund a lot of corridors – these corridors are roads that cut across countries. In the past, we focused mostly on looking at hard infrastructure, such as roads. We've now shifted and are looking at what we call soft infrastructures, in the sense that we take into account what sort of economic activities are prevalent and what sort of firms are there that we can support, particularly in the agricultural sector.

I could give you an example: about three weeks ago, we went and looked at a project between two countries, Angola and Zambia, and parts of the Democratic Republic of the Congo. We looked at some of the companies and we came across a pineapple company that needs technical assistance to upgrade and meet international standards to be able to export some of these pineapples out of the country. This is where we partner with UNIDO who has the expertise. Then we try to put together a loan, have a soft infrastructure component to support some of these activities and to ensure that what we are doing is sustainable.

**Mr. Todd Benjamin**

Let's now move on to Martin Ledolter – I want to ask you the same question. Make the linkage between what your institution is doing and SDG 9.

**Mr. Martin Ledolter, Managing Director, Austrian Development Agency**

Let me first start by quoting an Ivy League professor, Dani Rodrik from Harvard, about structural change: "It involves producing new goods with new technologies and transferring sources from traditional activities to new ones". That statement implies that developing countries can and will never emerge from aid dependency



without having appropriate industrial policies. So what can donors do to promote sustainable industrialization? What is the Austrian Development Agency (ADA), as the Austrian arm of development cooperation, doing to promote the growth of the private sector?

First, donors can facilitate expert inputs to build capacity to design, implement and monitor their industrial policy. Second, donors can also help to improve the policy formation process and think of enhancing the public-private dialogue. Furthermore, donor-funded technical experts can improve the performance of public agencies which again, support the overall functioning of the target industry.

The ADA, for example, has provided technical assistance to investment promotion agencies in Uganda and Kosovo, which resulted in attracting foreign direct investment (FDI). In addition, donors can support government efforts to grow priority industries by ensuring the functionality of the service market that supports these very industries.

Coming back to what Professor Stiglitz said, I will give you two examples: information and communications technology (ICT) and vocational/educational training. Without ICT, industrial development will not happen. ICT helps to build a knowledge economy and expand access to ICT collaboration with the private sector, which is instrumental. ADA has good practices with regard to cooperation in this sector in Moldova, Serbia and Bosnia.

The labour market needs well-trained individuals: education is key. Vocational training (VT) offers many advantages. VT is a direct means of providing workers with the necessary skillsets, greatly increasing their employability and productive capacity in an era of innovation and technological change. VT programmes can make an important contribution to inclusive growth and life-long learning.

ADA strongly believes that such programmes truly constitute a comparative advantage and enhance our competitiveness and those of our partner countries. We have made VT a cornerstone of our development cooperation.

#### **Mr. Todd Benjamin**

This is the second time that we've heard that only industrial policy can alleviate poverty. We are all in agreement there. I don't think we are going to find anyone that disagrees. It's interesting: we've now had five different speakers talking about how their institutions are trying to work in ways that will facilitate SDG 9, and four out of five mentioned UNIDO and that it plays a very important role. But we haven't heard from UNIDO yet. Philippe Scholtès, Managing Director of UNIDO, I would like to get your reaction and initial thoughts.

#### **Mr. Philippe Scholtès, Managing Director, Programme Development and Technical Cooperation, UNIDO**

Let me put some historical perspective in all this. After all, you heard that UNIDO is about to celebrate our 50<sup>th</sup> anniversary next year, so I guess it's appropriate to look back at some of the things we've done in the recent past and how they gradually bring us to the point we are at today.

Let me start with the mid-1990s, in India, where we were approached by a major foreign car manufacturer interested in improving the production structure and reducing the transaction cost in its procurement. You must know that the automotive sector is very typical in the sense that it is organized in layers. So the OEMs – original equipment manufacturers – procure from a second layer of big components, which in turn procure from a third layer of rather smaller components and so on, and it drills down literally to the nuts and bolts that together compose a car. The idea was working with different layers, trying to organize them to improve the quality of their products, to improve the productivity of sectors, while reducing the transaction costs for the OEMs on top of the chain. As you can imagine, to the extent that the OEMs did not have an exclusive contractual relationship with the lower layers, this kind of service was fraught with externalities, so that whatever we did to help the lower layers benefitted virtually any manufacturer, any large buyer which was not necessarily only the one we were working with. That justified the role of UNIDO to this original public-private partnership. It

is original because it is purely based on the commercial benefit of private partners, not on corporate social responsibility or philanthropy. It is based on an alignment of interests of the private player on the one hand, and a development agency like UNIDO on the other hand.

A few years later, in 2011, UNIDO was approached by a financier. This was in the context of the African Agricultural Fund established by a number of development finance institutions (DFIs) to take equity investment in agribusiness across Africa. There also, we were invited by some of the sponsors whose capital was on the line to come in and make sure that their investment into African agribusiness companies improved the livelihoods and welfare of the local communities. As such, our role was meant to extend all together the development impact of these initiatives. So again, we started with some sort of public-private partnership with corporates. Now, we are talking about DFIs. All this brings us to 2013.

In 2013, we enunciated our business partnership policy, which I think was quite trail blazing by UN standards. For the first time, we had a clear indication of how we were handling partnerships between a development agency and private partners.

That is also the time that Africa produced its Agenda 2063 that put industry at the centre of development. That was an entire continent taking a very long-term vision in which industry is seen as a major vehicle of development.

The year 2013 is also important because UNIDO adopted the Lima declaration that put ISID as the central mandate for UNIDO. That was also the time that DG LI Yong came to the helm of the Organization. With that, we crystalized on the one hand, the increasing recognition of the role of industry for development, and on the other hand the various multi-stakeholder partnerships that UNIDO had forged over the years.

So in 2014, we thought to make this more explicit, to communicate this more effectively to our Member States, that the best perhaps would be to identify two pilot countries, and we labelled this the Programme for Country Partnership (PCP), basically trying to put to work this idea of linking together technical assistance with larger flows of resources from DFIs, from the private sector and so on. The idea being that with the resources at our disposal and the very specific nature of the services that an organization like UNIDO provides – capacity- building, strengthening institutions and providing advisory services to governments, etc. – there was only so much we could do at a time when industrialization is taking centre stage for development, and industrialization requires investment in machinery and equipment, in factories and infrastructure, in utilities and so on. All things that are necessary to come along with the technical assistance of UNIDO, but which we're not mandated or resourced to provide.

We thought that in line with the results-based management that our Member States have requested from us, that we should depart from the traditional model of reporting on how much money we had spent and, instead, report on what impact we had achieved in changing the lives of our partners in developing countries.

That required a complete reconsideration of our business model, one in which again what matters wasn't so much how much we had spent, but more what benefits it has developed and the extent that all players are there: corporates, DFIs, academia, and so on, that are much better resourced than we are. We have to define a way to work together to align our respective resources and interests to optimize, to create value by working together.

We started very proactive discussions with different DFIs, with the EIB and the AfDB, to mention the two that are present here on the stage, but many others as well. It forced us internally to do quite a dramatic overhaul of the way we do business, our internal control mechanism, our fiduciary standards and our environmental and impact standards had to be completely revisited so as to be convincing for our partners.

It also requires an exercise that is still underway at the level of reporting. Again, it was relatively easy to report on how much money we had spent—we have databases that can give you the figure at the press of a button—but it is much more complex to talk about the impact that it has generated on the ground. That impact also includes the intangibles like we were discussing recently with the governments of Ethiopia and Senegal. Much of the value of the work that we have been doing in the last few months in these two countries lies in the greater coordination that has been achieved within the government, across different ministries, and between



the government and the foreign business community as well as the international community. This is clearly intangible and not something which you can easily assign a figure and a number to report to Member States but, nonetheless, very important when measuring the impact of our activities.

Finally in 2015, the Third International Conference on Financing for Development (FfD3) in Addis Ababa put extreme emphasis on partnerships and multi-stakeholder partnerships to reach the SDGs. Even closer to us, a couple of months ago, decisions by the global community to adopt the 17 SDGs, which for the first time include an SDG that is dedicated to industrial activity.

We believe that the time has come for us to revisit and to sharpen our instruments, to make them more effective and provide more value for money to the Member States that are invested in this Organization. We see that we have a few distinctive roles to play. One of them is the fact that we have a global footprint that we straddle across developing and Organisation for Economic Co-operation and Development (OECD) countries and it gives us a certain outreach to developing and OECD countries, when it comes for instance to mobilizing private companies' interests in investing in developing countries.

We are also not a non-governmental organization (NGO), as we have the ministers of governments of 170 + member countries sitting on our board, so it provides a very distinctive relationship on the ground. We are also not a private entity. We are disconnected from any commercial interest and the advice that we provide can be taken as neutral.

To summarize, I would come back to what Professor Stiglitz mentioned about the invisible hand and his statements about the market economy. We feel that we are in a situation where more and more countries are embracing the market economy paradigm, that this is true for least developed countries (LDCs) as much as it is true for middle-income countries. As Professor Stiglitz mentioned, left to itself, the market or the invisible hand of the market may not always deliver an outcome that is environmentally sustainable and socially inclusive, this is why we need to coordinate the process. We feel that the best role perhaps that UNIDO can play is precisely to help align, given the neutrality that we have, the knowledge that we have of industrialization in these different countries, to help align resources from the corporate sector, the investment financial sector, academia and development agencies, to achieve the common goal that is essentially the government's national strategy.

#### **Mr. Todd Benjamin**

I think one of the very interesting things you said is that you needed a new mindset which really involved not how much money is being spent, even though you are very cognizant of the money you spend, but the impact you have. That is a very big difference in terms of a mindset. I would like to explore that a little further with the panel because you said that you have measurements as well, but the idea of impact can't always be measured in monetary terms. But before I do that, the EU obviously sources certain projects, and I want to ask Mr. Klaus Rudischhauser, the Deputy Director General for Development Cooperation at the European Commission: how will the EU support the implementation of SDG 9 in particular, and are there any upcoming initiatives that we should know about?

#### **Mr. Klaus Rudischhauser, Deputy Director General for Development Cooperation at the European Commission**

In its development policy, the EU has put growth, jobs and the private sector at its centre. Therefore, UNIDO is a natural partner for us. I would like to focus on a few basic conditions, Professor Stiglitz has already mentioned them, but some need more emphasis.

The first one mentioned also by Mr. Ledolter was vocational training. There is no industrialization, no private sector growth without vocational training. Most of the time, investors tell us that they do not find qualified staff in developing countries, so vocational training should be much higher on the agenda.

Secondly, and this was pointed out by Ms. Moono Mupotola from the AfDB, is energy. There is no industrialization without efficient and sustainable energy. Therefore, we need to focus our efforts. The AfDB does it. We do that

with all our development banks, with all our significant programmes in energy in Africa. At the moment, it is clear that Africa has to go directly to renewable energy, and I focus on Africa here because that's where the biggest problems are still happening. It is possible today, and UNIDO has programmes that demonstrate that even for the industrial sector.

Finally, something that has not been mentioned is that most countries have industrialized through the industrialization of the agri-food complex. So there is certain sequencing, you don't go to micro-chips immediately. Especially again in Africa, we have a lot of subsistence agriculture, we don't have agriculture as an economic sector and, therefore, that is also one of the very important objectives of EU development policy: to make agriculture an economic sector.

I would like to add one word where I disagree with Professor Stiglitz, and it is when he talked about trade. The EU has the most favourable trade regime possible. We have duty-free and quota-free access for all goods from LDCs, so the opposite of what Professor Stiglitz said. The problem is not that we are hindering trade. The problem is that many developing countries do not have goods to trade, to be able to benefit from this very favourable trade scheme. On the other hand, they themselves have very high tariff barriers which make their lives more difficult. So, I think in this discussion about industrialization strategies, we should also keep in mind that there are things to be done in the trade area.

#### **Mr. Todd Benjamin**

It is very interesting in the opening remarks of our various panellists that there was a lot of emphasis on industrialization. There is also a lot of emphasis on infrastructure, especially from the AfDb, and of course the EIB is also involved in that. We only touched lightly on innovation – we didn't go into it at all. I want to pick up this point. When Professor Stiglitz was speaking, he said that innovation is basically a job destroyer, and that we really have to define what innovation is. My question to all of you is: if innovation is one of the three “I”s in SDG 9, how do we make innovation as a job creator?

#### **Mr. Wu Hongbo**

I think that science, technology and innovation are very important. In Addis, the third Finance for Development conference decided to establish a new mechanism in the United Nations that is a technology facilitation mechanism. We are preparing for the establishment of such a mechanism and that will be a platform for sharing information on new technology that is relevant to sustainable development. Also, we have another platform in the United Nations called the “Science and Technology Innovation Forum” that concentrates on science and technology, which also has relevance to the future Agenda 2030.

We have experienced and watched the industrialization process over the past 150 years. The end result is not that desirable. It is a mix. Industrialized countries become powerful states, but they have also polluted the world. We have to ask ourselves: are we going to follow the old practice of industrialized countries? I think that all of you agree with me that the answer is no. But how? That's why the Agenda 2030 encourages the use of clean technologies, renewable energy, new materials, innovation and whatever we have that is relevant to the implementation of sustainable development.

#### **Mr. Todd Benjamin**

Pavel – let me ask you something. If we use clean energy, which is of course part of SDG 9, can we create more employment than we can through other means? What do the numbers tell us?

**Mr. Pavel Kabat**

The answer is yes and yes. But there is a big “but”. Innovation is absolutely not equal to technological innovation only because that is the old paradigm in my view. I think innovation has four components, which come together if we stick to them create more jobs.

First, innovation in our paradigm, in our narrative. To get our brains around the concept that energy transformation is not a threat but an opportunity. An opportunity to come to the next stage, to leave Manchester in 1850 and to think about yet another crossroad for humanity.

Second, innovation is also social innovation, institutional innovation, even governance innovation. We cannot share, and I would like to recall Joseph Stiglitz, the economic model where the potato chips are equal to the chips in the computers. That is what we know now. We should be able to create new values. We should be able to think about how we divide the common goods, how we divide the value which we created, how to come, for example, to the shared economy. How to listen to the new generation which talks about crowdsourcing, which talks about information society; this is all part of innovation. But, only if you put all this together and if you talk to young people.

I was in New York at the General Assembly listening to all the statements of Heads of States, but it was a dinner that was organized by the young entrepreneurs from Wall Street, and I thought, this is not what we talk about. Let’s talk about crowdsourcing, about information society, about crowd sharing. We should have some different values.

Systems of innovation are more than innovation equals technology. All together we have done calculations with partners, including the OECD, to the effect of how this could create a new, more equitable society and economy with new values. It will not be tomorrow but within the next 30 years, by 2030, 2040, we believe that a world of new opportunities could be created, for example, the innovation, energy sector, if taken in this complex and systems way. Energy is a trigger but if taken in this complex, at least fourth-part way; the social, the institutional, the governance and the way we view the new economy.

**Ms. Moono Mupotola**

For me, it was a very challenging example I experienced, which is already some 15 years old, but what is 15 years these days? That was the introduction of mobile phones in Africa. I still remember our DG at the time saying, Moono we won’t invest in these gadgets, this is luxury. These people need jobs. I had to bring my colleagues to Lagos to experience what kind of job creation an innovation can bring. What we can’t even imagine is having access to infrastructure in our countries back in Europe. If you went to Lagos at the time, they had 400,000 fixed telephone lines, so telecommunication was a real issue. With the introduction of mobile telephones, at any corner there were people selling pre-paid cards. There were people installing huts where they were selling this service. It was enormous in terms of job creation what this innovation brought to the country.

There is a lot of innovation that can present a quantum leap in terms of innovation for a country, but which can also have a job creation impact which we cannot even imagine when thinking about innovation.

**Mr. Philippe Scholtès**

What Professor Stiglitz mentioned, the rather sobering term about manufacturing as reducing employment or rather against the objective of creating jobs and innovation. He had a very specific understanding of innovation and those kinds of changes that increase labour productivity. Obviously when you stay within a certain manufacturing industry, innovation would tend to decrease employment, but innovation is a lot broader than this, as some colleagues mentioned before. It is about sharing knowledge across countries. It is about sharing best practices and there is a whole range of things that do not exist yet. In fact, in the next 10-15 years, much of the products that we will be consuming are products that have not yet been invented. This will create jobs and opportunities for developing countries.

It is also a very exciting field for South-South and triangular industrial cooperation. For example, UNIDO was mandated by the BRICS at the Summit in Ufa a few months ago, to work with them on an innovation and technology platform. We see this not so much between the BRICS themselves--they have what it takes to work among them on such issues--but also much more as a means of identifying through this platform best practices that have been developed and nurtured and tested among the BRICS countries, and make it such that they also benefit our partners, particularly middle-income countries and LDCs.

#### **Ms. Moono Mupotola**

Just to follow-up on what my colleagues have said. For us, the mobile revolution, as we call it, was something that was unexpected, like the benefits that have come out of that process. For example, seeing most of the world's payments through mobile phones not even being done in other developed countries but actually in Africa. And the difference it has made as an input to a lot of businesses in terms of agriculture. Farmers can now, with a click of the mobile phone, tell the price of their produce before they go to the market. We have seen it work a lot in the health sector and in many ways saving lives. For me, when I look at the whole services sector, we find that in most countries, in about 48 countries, 60 per cent of the gross domestic product (GDP) is actually services. This is something we should encourage in view of skills. I know the Professor kind of contradicted himself because he says we should be investing a lot more in skills development. I think for us, if you are looking at it from an African perspective, we have to look at the manufacturing, innovation and services sectors, because we have a very urgent situation which other continents don't have, which is having a lot of youth, and most of them have no jobs. As a bank, we are looking at the private sector. Some of the loans that we are giving to the private sector are going to some of these services.

#### **Mr. Todd Benjamin**

I think this is one of the really big challenges. On the other hand, a lot of these economies, especially in Africa, are very agrarian-based. Yet, we have seen how they have leapfrogged in technology with the mobile phone, how that is creating more jobs through services, through small businesses and so forth. Do we really need to emphasize the services sector more or can industrialization work extremely well with the services sector? How do we get to that place?

#### **Ms. Moono Mupotola**

I think the services sector is an area that we have actually not looked at. If you look at what is happening, whether in mobile or banking or in construction, there is a lot going on the continent. But I think the emphasis has always been more on looking at manufacturing and that it creates more jobs. So there needs for a mind shift – we really need to start looking at the services sector. There are some countries that can manufacture. There are some countries that have lots of land so can use agriculture as a business, but there are also very small countries that could take advantage from their population and actually grow and provide jobs for youth.

#### **Mr. Martin Ledolter**

Let me get back briefly to innovation. Obviously, we have all concurred that innovation is paramount and key for development. I would like to use the example of mobile phones to demonstrate how we at the ADA are riding the innovation wave.

We are in constant touch with Austrian entrepreneurs, startups, and we try to engage more social entrepreneurs and more startups. We have retained, for example, social entrepreneurs that have developed apps for mobile phones pertaining to financial literacy, particularly in the Western Balkans, because there you need a lot more information pertaining to financial literacy.



Coming back to the second point. Industrial development is not about industry *per se*. Measures targeted at non-traditional agriculture qualify as much as incentives for manufacturers. As we not only work with our partners' governments but also businesses, we know that this is a tremendously important approach. Companies that facilitate market access for smallholder farmers are central to an up-to-date approach to agricultural development, particularly when these companies contribute or supply affordable and accessible technologies and equally important, access to information and financial services. That is an area in which links between rural development programmes and industrial development need to be promoted to achieve results for all the beneficiaries.

#### Mr. Todd Benjamin

When we talk about ISID, inclusive is a very key word. How can industrialization serve the poor? There seems to be sometimes a disconnect or a paradox in this. There is a lot competition out there.

#### Mr. Wu Hongbo

I may come back to previous questions: industrialization and the services sector. I don't think we can separate the two. With industrialization, more and more people work in factories, they have more money in their pockets. That is a big boost for the local services industry. When you have industrialized enterprises in a town or a region, the service will be more prosperous than before.

As far as innovation is concerned, I think that when we talk about innovation, immediately we think of high-tech innovation, space technology or robots that will really cut down dramatically the number of jobs. But in real life, we have a lot of innovation that do not behave or work like the high-tech space technologies. My colleagues have given you good examples.

In the UN, we awarded a USD 1 million prize to a small company. They invented a portable solar pack. You would have the pack during the day in the sunlight and would be able to have light in the evening. That was the invention. Not very expensive, but it brought light to many dark rooms, in the country or village where there is no access for electricity. This boosts productivity and generates better conditions for education for young children.

You were also talking about mindsets. Let us ask this question: when we talk about sustainable development, what do you mean? Do we have the correct answer? I am not very sure about that. That will cover three aspects: economic growth; social progress; and environmental protection. If you meet the three targets then you are meeting the requirements of sustainability.

Coming back to the industrialization issue and job opportunities, and the eradication of poverty, if we look around, all those developed countries – the United States, the United Kingdom, etc. – people living in industrialized countries, we cannot say there are no poor, but basically extreme poverty has been eradicated thanks mainly to industrialization. In other countries, they have not finished industrialization, and the issue of extreme poverty is a very serious one. That is why I say that industrialization is the way get out of extreme poverty. Look at China for example.

China has a very good and solid industrial basis, but they were at a very low level. Productivity was very low. After thirty years of restructuring and reform programmes, they were able to elevate, to lift millions of people out of poverty. They made a tremendous contribution to the implementation of the Millennium Development Goals (MDGs). So if other countries were to do the same, we would be safe.

**Mr. Todd Benjamin**

Let me ask you this. Obviously if you want to eradicate poverty and industrialization is the key, and we also heard Professor Stiglitz mention this: in 2012, the president of the EIB called for a new Marshall Plan for Greece, investing in Greek infrastructure, supporting Greek banks, supporting lending to businesses both public and private investment. My question is: could such a concept be expanded – a huge Marshall Plan for Africa? You could have a multi-stakeholder approach, we could have technical assistance from UNIDO, etc. Is that practical?

**Ms. Heike Ruetters**

I think we can learn from what we see in Europe as well. The paradigm we had before – developing countries on the one hand, and developed – on the other has changed quite a bit. What we have seen in Europe with the Greece crisis is that nobody had expected that it would be so deep and that people were really struggling to find economic solutions to that crisis. Also what the EU is currently embarking on with the so-called investment plan for Europe, the so-called Juncker Plan, also shows that we are trying something really new to enhance investment in Europe, and you can probably call that our Marshall Plan for the EU. There are people that ask for such an investment plan for Africa for example indeed. I think what we can learn and replicate in our partner countries is in terms of tools and instruments we have developed within Europe in order to develop more risk-sharing mechanisms and so on, crowding in private investors. I think there are a lot of lessons learned from what we do in Europe, and we can try to transfer that outside, and it definitely needs a multi-stakeholder approach.

**Mr. Todd Benjamin**

Give me some specific examples of what you have learned in Europe, how this would be transferrable to Africa and how it would include SDG 9?

**Ms. Heike Ruetters**

What we really see is applying what we call “smart ODA”. This has been something also mentioned earlier when we had discussions on financing for development. Some of you may recall the initiative led by all MDBs “from billions to trillions”. It is the idea of using the limited grant money we have to promote sustainable economic growth in creating a more catalytic impact in what we do. That is definitely also through “blending”, so using grant money and combining that with loans. We have seen new examples these days with projects materializing that didn’t materialize earlier. One example, in Kenya where both the AfDB and EIB were crucial to close the financial plan of this project: a wind farm, the biggest wind farm in sub-Saharan Africa on the lake Turkana, where we were able to mobilize USD 25 million, which was the final gap in the financial plan on the equity side, we were able to mobilize through an EU blending instrument. These examples can show us where we can make projects bankable which were not bankable before, and we have to do more of this.

**Mr. Todd Benjamin**

Moona, I want to get your reaction to this. Do you think Africa needs some sort of Marshall Plan or do you think a multi-stakeholder approach that is now being used can be equally effective in terms of the types of goals we are talking about with SDG 9?

**Ms. Moono Mupotola**

I don't know about a Marshall Plan, but let me talk about a plan that one of the speakers already alluded to – the Agenda 2063 – which really is an Africa-made plan adopted this year by the African Union. You could say it is just another one of those plans, but you could say that this time around, there has been a lot of emphasis because bits of the puzzle are already being implemented; we now have a framework for example, for the type of infrastructure that Africa needs in order to move forward. We now have the industrialization agenda as very prominent. We have also now envisaged a continental free trade area for 2017 and again, for the skeptics, one of the things we have done is that 26 countries have already signed up to the free trade area this year. If you look at all the countries in Africa, that means another 26, so it is possible, it is doable. We see Africa taking a much more pronounced role in its development. The question of course would be: how do we finance that Agenda 2063 and some of the aspirations?

It has to be a coordinated approach. One of the things we do as the bank is really to crowd-in the financiers to, as much as possible, finance our infrastructure investments. We have to look at, as the colleague from EIB said, at some sort of blending where we bring in smart investments, look at bringing in TA, loans, bringing in others, and having a much more coordinated approach. Also, African countries themselves. One of the things that is really increasingly becoming very prevalent is that Africa alone has close to USD 600 billion invested outside Africa, mostly in Western banks and some of this money could come back, finance some of these investments, especially in infrastructure, and could be used in innovative ways. One of the things we have developed at the AfDB is a financing mechanism called “Africa 50” and you would be shocked that a lot of African countries have come forward and invested in Africa 50. What Africa 50 shows us is the financing instruments that could be used and that countries have confidence in and that need to be more developed.

**Mr. Todd Benjamin**

You mentioned this idea of industrialization being one of the five pillars, and it is a new pillar, within the five priorities that you have. Where do you see a clear possibility to partner with UNIDO? How can UNIDO equally contribute to the success of your projects?

**Ms. Moono Mupotola**

In the five areas, industrialization is very important for us. We don't have the expertise and the work that we do in financing infrastructure, especially road corridors, we are changing our business model and we are now looking at supporting the private sector. But how do you support the private sector? This is where we look at UNIDO and the expertise that it has, whether it is upgrading firms or making sure that firms meet international standards required for export, and generally looking at how UNIDO has worked with countries, looking at Ethiopia and Senegal, in actually developing industrial policy.

I think one of the things that struck when Professor Stiglitz spoke was this migration of jobs from China that needs to migrate to countries like Africa because of low costs. I think UNIDO can play an instrumental role in helping us, in how we attract those jobs to come to Africa. In turn, UNIDO can also leverage our advantages. One of them is that we are a financier. We also have the confidence of most African countries. We also have a field presence in some 38 countries. We have resource centres throughout the continent, and we also have strong links with the African Union and the United Nations.

**Mr. Todd Benjamin**

One of the things that I find interesting coming through this discussion is this whole approach to ISID or industrialization or how we measure effective policy. You talked about impact versus money spent, which is a different mindset. You talked about a different approach that you are taking in terms of corridors and looking



at not only at the hard, but also the soft corridors. It is very interesting to see how these policies are evolving and how they themselves are creating a different mindset to what we had before in terms of sustainable development.

#### **Mr. Wu Hongbo**

I think, so far, we have concentrated on a relatively narrow area that is about UNIDO and its impact. Let me put you in a larger picture, talking about what we are going to do next. We have to talk about mindset. I would like to say that the ownership of the implementation of Agenda 2030 lies with the countries, so country ownership. What countries are going to do is very important.

For example, you asked if a company is going to invest in the country with some intention: how could we do that? The country should raise the awareness of the importance of Agenda 2030. They should be aware that the Agenda has three aspects. If the investment is good for economic growth locally, but would not do anything good for social purposes or is harmful to the environment, the country should exercise the power of their industrial policy to stop it. You asked the question of how can we know whether the goals are being implemented effectively on the ground. This is the beauty of Agenda 2030. When we talked about the MDGs, we were aware that there were no follow-up mechanisms. But this is different, from country level to regional level, to global level, we have a follow-up mechanism.

#### **Mr. Todd Benjamin**

Let me ask you specifically about the UN's role. We know that UNIDO is working specifically through its partnership approach to pro-actively bring relevant partners to its programmes. Is the UN at large ready to effectively coordinate an additional set of partners? That is my first question. Two: will UN agencies have to sharpen their focus in their respective areas to better coordinate all actors?

#### **Mr. Wu Hongbo**

We have been asked by Members States to Deliver as One. This is a challenge because the UN is a huge organization with so many entities with a specialized focus. But we have success stories. As I mentioned, over the past three years, we have been supporting the formation of Agenda 2030. We mobilized as many as 70 UN entities under one roof. We are supporting 193 Member States in the discussions. We pull all our expertise together. So there's no reason to question that the United Nations will not continue to support the implementation in an even better way.

Secondly, the SDGs are different from the MDGs in one important point: the MDGs were prepared by a group of experts behind closed doors, then they were presented to Members States in the year 2000, so they adopted it. The reason why the MDGs had a very slow start is because Members States, the countries, did not feel that they owned them. This is totally different. We mobilized all the stakeholders, major groups, NGOs, academia and the private sector. They are all on board. We even consulted ordinary people on the streets. The United Nations Development Programme (UNDP) consulted as many as 1 million people about how they would like to see the Agenda 2030 and what suggestions they have. That is why the SDGs of the Agenda 2030 had a very early start. Officially, the Agenda 2030 does not come into effect until the 1<sup>st</sup> of January next year. However, forums like this have already started discussions on how to put into place mechanisms to implement all the 17 goals and 169 targets, including SDG 9. I am fully confident that the UN will continue to be open and transparent.

**Mr. Todd Benjamin**

I want to ask something to Philippe. We have to take this multi-stakeholder approach, you are providing technical assistance, but how could these various bodies sitting here, institutions, help make your job easier, and ensure better coordination in terms of making sure we hit these SDG 9 targets?

**Mr. Philippe Scholtès**

It is already happening on the ground, driven by the host governments, and I think that is the way it should be. I think it is good that we have at institutional levels dialogues and discussions on the theoretical aspects, but the most important part is that our teams on the ground are working together with the leadership of the local government. We work in the context of well-articulated national development strategies which put emphasis on industry, and we work with them on how we can mobilize partnerships on different horizons, whether it comes to DFIs, academia or the rest of the UN system.

Our mandate is well defined. We are about manufacturing, ISID, and we respond to calls from governments to see how we can help them to build this important aspect of the development initiative. Of course we are open to any sort of partnership, including primarily from our sister agencies in the UN system. We work depending on the nature of the work. We work with the International Labour Organization on decent jobs. We work with the Food and Agriculture Organization on agribusiness, with the World Health Organization on pharmaceuticals across Africa and so on. We have very specifically pointed partnerships which form the broad agreements and alignment of views we have at the institutional level between different agencies and DFIs. For us, the driving force is on the ground. It is the teams that are working together, and we see this as a means, as an element of a matrix of success in the two countries in which we have been working since last year, in Ethiopia and Senegal, that very strong coordination by the government is essential for this process and for it to be successful.

**Mr. Todd Benjamin**

Mr. Wu emphasized that it has to be country-led. We have heard from two development banks, but we have another bank – the Eurasian development bank - and of course we haven't heard yet from them. Mr. Leonid Efimov, Deputy Head of International Relations of the Eurasian Development Bank. Can you tell us how you are working with UNIDO specifically?

**Mr. Leonid Efimov, Deputy Head of International Relations, Eurasian Development Bank**

The Eurasian Development Bank (EDB) is an international finance organization focused first of all on economic integration and it was established nine years ago. Member States of the Bank are the Republic of Armenia, the Republic of Belarus, of Kazakhstan, Kirghizstan, the Russian Federation and the Republic of Tajikistan. The EDB's mission is to facilitate, through its investment activity, the development of a market economy, sustainable economic growth and industrial cooperation, promotion of integration and the expansion of trade, the promotion of economic ties in its Member States, and the implementation of SDGs, not only Goal 9 but others as well.

As I have said, the Bank does not have a long history, and we are looking at how to create a mechanism of cooperation with UN agencies and in particular with UNIDO. The Bank believes that the main principle of partnerships between international institutions could be the mechanism of complementarity in the investment field and others.

The specific of the Bank is that it raises funds on the market for investment in the project. For its part, the UN agencies implement the projects and prepare feasibility studies in production, transport, infrastructure and some other spheres, which will require further essential investment when they fulfill their project. We propose

to UN agencies, to UNIDO, to send a feasibility study of a project to the EDB for consideration. Should the result of the project be in line with our goals, strategies and priorities, the agency will implement it taking into account the requirements of the EDB to the investment projects, and in consultation with the Bank's investment managers. In this case, international organizations will complement each other in achieving development goals and get synergetic effect of such industries.

We have such project with UNIDO: a feasibility study on the establishment of a fruit and vegetables supply chain logistics platform in the Republic of Kyrgyzstan was carried out by UNIDO from their own resources and EDB will finance this project. We agreed with UNDP to collaborate on another project – Sustainable Cities for low carbon development.

The 3<sup>rd</sup> sphere where we cooperate and complement each other is in analytical research, when the Bank and UN agencies will prepare their part of the project with their own resources and will then publish a report. This approach with complementarity was agreed during the meeting of DG LI Yong and our Chairman of the management board at the Summit in New York in September.

#### **Mr. Todd Benjamin**

We have not heard from a country yet. H.E. Mr. Amir Hossain Amu, Minister of Industries, Bangladesh, is going to elaborate on his experience in establishing and operating industrial parks and zones.

#### **H.E. Mr. Amir Hossain Amu, Minister of Industries, Bangladesh**

In Bangladesh, we consider industrial development as a major driver of our national socio-economic progress. Our multi-dimensional efforts are in line with the ISID approach and the Lima Declaration. Industrial development in our country has been taking place by way of promoting private sector enterprises, facilitating investment from home and abroad, by policy support like industrial policy, export-import policy, fiscal policy, and the establishment of industrial estates. Export processing goals, economic goals, industrial parks are some of our industrialization efforts.

#### **Mr. Todd Benjamin**

We have heard from various institutions. We have been focusing on ISID in terms of the three “I”s. I want to ask each of you if there is one thought that you want everyone here to go with today.

#### **Mr. Wu Hongbo**

ISID is the right choice for the implementation of the Agenda 2030. Please support this initiative. Support UNIDO. Those who ignore the importance of ISID will regret later.

#### **Mr. Pavel Kabat**

All together we are earning every year, more than USD 100 trillion, if we divide that by a family of four, every family of four across the world could have an income of roughly USD 60,000 per year, or USD 15,000 per head. Industrialization cannot be only about creating more products; it must be about creating more value. Value about social transformation, about how we divide, how we create a more equitable society, how we regulate the local, regional and global markets, how we use the capacity we have already for well-being, which is a major target of the SDGs.

**Mr. Phillipe Scholtès**

Whether it is Africa and its Agenda 2063 or the broader UN community with its Agenda 2030, there is the recognition of the importance of industry as a vehicle of sustainable social and economic progress. There are some legitimate concerns that left to itself and the market forces, industry may lead to greater impact on the environment, on climate change, toxic chemicals, as well as the inequities of society. That is why we are here. That is why there is an organization like UNIDO that is taking as its mandate to promote ISID. Yet we realize that we can't do it alone and that is the reason why we have these partners here that have their distinctive resources that have large financial human resources available. Our job is to see how we can align these resources for the benefit of the national industrialization strategies that we support.

**Ms. Moono Mupotola**

ISID, for us, it is very important, it is important for our continent and for our clients, but most importantly, we should never forget the enablers: what makes industrialization happen? For us at the AfDB, it has been infrastructure; we are now scaling up our work on energy. Energy and lighting up the continent are important ingredients to making industrialization happen in Africa.

**Mr. Martin Ledolter**

We have all agreed on the merits of industrial policy, but we also have to play increasing attention on how to design and implement industrial policy, so we need to establish safeguards for vulnerable groups, a focus on labour-intensive industries, we need to strengthen linkages between small and medium-sized enterprise and larger firms, and also have to bear in mind the needs of our partner countries.

**Mr. Todd Benjamin**

A range of diverse thoughts, but the corridors all lead to the same place that a) you all believe in ISID and b) despite what Professor Stiglitz said, innovation does not have to be a job killer. We can think of innovation in a different way and that is a key point that came out. We also have to think in different ways in terms of inclusiveness. Thank you, Pavel, for bringing a numeric perspective, this idea of sustainable industrialization in terms of the environment, that can actually be a net job creator, which can lead to greater prosperity and greater incomes for all of those involved.

## Session 2: Early achievements of the pilot Programmes for Country Partnership (PCPs) – Ethiopia and Senegal – and an introduction to the PCP for Peru

**Mr. Todd Benjamin**

Now we are going to have the second session of the 4<sup>th</sup> ISID forum, and what we are going to do in this session is to really concentrate for the Programmes for Country Partnership (PCPs), and of course we have two countries that we are going to focus on initially. Then we will move to our newest PCP for Peru. It is my great pleasure to introduce the State Minister of Industry of Ethiopia, H.E. Mr. Mebrahtu Meles.

**H.E. Mr. Mebrahtu Meles, State Minister of Industry, Ethiopia**

Good afternoon, excellencies, distinguished guests, ladies and gentlemen. Thank you for the chance given to us to present the PCP and Ethiopia's experience. Before I do so, let me give a picture of the country. Ethiopia is aspiring to become a middle-income country for 2025. It is not only that we are aspiring to become a middle-income country, but also that, by the same period, we want to become a leading nation in light-manufacturing in Africa. And we want to continue the double digit growth which we have registered in the past decade, and for that we have specific targets set. Industry currently contributes about 14 per cent to gross domestic product (GDP), and we want to double this by 2025, bringing it to 28 per cent, and manufacturing from current low level of 5 per cent to 18 per cent by the same period, meaning we want to quadruple it.

Of course the country is an agrarian country; we want to embark on a structural transformation from agriculture towards industry. That means agro-processing. For that, the country has an industrial development strategy which is going on quite for some time, in which we have stipulated priority sectors like agro-processing, leather and textiles, and we have developed a manufacturing road map for the 13 years. Currently, we are launching the second 5-year plan of the country which we call GTP II, the Growth and Transformation Plan II.

In the midst of this, the PCP launched, and the country was selected as a pilot country. In fact, for the last year, I think a lot of things have been going on, and we have had, including today, four ISID Forums.

I would like to draw your attention to two of the ISID Forums, during the second one in which Ethiopia was selected as a pilot country and our Prime Minister, Hailemariam Dessalegn, was here to endorse this and to express his commitment. The third ISID Forum which was held as a side event to the Financing for Development event in Addis Ababa was another testament where we expressed our commitment, and UNIDO also expressed its commitment.

When we see the PCP implementation road map in Ethiopia, I would like to express that the Government of Ethiopia is on the forefront owning the programme, and it has incorporated the PCP fully into the national development programme of the country, especially the GTP II. In effect, we have fully embraced the PCP, and so far in the road map, we have three phases: the preparatory phase, the promotional phase and going ahead with implementation.

In the preparatory phase, we established a governance and management structure. In this regard, we have a steering committee composed of sectoral ministries, developmental partners like the African Development Bank, the World Bank and other development partners, financial institutions and the private sector. Two basic mandates of this governance structure are: 1) to mobilize resources for the implementation of the PCP; and 2) to promote what the PCP is to investors. So in the promotional aspect, we have done a lot of things. Most notably, we have promoted to countries from the Common Market for Eastern and Southern Africa.

As you remember, even though Ethiopia was selected as a pilot country, we also have the responsibility to share with other African countries our experience in this regard. Of course, last week also on the event of Africa Industrialization Day, we did just that, especially by presenting different papers on industrial parks. Side by side,



internationally, we have done it in different countries like China, Italy, and so on. So in this process most of the developing partners have affirmed their commitment to work for the successful realization of the PCP.

The PCP has four components. Let me go very quickly. The first one is in the agro-food sector, agro-processing, and in this regard we have developed a master plan for the establishment of integrated agro-industrial parks. This is a feasibility study, and for the study we have mobilized resources from different partners, notably from UNIDO, the Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP), and the Government of Italy. I would like to recognize in front of you the support of these organizations.

In the study, the country was divided into 17 agro-industrial corridors, and these corridors were identified based on their agricultural endowments, resources, and of course agro-infrastructure as well. Out of these 17 corridors with the study, we have selected specific locations for the establishment of integrated-agro industrial parks (IAIPs).

As you can see, this is the area of one of the selected parks, and a detailed technical and engineering estimate has been done for these four parks, as you can see, and zoning and other estimations as well. What is interesting about this integrated agro-industrial park is that it has primarily two components: where the cluster of industries is going to be located - the main park - as well as the feeders to this park, what we call Rural Transformation Centres (RTCs). So for, we have primary processing centres, which we call RTCs. Each RTC is going to be located on 10 hectares of land and on a satellite for each park, there are seven or eight RTCs on average.

So what are the outcomes of this feasibility study? There are two facts here. One is the huge resources that are required for this park as well as the huge opportunities it presents at the same time. Large investment is required to set up and operationalize these parks to the estimate of USD 1.5 billion for the four parks, as well as for the infrastructure of around USD 870 million. Of course, when we see the opportunities, they are going to host more than 400 companies and also generate massive job opportunities, more than 400,000 as direct employment. In fact, if we see the value chain, it will generate more than that. It will impact millions of farmers. So this calls for significant involvement of the private sector, development actors and financial institutions.

To implement this park, we need a policy document, and this policy document is about raising resources through incentives, additional set up, and other things that have to be decided. And this policy document, the draft one, is developed, and very soon it is going to be endorsed by the federal and regional governments.

The PCP has a second component: the leather and leather sector, and here we are also developing a feasibility study for the establishment of leather cities where the tanneries are going to be cluster-based with communal facilities. Of course the other third focus area of the PCP is the textile and apparel sector. In here we are also doing a lot of work. We have identified with UNIDO investment projects for promotion in the sector.

The fourth component is cross-sectoral, and in here we have training and additional capacity-building, trade facilitation, environment, and mostly these are for ongoing projects. So going forward, what are the top focuses? The top focus will be first of all the implementation of the IAIP on the ground. That means we need to mobilize resources for the construction of these parks, as well as to mobilize investors, the future tenants of these parks. For that, we are now preparing an international investment forum to be held in May 2016 under the theme of unleashing Ethiopia's investment potential. That will be the country's the first international agro-industry investment forum. The objective of this forum will be a two-pronged as I mentioned: to mobilize resource as well as to promote opportunities in these three sectors to investors. We have a road map for this upcoming event in May, and in that process so far, we have completed the preparatory phase and now we are promoting the event. On this occasion, I would like to call upon all of you to come and take part in this forum.

In conclusion, we have three most important things. Number one: that is the implementation of the IAIPs and the approval of the policy document to move forward implementation. Secondly, we need huge resources, and we need investors – domestic and foreign direct investment – to come to the parks, and for that, the upcoming investment forum is at the top of the agenda. Of course, resource mobilization from bilateral, multilateral and all sources is also a key agenda item going forward.

**Mr. Dejene Tezera, Unit Chief and Team Leader for Ethiopia, UNIDO**

Since His Excellency Dr. Mebrahtu highlighted the achievements of the PCP for Ethiopia since we started working on the ground nine months ago, I will focus more on how we use the main features of the PCP to improve the service delivery mechanism of technical cooperation and implementation of the PCP.

One of the most important features of the PCP is strong ownership and governance structure. Since the beginning and now, the main components of the PCP have been included in the Growth and Transformation Plan, and budgets have been allocated by the federal and regional governments. This shows very strong ownership by the Government of Ethiopia. The initial activities of the PCP were the establishment of two levels of a governance structure: a joint steering committee, which is mainly composed of development partners, development finance institutions, different ministries, co-chaired by Minister of Finance and Economic Cooperation and the Minister of Industry. The main mandate of this steering committee is giving strategic direction for PCP implementation, mobilization of resources, and allocation and prioritization of interventions. The second level of governance is the national task force which is responsible for day-to-day implementation and coordination of the programme. The national task force is chaired by the Minister of Industry, composed of the technical institutes under the Minister of Industry, and UNIDO has established a programme management unit within the Ministry of Industry to act as secretariat to support both the joint steering committee and the national task force.

The second important feature of the PCP is partnership. Since we started the programme, we have forged a very strong partnership with UN sister agencies like FAO and the United Nations Conference on Trade and Development in the implementation of agro-industrial projects. Since then, we have done very extension consultations with stakeholders in the preparation of the PCP. We have aligned our programmes to the programmes and projects of development partners and strategic plans of donors, so that strong synergy is built between the programmes in the country. Since most of the partners are also part of the joint steering committee, coordination of our projects and programmes is much easier.

The third important feature of the PCP is integrated service delivery. That is, within UNIDO, we have established a PCP team composed of technical experts from different UNIDO branches from investment promotion, environment, energy, agribusiness, trade capacity-building, South-South cooperation, and regional programmes to support and to provide focused services in the three priority sectors, to unlock few selected constraints. This is a new form of programme delivery where UNIDO's team of experts is streamlining our limited human and financial resources and really improving technical delivery and coordination.

The third important feature of the PCP is leveraging of official development assistance (ODA), or grant-funded programmes, for larger investment flows. So usually in the projects and programmes, we used few tens of thousands (from 30 to 50 thousand) US dollars to develop a concept and a programme, and then the grant-funded projects of about 300,000 to half a million, and sometimes up to 1.5 million, was used to provide upstream services like feasibility studies, master plan preparation, and in some cases, showcasing best practices. We usually stopped at this stage, but now we have to provide means for the beneficiary, the government and private sector to scale up, so we work with development finance institutions to leverage larger-scale investments of about USD 200 to 300 million to maximize impact. A practical example of this, which his Excellency has already showed you, is the IAIP. We collaborated with FAO, UNDP, with funding from the Italian Development Cooperation, with a range of USD 350,000, we developed a complete programme for four IAIPs, with an initial investment of USD 800 million.

The second important practical example is again with the support of the Italian Development Cooperation and UNIDO, with less than USD 100,000 we developed a master plan for a central treatment platform for the clustering of tanneries in one region. This will lead to an investment of about USD 60 million from development banks or commercial banks. There is a discussion going on with the EU for this project. The other thing is using the USD 50,000 of resources to develop investment profiles of large-scale joint ventures and greenfield investments in the textile and apparel sector, to be promoted in the coming year.

The major activities in the year 2016 will be to continuously work with development partners, to build synergies with ongoing programmes and also develop programmes for funding, support the Government in resource mobilization, and especially helping the Government in the negotiation of loans and grants for large-scale



investments. We have developed 200 different investment profiles in the three important sectors, which will be promoted in May 2016 during the investment forum which his Excellency has already mentioned. This is in short how we use the main features of the PCP to improve the service delivery of UNIDO, especially in Ethiopia.

#### **Mr. Todd Benjamin**

You can see UNIDO's very important role and approach to the PCP activity in Ethiopia, including partnership, integrated service delivery, and part of that partnership is of course is having strong synergies, as well as of course leveraging ODA, and leveraging is always important in these situations. I want to go to the floor for a minute, to Mr. Luca Zelioli. He is the head of the Multilateral Development Cooperation office of the Italian Development Cooperation. Obviously your institution is one of the most important partners for UNIDO and is funding quite a number of projects. What are the initiatives of the Italian Development Cooperation for the implementation of SDG 9, which of course we have been focusing a lot on in the past two days and for the PCP in Ethiopia?

#### **Mr. Luca Zelioli, Head, Multilateral Development Cooperation Office, Italian Development Cooperation, Ethiopia**

Thank you for these quite interesting questions. We are right discussing how to implement concretely SDG 9. But allow me to complement the excellent presentation made by the State Minister from Ethiopia and from UNIDO by giving, within the framework of the PCP, the perspective of a donor and, in particular, trying to make all the other donors present here today understand why Italy thinks that the collaboration with UNIDO, in particular in Ethiopia, in the framework of the PCP represents a value-added.

Indeed our collaboration with UNIDO in Ethiopia centers around three main areas all included in the PCP. I would like to indicate, in particular, the importance we attach to our financing in helping UNIDO to make possible the creation of these four IAIPs. Soon UNIDO will complete the feasibility studies, as we have heard, and the master plan will be there. This plan will not only help the Ethiopian Government in further expanding the agribusiness sector but will also encourage, and this is what we deem very important, national and international investment. If you have a master plan, you are inviting more investors, and as an example, it was already mentioned, but let me say that exactly because there will be this master plan, the Italian Development Cooperation has already committed to financing the implementation of one of these IAIPs, in the Oromia region, and the amount in Euro is 11.5 million for this project.

We are also funding other different projects in the PCP, in particular in the agribusiness sector through UNIDO, which we deem quite important in particular to reinforce the Ethiopian coffee production value chain. Coordination with FAO and the concept of partnerships is key. UNIDO will ensure technical assistance to develop and improve coffee facilities along the entire value chain, also increasing the skills and capabilities of enterprises and workers. We believe that this holistic approach applied to the coffee value chain will trigger more investment and exports for Ethiopia. But there is also an additional value-added in this specific project, which I would like to stress a bit. Thanks to UNIDO, the Italian company illycaffè has joined this initiative as a co-donor and co-implementing actor. Illycaffè is already providing a crucial component of vocation training for Ethiopian entrepreneurs and workers. This is truly a concrete example of public-private partnerships.

The second area of collaboration with UNIDO, as was already mentioned, is the leather industry. Let me just add that we started this cooperation in 2005, and the project so far has resulted in a very positive impact, so we hope that the PCP will further develop this result. This positive impact is measured by an increased productive capacity of shoe factories and tanneries, more exports, and more foreign investment which is another, as I have already mentioned, key. With UNIDO, we are now working on a new phase which I think is already included in the PCP, focusing on improving the competitiveness of clusters, of enterprises in the leather sector.

The third example I would like to stress is our excellent cooperation with UNIDO aimed at assisting Ethiopia in its endeavor to create employment opportunities. A UNIDO project is promoting the development of micro, small and medium-sized enterprises (MSMEs) by reinforcing the capabilities of Ethiopian institutions providing training to young male and female entrepreneurs or would-be entrepreneurs. To conclude, we believe that the innovative and holistic approach that UNIDO has been able to implement, thanks to the PCP, has resulted in more efficient cooperation as well as better results for Ethiopia. Those approaches in our opinion represent a value-added for the international community, both for donor and for partner countries.

#### **Mr. Todd Benjamin**

Mr. Zelioli, thank you very much for the Italian Government's strong support of this programme in Ethiopia and your strong support for UNIDO. Now we are going to move to our second PCP country, Senegal. So let me begin by asking the Vice Minister of Industry and Mining, Mr. Modienne Guisse, to give a very brief introduction.

#### **Mr. Mountaga Sy, Director General of the Investment Promotion and Major Works Agency, Senegal**

May I start by saying how grateful the Government of the Republic of Senegal is to UNIDO for giving us the opportunity this afternoon to talk about Senegal's PCP. On a previous occasion, we had the opportunity to come and present the basic outline of our programme and on that occasion, we explained the degree to which the Government was committed and the different partners within Senegal were committed. Right from the start when the programme was first conceived, right through to the establishment of a system of governance for the programme. This afternoon, we are back to present our results after only six months of implementation of the PCP in Senegal, since the programme launched by the Prime Minister on 20 April 2015.

To present this programme, we brought our Minister of Industry and Mines because he is the one who can give an idea of the work of the different ministries who are part of the programme, so we will be introducing the presentation of results with them.

The Senegalese project which we are presenting today shows a satisfactory level of implementation as we look back at the review of the implementation of the different physical steps and the different organizational aspects which we have set up in order to provide guarantees to very high-level investments. The key to success of a project like this is making sure we have strategic alignment between the PCP and our own national development plan, the Plan Senegal Emergent. And it is our own policy plan, the Plan Senegal Emergent, which has placed industrial development as one of our prime moving forces along with solidarity, social inclusion and the rule of law, underlying all of these in order to consolidate progress in a sustainable way.

The best illustration of this strategic alliance can be seen in the way in which we have provided coherence and harmony between our PCP and Senegal's own development plan, both horizontally and vertically in all the initiatives undertaken, strategically speaking, and with this alignment, we have a kind of package of components.

We have integrated industrial platforms, integrated agro-poles as we call it, the regional mining hubs, and the integrated *PARI Industriel* as we call it. All these perfectly aligned with Senegal's own plan. The Senegalese plan sees these two vectors as being the essential basis for not only the necessary services, but also the infrastructure that will make sure the companies are established, which will guarantee job creation and prosperity which is required in the country.

Within these so-called agro-poles, Senegal also sees poles of development which allow us to provide value chains with both vertical and horizontal partners. This means that either energies or synergies will produce cooperation on both these fronts and it's the same for the regional mining hubs and for the so-called *PARI Industriel*. So with both the vertical and horizontal vectors, the horizontal one being our interaction with the PCP and the involvement of the private sector which we see as the main driving force for growth and job creation, but also things like environment and energy being further factors of production. There is also the facilitation of

trade through the necessary legal texts along with South-South cooperation and triangular cooperation, and full synergy in science, innovation, and technology.

As you see, the timelines of this initiative guarantee a very high level of participation by all stakeholders with the establishment of the necessary structure and governance. This provides the necessary strength and security in the system and, in turn, requires exceptional monitoring and oversight with the necessary structures for the ministry to be able to monitor the whole system through the operational office for monitoring the implementation of the programme. This requires active participation of relevant sectoral ministries – the Ministry of Investment, Ministry of Agriculture, Ministry of Finance, all the others whose work is brought together in this dynamic way and of course the interventions by UNIDO and other stakeholders working together with technical and financial partners with cross-checking and cross-referencing to create a single structure. With that, I will pass on to my colleague to continue this presentation.

#### **Mr. Djiby Diagne, Head of Project Monitoring Department, Delivery Unit of the Plan Senegal Emergent**

I am extremely honored to be able to demonstrate to you how the system works and how the initiatives undertaken are transforming our countries. Our national plan, the Plan Senegal Emergent (PSE), is all about growth. UNIDO, with its PCP, has allowed us to get up to cruising speed with this motor-force for growth and thanks to the PCP, Senegal has now become visible on the international radar in terms of industrial development, which wasn't the case very short time ago.

The PCP for Senegal has meant that we were able to start with concepts listed in our PSE and go right through to the documentation of projects through identifying key stages in the implementation process and what is required based on international best practices. This has meant that we have been able to launch pilot projects which had the effect of accelerating the pace of implementation, while providing the required decision-making tools to the Senegalese Government. I'm just going to give you three case studies, three projects of the PSE where we have benefitted from UNIDO support and which was the determining factor. The first is the integrated industrial park in Diamniadio and the second is the so-called agro-poles and the third is the development of industrial policy.

First the industrial park, we really hit the ground running here, but we still were left with all sorts of questions, such as what is the optimal model for managing the park? What kind of incentives package could we provide for future investors and what sorts of business plan would maximize the economic return for the Government and for the private sector? UNIDO brought us various possible answers to these questions. First, there was the problem of clarity and a certain degree of confusion between the roles of the developer, the regulator, or whatever entity was in charge of the single-window approach. The problem was lack of experience in managing an industrial park. So UNIDO experts showed us various models for management and administration based on similar projects, bringing in the private sector and clarifying the roles and responsibilities, and this allowed us to take the necessary structural decisions.

As far as the package of incentives is concerned, although Senegal is one of the top 10 best reformers according to the World Bank's *Doing Business* publication, there was a certain lack of clarity, an overly complex system for the kind of incentives offered to investors. What we realized was that we had to capitalize on what UNIDO could offer to provide real value added by proposing a package of incentives which would be clearly defined, while being clear of what changes were required in the industrial park, in our special economic zones, what these changes would be and thanks to this support, we have everything we need. There was a special law passed in 2007 which shortened the journey for investors and made things much simpler.

Now, we have this special economic zone set up with the industrial park inside it. Here, what you see on the right-hand side is the artists' drawing, on the left you see the actual photos taken during construction. To show its commitment, the Government mobilized USD 32 million of public money to manage phase 1. Now we have moved on to private sector investment because it is the private sector that will contribute to the management and running of the park. At the beginning of 2016, we will build on 13 hectares of land with agreement from one industrial company. They will be establishing their operations during the first part of 2016 and providing 5,000 direct jobs by doing so.

The agro-industrial complex is very important for Senegal, the agro-poles as we call them. We have been working very closely with national experts, with UNIDO, with field missions, going all over Senegal and this has meant that the specialists were able to understand what types of modules, networks, and zones need to be covered, as well as understanding what sort of public investment was needed for implementation. This includes at all times small producers who are the basis of our agriculture, helping them to connect to international markets. The report produced by these missions gives a factual and scientific basis for the Government and shows what needs to be done if we want this project to be up and running by 2016.

I can also tell you about two industrial projects in our national plan, of course there are many more where it is question of combining industrial policy with the shared approach which will provide prosperity for everybody, the holistic approach which Professor Stiglitz talked about yesterday. We had support from the teams of Justin Lin and we are very grateful for Justin Lin's commitment to Senegal. There are three sectors where we needed to show what potential was available: horticulture and agro-industries, clothing, and leather products. UNIDO came in and found ways to enhance and build on our national capacity. Our national task force set up to work with UNIDO in order to formulate a new industrial policy.

Now a few words about the kinds of challenges we faced. The industrial plan –the PSE – is in itself a huge challenge. One of the challenges I would like to talk about are higher involvement of/with the private sector within the framework of the industrial park of Diamniadio. This included visits by foreign industrial companies: we had four scheduled visits in 2015 and there will be more next year, and establishing a platform for public-private dialogue to enhance the involvement of the national private sector.

The second great challenge we faced, which we have already mentioned, is establishing partnerships and mobilizing resources for the industrial components of the PSE, and here we established a round table. The ministry did so in 2015, a partner and donor round table, and the establishment of a partner and donor working group for the future as well. Of course we need you, our partners, internationally speaking, but we also need the private sector to effectively address the challenges that face us. I would like to call upon the international community to follow our example and the last big challenge we face is accelerating the adoption of new legislation. UNIDO could provide a lot of model laws and texts for us to be able to use that wording in amending our laws and adapting new decrees based on findings of the technical teams, because we needed a transitional solution while waiting for the enacting of the final legislation – for instance setting up the special economic zones. The PCP is the conduit through which we worked together with UNIDO and through which information passes back and forth.

#### **Mr. Tidiane Boye, Industrial Development Officer and Team Leader for PCP Senegal, UNIDO**

In 2016, PCP Senegal implementation will cover five sets of interventions and activities. First of all, we will pursue technical assistance to the PSE's priority industrial projects. These projects were presented to you earlier by my colleagues, and they cover mostly the integrated industrial platforms, the integrated and competitive agro-poles, as well as the industrial and mining hub. Number two: the pursuit of the implementation of cross-cutting PCP-Senegal components. These will cover private sector development, environment and energy components, and the trade facilitation. You can read the details of the activities on the slide. I will not go through them because of lack of time. Number three: we will launch new PCP components to further strengthen the operationalization of the PSE. This will be mostly in terms of investment promotion where we will be introducing the Investment Monitoring Programme.

We will also introduce the South-South and triangular industrial cooperation programme, especially to implement a pilot project on rice production and transformation for food security, in addition to the science technology and innovation programme. Number four is that we want to ensure efficient, integrated and coordinated implementation, which is related to the overall coordination of the PCP. Here we will pursue the work of the steering committee and move towards institutionalization of this national coordination mechanism. And, of course, technical and financial partner mobilization. What is important to mention is that we would like to operationalize the partner and donor working group as a follow-up to the partner and donor round table that will be organized in mid-December. This is also a way to operationalize the partner and funds mobilization



strategy. And something very important is the monitoring and evaluation that we will introduce. With the adaption of a monitoring and evaluation framework to operationalize the industrial part of the PSE in line with the SDG 9 and ISID indicators.

Something else that is very important is how do we share the PCP mode? Here we would like to announce that in line with the Government's agreement, Senegal would like to organize the 5<sup>th</sup> ISID Forum, jointly with UNIDO and the Government of Ethiopia, and of course if Peru would like to join we would be happy, coupled with a regional workshop to demonstrate the relevance of the PCP model for African industrialization. We feel it is actually a responsibility of Senegal as a pilot country to do so. In conclusion, as a team leader, I would like to mention, as a last word, to really express my gratitude, my encouragement to all the PCP Senegal team, whether here or at headquarters, and the experts also on the field for their dedication, their involvement and their team spirit. Thank you very much.

#### **Mr. Modienne Guisse, Vice Minister, Ministry of Industry and Mining, Senegal**

I would like say that the presentation of results, which you have just heard, shows the degree of UNIDO's contribution to the implementation of our national plan, the PSE, the degree to which UNIDO's participation is absolutely vital. And this is equally true of implementation, the building of the industrial park, the conceptual work and the physical work of building the industrial park. It was very difficult in spite of all the expertise available to bring all of this together. That is in no way surprising because, in Senegal, we consider that this is the correct modality to implement industrial policy, the vision behind our national plan, this idea of an emerging Senegal, between now and 2030, with solidarity and society based on the rule of law in industrial matters. This is based on the ideas in the PCP.

When we say solidarity what do we mean? We mean inclusion, we mean sustainability because solidarity also takes into account not just the current generation but the future generation and their interests as well. And as though by chance, the national plan was adopted by the Senegalese Government in November 2013, and then ISID were adopted in Lima and the PCP developed, covering the period 2015-2018. And these dovetail perfectly. So we hope that 2016 will be the key year for implementing all these plans. Thank you.

#### **Mr. Todd Benjamin**

You know, Vice Minister, it's very interesting. I was going to ask you how you appreciated the contribution of UNIDO, and I also wanted to ask you about ISID, but you are so far ahead of me. You answered the question actually in your conclusion.

I think one of the very clear things that has come out of this presentation is that Senegal has done a fantastic job in terms of realizing how important it is for them to try and improve the lives of their countrymen and countrywomen and that UNIDO has played a very important role as we heard. It has helped to lift Senegal's growth aspirations and also helped Senegal to gain more international exposure.

In terms of the clarity they needed, UNIDO has also played a very important role, but at the end of the day, it is a partnership where everyone works very hard. So congratulations on your progress so far, and we look forward to hearing more when the next forum takes place in Senegal.

What we are going to do now is move on to Peru. They are the newest PCP country, the first one in Latin America, and it is my great pleasure to ask His Excellency Mr. Piero Ghezzi, the Minister of Production for Peru, for his initial thoughts and for the plan they are putting into place.

## H.E. Mr. Piero Ghezzi Solís, Minister of Production, Peru

I am going to start with a few slides talking about Peru's economic reality. First, we were the fastest growing economy in Latin America over the last 12 years or so, pretty much since the beginning of the commodity price boom that lasted from 2011. We have experienced the highest growth and the lowest inflation in the region among the mid-size to large countries. Second, we have very strong fundamentals. We have almost no debt. The gross debt is around 20 per cent of GDP. If we subtract assets, we basically have zero net debt.

Over the last couple of years, partly as result of the reduction in commodity prices, corporate prices for example have fallen 55 per cent since 2011, we have seen lower growth. So now we are growing at around 3 per cent, from previous average of around 7 per cent. This has mostly been explained by lower traditional exports. Fishing and mining exports have been coming down as a result of lower mineral prices. Nontraditional exports have been estimated.

We also have high labour informality; almost 70 per cent of our labour market is in the informal economy, which is striking for an economy with per capita GDP of USD 12,000 dollars on a purchasing power parity basis. It is a very high informal economy within the labour market. We spend very little on research and development (R&D). The numbers, the last available numbers comparable are from 2010. We have moved up a little bit, but still R&D spending as a percentage of GDP is around 12 per cent, 15 per cent, certainly much lower than they should be, and we lag in other determinants of productivity such as infrastructure, institutions and human capital. Our exports compared to, let's say, the Republic of Korea which is obviously a very high watermark, are not very complex and have not changed much over the last 25 to 30 years.

So this is where we stand, growing less with very strong macroeconomic fundamentals but with a much lower growth rate. What to do looking forward? The country launched around a year ago the National Plan for Productive Diversification (NPPD) with six main lines of action. The first one is to facilitate the emergence of new engines of growth. The second one is the development of innovation centres. Third, to implement the national innovation policy and fourth refers to national quality policy. The fifth is to develop modern industrial parks, and the sixth line of action is the reduction of costs of financing for MSMEs. I am going to talk about each one briefly.

Basically, we need to make sure that we have other engines of growth. The mining sector and the agro-industrial sector have been two main engines of growth over the last years, actually the mining sector last 50 years – agro-industry is more recent, in the last 15 years. We need to make sure that we have other engines of growth to make sure that the economy goes back to 7 per cent growth rates.

We have been working on five sectoral working committees. The idea of the committee is to try and identify bottlenecks that have been affecting the productivity of the private sector. This working committee, which includes public sector offices and the private sector, tries to solve a very well-known problem of a lack of coordination between private and public entities, and even within the public sector. We have been very successful in the last year.

We have five working committees: forestry, aquaculture, creative industries, textiles, and more recently gastronomy which is a huge economic value chain. Just to see where we are in terms of exports, in forestry for example, we have not done anything over the last 15 years, and when we compare vis-à-vis our neighbours, let alone China, we have not done much, despite the fact that we have a huge comparative advantage. A typical tree grows in Peru in eight years compared to 25 years in Chile, even though Chile exports 40 times more than we do because they got their act together.

The three main important things are: removing regulation and red tape, more investment in R&D, and increasing financing. This is important because these long-term investments use long-term financing that was not previously available. The Government has been working on all of this, and we have started to see the first investment in forestry.

Aquaculture is somewhat similar. We have been growing a little bit: 25 per cent over the last year, but from a very low base, and 25 per cent from zero is pretty much zero. That compared to Ecuador, Brazil, Chile and other

countries in the region, let alone the Asian countries. So in aquaculture, we have a lot to do. One per cent of our fishing sector is aquaculture compared to 50 per cent in the world, so we have a lot of room to grow. Similar to the forestry committee, we have been working on R&D, sanitary issues, and red tape. The issues of red tape and bad regulation and poor investment in R&D are very pervasive, and we can see it in all the sectors. But we have been working on this with new laws and regulations. We feel very comfortable that we are making significant progress.

I am going to move to the next line of action. The second one is innovation centres. Basically, we have a few innovation centres in Peru, some private, some public. The public ones have worked very well, but the private ones did not work that well because they didn't have any government funding. So since last year, we have government funding for private innovation centres, and that is what we are going to have by the end of next year. We are going to quadruple the level of innovation centres. We are putting innovation centres where we are doing R&D, technology transfer, articulation of markets, and divulgation of information. Wherever there is a cluster of MSMEs, we are establishing an innovation centre, because there is a huge gap between productivity of small firms and productivity of large firms within the same cluster. There's a lot of very low hanging fruit like just using technology of large firms to buy smaller firms. We are implementing several programmes, in terms of cluster development and supplier development programs that I don't have a lot of time to explain, but it is important.

The third big line of action is supporting innovation. As I said earlier, we are lagging behind in innovation compared to what we used to be. We are working on two levels; first some government initiatives to fund innovation initiatives. We are multiplying by 15 the amount of money we have been allocating for grants, for innovation, start-ups, etc. We are also working on a committee, to again identify barriers and remove barriers that prevent technological companies to emerge in the country. We are working on fostering venture capital financing and angel investments. A second vehicle for promoting R&D is a new law that we passed this year. The latter will be in place from 1 January and will include tax deductions for investment in R&D. Peru never had any fiscal incentives in terms of investment in R&D, and it is a pretty generous one that we expect will start to close the huge R&D gap in the country.

The fourth: the national quality policy. This is a transversal policy, very horizontal. We launched an official institution, called INACAL (the National Institute of Quality). Actually, the ceremony was last week in Peru. The idea is to make sure that the culture of quality becomes very horizontal, very widespread, and very utilized in the country. As we can see, there hasn't been enough standardization in the country. Not enough products are being certified by laboratories. Therefore, we need to make sure that we work on quality because that is the basis for being able to export, which is one of our main targets.

The fifth line of action is industrial parks. We are working on a few industrial parks in the country. Basically industry has been set up in what used to be the periphery of cities. As the cities grew, the industrial zones became the middle of the cities, which doesn't make any sense. So we are allocating new spaces for industrial parks. We are going to set up areas with good infrastructure and modern communication. Promoting industrial parks allows us to achieve a few objectives. First: providing a very competitive industrial space for industries. Right now, if a factory wants to set up in Lima, it will be paying a thousand dollars per square meter. That is extremely expensive. To be competitive worldwide, you need to be at around USD 150-200 maximum. So we are setting up these spaces to increase competitiveness for our industrial areas. Second, it is going to allow big cities, particularly Lima, to be much better organized, because it doesn't make sense to have industries and factories cohabiting with commercial areas. That has huge negative effects in terms of contamination and is not environmentally sustainable. So we are clearly working on that; to move industries away from Lima to the outside. In the case of Lima, the industrial park will be very well connected to the port and the airport. We are already finishing the master plan, and we expect that the construction will begin somewhere next year.

Overall, the sixth line of action is reducing the cost of financing with guarantees, etc. We know that for development, funding of MSMEs is very important. The funding cost for an MSME is around 25-30 per cent, which is huge. We are working on different financial engineering areas to reduce the cost in a very significant way. So those are the six lines of action that we are working on in our plan.



### Mr. Todd Benjamin

Thank you very much, Mr. Ghezzi. You have done a fantastic job. One of the really interesting things to come out of your plan is the idea of the greater emphasis on innovation. You have said that Peru has lagged this, that you really need to do a much better job on innovation. I just want to key in on that for a moment because of course this is also one of the goals of SDG 9, one of the 3 “I”s: resilient infrastructure, industrialization, and of course innovation. And one of the things I find very interesting here is your innovation and technology centres. Right now you are going to go from 12, but you are going to triple that to 35.

### H.E. Mr. Piero Ghezzi Solís

We are going to quadruple this to 48.

### Mr. Todd Benjamin

If I can ask again, maybe we can get it up to 60 or something like that! But you are going to quadruple that to 48. Something also very importantly is that they are going to go into clusters. And he also talked about the importance of industrial parks. So there is a lot of thought that is going into this industrial plan. Greatly appreciate you sharing with us. I will come back to you in a few minutes, but what I really want to do right now is to share a video. And actually this video is from Mr. Andreas von Wedemeyer Knigge. He is the President of the National Society for Industry for Peru. Let’s listen. Watch the video.

### Mr. Andreas von Wedemeyer Knigge, President, National Society for Industry, Peru (video address)

It is a pleasure to speak to you in the framework of the UNIDO General Conference. The National Industry Association endorses the Lima Declaration where it was recognized that the eradication of poverty is *the* main objective and that it can only be attained through strong economic growth that is also inclusive and sustainable, where industry is the driving force for development.

The industrial sector in Peru is the economic activity that is the major contribution to GDP and the main source of direct employment, following agriculture and trade. In the last 15 years, the manufacturing sector in Peru more than doubled production with it being one of the main contributions to recent economic growth and poverty reduction. However, the main task pending is broad and a challenge. In countries such as Peru with significant opportunities for industrial development, there are still significant hurdles to jump to obtain development. Today in Peru, 7 out of 10 workers are informal, and 1 out of 5 is poor. Existing restrictions in Peru just like other countries, developing countries, are evidently institutional in their nature. Public institutions with a broad area for improvement in essential public services need public policy to increase productivity, calling for greater coordination also to be part of a comprehensive permanent state policy.

We stress the efforts of the Ministry of Production in Peru in establishing a National Plan for Productive Diversification, which since 2014 is seeking to improve productivity and diversification of the Peruvian economy. As a national association of industry, with 119 years of institutional life, we welcome the efforts of the public sector, and we join in to give technical proposals to improve competitiveness and inclusive and sustainable industrial development. We appreciate the role of UNIDO in industrial promotion, and we welcome the joint statement between the state of Peru and UNIDO. And we send you our warmest greetings from Peru.

**Mr. Todd Benjamin**

We send you warmest greetings via video back to Peru. And of course Mr. Knigge there mentioned UNIDO's participation, so I just want to spend a few minutes, Petra Schwager, you are the team leader for the PCP for Peru at UNIDO, going over your thoughts.

**Ms. Petra Schwager, Industrial Development Officer and Team Leader for PCP Peru, Industrial Resource Efficiency Unit, Environment Branch, UNIDO**

I have the pleasure to present to you what we are going to do together with Peru and how we are going to formulate the Programme for Country Partnership. Our main objective is of course to align our activities with the National Plan for Productive Diversification, and in doing so, to create and to establish a multi-stakeholder platform that will support the implementation of this plan and its main points of actions that were just outlined by His Excellency. These cover innovation, quality, modern industrial parks and zones, and of course facilitating public-private partnerships. In addition you may know that Peru is in the process of applying for the OECD, so we are looking forward to join hands here with Peru and also to respond to the multidimensional review that was published by the OECD in this year.

When we work with Peru, we have a number of guiding principles that are certainly in line with ISID but also the SDG goals, different SDG goals, most of all SDG 9, and here I would like to underline inclusiveness. This is a cross-cutting principle that we are going to apply when working with different priority sectors, industrial parks and zones. That means inclusion of MSMEs, the informal sector – that was also mentioned by His Excellency – women, marginalized groups, and regions in local and global value chains, environmental sustainability – again, a cross-cutting principle of our interventions, and here we look forward to improving the resource efficiency of industries, and when I talk about resource efficiency, that includes the rational use of materials, raw materials, water and energy. Energy efficiency is certainly a part of industrial resource efficiency and also, looking into the possibility of renewable energy. This would bring forward new green innovation and also reduce negative environmental impact in industries, and also costs because if industry uses water in a more efficient manner, energy and raw materials, this is of course also lowering the production cost of industry.

We will offer an integrated service package. We have already put together a team here at UNIDO, and in order to ensure that we have coordinated action, we will have a close cooperation from Headquarters but also with our regional office for the Andean region. We want to create synergies of UNIDO's interventions with government programmes, of course. And when doing so, we look forward to fostering coherence but also the continuation of the programme of the Government of Peru in productive diversification, and we look forward to creating partnerships with investors in the private sector, and jointly mobilizing resources to achieve the objectives of the PCP and the objectives of the National Plan for Productive Diversification.

We will address three priority sectors, and they were already mentioned: forestry, aquaculture, and textiles and garments. This list is not exclusive. We might be including additional sectors. Issues that are also relevant for other countries are innovation, technology – what are the points that move forward these sectors that really open them to international markets, and you see that they also comply with the requirements of national and international quality and environmental standards, finance and productivity.

We will have six cross-cutting interventions in the PCP for Peru. The first one is to assist the country with the public-private working committees. You have heard that they are already a number of public-private working committees established for specific sectors. Here we count on bringing in international experts, technologies, and advice on certain policies.

With regards to innovation and quality themes, that will be very much linked to the support of the technology and innovation centres. I hope that we can contribute to reach the target of 48 centres, which is a very challenging target. I understand that this will be within the next year that we can contribute with our expertise and, together

with my colleagues, to strengthening the network. Industrial resource efficiency – again I mentioned it already - will include looking at energy efficiency, inefficient use of materials in production, chemical use, and also renewable energy.

The next point is the sound management of chemical substances and waste, which will to some extent, also build on some of the programmes we are already working on with Peru. These are also requirements from the OECD and the green growth strategy of OECD. Here we see two parts. The first one is the compliance part which means complying with international conventions, which is the Stockholm Convention, the Minamata Convention, the Elimination of Persistent Organic Pollutants and Mercury, but also the elimination of lead and paints, then moving onto innovative concepts such as green chemistry and also chemical leasing, which is an innovative business model. The last point, which is a very important part of the strategy of Peru, is to assist the Government in moving forward modern industrial parks and zones. Here, we will contribute with our know-how on sustainability. Allow me to show you just the slide on how we see these sustainable industrial parks and zones.

We see four elements. The first one is working at the industry level, assisting companies in the proactive use of their resources and avoiding the creation of waste. The second part would be industrial synergies, creating synergies among companies – seeing whether the waste of one company can be used by the other company as an input, joint facilities, joint water treatment facilities, waste facilities, which should be an important element. The third point would be efficient park management. Here we are looking forward to working with the companies on constant training, but we might also consider coming up with a code of conduct for companies that are moving there and really having a compromise towards sustainability. And very important: social inclusiveness, creating value-addition through these industrial parks for MSMEs, creating clusters, seeing how we can also create additional value for the small and medium-sized enterprise sector to open new doors and new business opportunities, and mobilizing investment in social infrastructure for employees and communities.

The PCP programme *per se* is based on a multi-stakeholder partnership – that means we aim to bring together key partners at the national level, and you see here some of the ministries that we have already identified together with the national society of industries and other industries which will join hands, and national development banks. We will bring them together with international partners, here again financial partners, but also other United Nations agencies, the Global Environment Facility, we have worked with them already in some of our programmes for Peru, the OECD and of course also bilateral donors. We had already some discussions with selected bilateral donors that would be joining hands with us to support this programme for Peru. We are at the beginning of the PCP, but we have already formed the team here at Headquarters.

What are the next steps? We will organize a mission very soon, in January, to Peru, where we will set up a national steering committee, composed of different national stakeholders. We will of course also meet with potential investors, potential donors. Because raising investments, raising resources for this programme will be essential, and joining hands of course. We will define the details of the technical programme. We have a very ambitious aim to have the programme ready within the next three to four months. We will also define the management structure, develop a partnership strategy, and initiate the mobilization of financial resources and financial support for the programme. These are the next steps that we are discussing also during these days with the Peruvian delegation, and it will be a great pleasure to work together and to go to Peru. Thank you very much.

#### Mr. Todd Benjamin

A lot of very important info in there in terms of your blueprint, so to speak. But again, this emphasis on a multi-stakeholder approach, this is so core in terms of UNIDO's approach and in terms of the approach for ISID. Also interesting even though more sectors have been identified, first of all in Mr. Ghezzi's presentation, that UNIDO is focusing on three, and how important it is to raise the game, so to speak, in terms of international standards because this is absolutely key for exports. And interestingly enough in the donor conference this morning, the success stories that dealt with certain products all emphasized how they were putting a lot of emphasis on raising quality control and international standards. So thank you so much for your presentation.

What I am curious about now is basically what the potential of Peru as a PCP country is in a regional context, because this is the first Latin American country to be a PCP. So what is the potential in terms of regional context? I just want to go to you, Johannes Dobinger, you are the representative for UNIDO in terms of the regional office based in Colombia, your thoughts on that.

#### **Mr. Johannes Dobinger, Representative for the Andean Region at UNIDO, Colombia**

Let me start by sharing with you that it has been a real pleasure to work with Mr. Ghezzi and his team in Peru. Some of the persons are accompanying us now in the Peruvian delegation and also with the Permanent Mission. It has been a very interesting time over the last couple months when we have been looking into, from the UNIDO side, in what Peru represents in terms of a country within this PCP context, and I think I have only a couple of very brief points that I would like to bring to the table.

The first thing is the starting situation. Peru is a very typical Latin American country; it is a middle-income country. It has shown a lot of progress. Actually it has reduced poverty quite impressively over the last couple of years. But on the other hand, Peru is also a country that continues to depend quite heavily on extractive industries and the primary sector, and there is a lot, really a lot to be done, to spur industrial growth and to spur the industrialization process to convert Peru into a resilient and more productive economy. All the Latin American countries are basically struggling to improve their performance in terms of productivity, so there is a lot to be done. The first point I want to make is that Peru represents a very typical Latin American situation.

The second point is that we found that Peru has a very solid policy basis to bring about change. I think from what we have heard from Minister Ghezzi and his points on the plan for diversification of the productive sector, you could easily see that there is a clear plan on the government side. This is a plan that is not only supported by the Minister of Industry, which of course it is their job to have plans like that, but from our discussions in Peru we also found that this plan is very actively supported by the private sector, as you all could hear from Mr. Wedemeyer's short video message. Other ministries are also really dedicated as is the President himself to the issue of bringing about structural change in Peru.

Thirdly, what is I think extremely important in the PCP context is what the potential for implementing ISID principles is. Is it just industrial development or are we talking about inclusiveness and are we talking about environmental sustainability? Also here if you look at the Plan for Productive Diversification, you will see that one of its major points is inclusiveness, first in terms of regional decentralization of industrial development. While talking about industrial parks might make you think that we are talking about enclave industry, this is not the case. The idea of industrial parks is really going across the country - I think we could see it from Mr. Ghezzi's presentation, first thing, and second thing, also to bring in MSMEs to join these industrialization hubs and incorporating them into national and international value chains. So inclusiveness includes the issue of MSMEs but also regional issues, this is something that you find in many Latin American countries, that industrial development is really limited to some centres of modern economic development and this will need to change.

Equally important is commitment to sustainability, to sustainable industrial development. Peru has recently submitted a very ambitious, nationally determined contribution to the COP21, which is represented in parallel a couple of kilometers away from here, and this demonstrates a clear commitment to low-carbon growth. Peru is also a signatory to the main multilateral environmental agreements that are so important and UNIDO plays a major role in supporting countries to implement them. Peru is a signatory to the Minamata Convention recognizing that the mercury problem needs to be solved. Peru is a signatory to the Stockholm Convention, equally important. And, as already said, Peru is a very active layer in COP21, as well as of course COP20 which Peru hosted a year ago.

The final point I want to make is on the replication potential of the PCP for Peru. When we discussed with the Minister's team the fact that there will be elections next year and that this might create a kind of changed situation for the PCP, we realized that actually the PCP itself might be a vehicle to provide continuity to this industrial policy, so this is certainly something that we have in mind. We want to create this multi-stakeholder partnership to provide continuity. Also the very proactive membership of Peru in regional and global integration efforts such as the Asia-Pacific Economic Cooperation, where Peru will serve as president next year. Also in



the transpacific partnership, in the Pacific Alliance, in the Andean community. This will provide an excellent platform to share the PCP and will also add continuity to the embarked policies.

#### **Mr. Todd Benjamin**

Let me go back to you very quickly, Mr. Ghezzi. First of all, thank you for sharing Peru's National Plan for Productive Diversification. Of course that is been developed under the leadership of your ministry, but what I am curious about - could you please outline what you consider as the main opportunities of cooperation with UNIDO in achieving the objectives of your plan and how could the PCP provide value-add to the NPPD?

#### **H.E. Mr. Piero Ghezzi Solís**

I think there has been a very happy coincidence. That we launch the programme a year ago and many of the objectives that we have in the programme are very compatible with the PCP. The inclusiveness issue that was mentioned, I think is very important because the productivity gap between Peru's large companies and Peru's MSMEs is very large. And if we keep growing, the inequality is going to get worse. So to that extent, we need to focus our targets on some of the MSMEs, and the plan has been thought around that level.

The innovation centres we are planning to quadruple are one important tool for this because we are not opening an innovation centre in the middle of the desert, we are opening an innovation centre wherever there is a cluster. Where there are clusters that are still away from the technological frontier. So there is a huge low hanging fruit, a huge gap to close, when you don't need to reinvent the wheel, when known technologies can be utilized.

So in terms of what the PCP brings us, I think firsthand it is this multi-stakeholder, international arrangement. Of course resources are always very welcome, but more importantly it is this international expertise, because Peru basically followed the Washington Consensus for 20 years, or 25 years, in 1990. Basically we have not developed modern industrial policy know-how. That means that we need to import to a large extent. Exports require knowledge. If we are going to have so many innovation centres, we need to have a lot of know-how and experts to come into the country. I think to bring resources, particularly help with international expertise and know-how from countries that are so far ahead from us, is very important.

The second is this issue about continuity. Clearly, we are fully aware that we launched this programme two years before elections. And that was last year, so now we have less than a year before elections. We need to make sure that this government's policy becomes a state policy, and I would say that one clear condition is there – the private sector has bought into that diversification. If you mostly export minerals, and commodity prices in minerals have fallen 55 per cent, you better realize the need to diversify your economy. The second one is that we have private sector continuity; I think that we have some external arrangements, and some external partners who are most likely to be able to translate this government policy into a much more permanent state policy.

#### **Mr. Todd Benjamin**

Thank you, Mr. Ghezzi. I think this idea of a multi-stakeholder approach, which is so integral to the work that UNIDO is doing here, is a very key point that you highlighted. The other one is how the Washington model failed which was a key point of Professor Stiglitz yesterday in his remarks, how you haven't developed the international know-how and that UNIDO can play a critical role in doing that. That is also very clear from what Senegal had also been saying and it is also very clear in Ethiopia's aspirations, the fact that UNIDO is playing a very key role in terms of technical expertise.

Now what I would like to do before we get to the DG's closing remarks, I want to have very brief interventions from the floor. The first is Mr. Haidar Kholov. He is the First Deputy Minister of Industry and New Technology



from Tajikistan. I want to get the perspective from your Government on how it intends to implement SDG 9 and what kind of impact your Government would expect? Second, is the Government actively looking to engage in partnerships?

**Mr. Haidar Kholov, First Deputy Minister of Industry and New Technologies, Tajikistan**

I would just like to say very briefly a few words about our intentions about implementing the sustainable development goals in Tajikistan. For a start, we are developing those sectors of industry which will be processing local products. We have a whole programme for import replacement which we would like to implement so as to cut down on our imports coming in for processing or post processing and replace them with local produce. We also intend to establish clusters that will use local feedstock and inputs, and process them on an industrial level.

I listened very closely today to what was said by representatives of other countries, and it was very important for us to be able to hear what other countries are saying about how they chose their path of development. I think it has done us a lot of good to hear the Ministers of Bangladesh and of Peru because we too need to learn more about their experience. The main problem facing us at the moment is the fact that our industry does not have any access to international markets. Before, in the Soviet era, we did not export to any international markets, so it is very hard now, in the post-Soviet era for us to reach those markets. So we are working together with organizations like UNIDO. For instance, we have a textile industry whose products are now better able to reach international markets. I am very grateful to UNIDO for everything that has been done in this respect. Thank you very much for the opportunity to speak.

**Mr. Todd Benjamin**

Thank you so much also for your insights. Once again, it is so fundamental the role that UNIDO is playing in bringing international know-how to various countries. What I want to do now is go to Mr. Zhang Chao – he is the Vice General Manager of the China Energy Conservation and Environmental Protection Group. I want to get your perspective in establishing and managing industrial parks in an environmentally sustainable way, because obviously you have had a lot of success here. Also, what are your thoughts, any chances and any interests in investing in industrial parks in example for Ethiopia, Senegal perhaps, even Peru?

**Mr. Zhang Chao, Vice General Manager, China Energy Conservation and Environmental Protection Group**

I would like to share my thoughts and experiences working in a Chinese enterprise. We have the experience of developing 22 industrial parks in China in the last 20 years. We have heard the presentation of three countries about how they are working on industrial parks in their own countries. We are very excited about their blueprints. Actually, there are a lot of similarities in the development of industrial parks between China and those countries.

We believe there are advantages of industrial parks. First, it brings together many important enterprises, so we can tackle the problem of pollution in one go. In China in particular, we have very scarce land resources. Therefore, in the form of industrial parks, we can save on land resources. Another important advantage is that we can bring together a lot of enterprises of a similar nature so that they can share their experience of development, so that we can better serve such enterprises.

I have three recommendations for developing countries planning to develop industrial parks. I have noted that the three pilot countries have already developed a very ambitious blueprint. However, I believe the enterprises are more interested in the national policies and strategic plans for industrial park developments. Can these strategic plans be carried out in a consistent way? That is what we are looking for. Ideally, these principles and strategy plans should be enshrined in laws so that we can have a legal basis for development, especially the sustainable development of industrial parks. Secondly, when countries are developing their industrial road maps or blueprints, they have to pay a lot of attention to communication and exchange of ideas with enterprises.

While we are operating our industrial parks, our feeling is that big enterprises and SMEs have entirely different focus or areas of interest for industrial parks. At the initial stage, they want to attract as many big enterprises as possible to boost local economic development, and at the same time, MSMEs can integrate their capacity so that they can better conform to the environmental regulations. This allows them on the one hand to create job opportunities, and be responsible for social and economic development on the other.

Therefore in the development of policies, we need to enable exchange of ideas and interactions between the business sector and the government so that we know their concern. For technology development and advancement, they are underpinned by local staff, especially skilled staff, and that is something we should also take into consideration in the development of policies. An advantage of industrial parks is that it brings all the enterprises together. Therefore, we need a platform for exchange of ideas and experiences especially for operations and management of industrial parks, and what they have learned in their own development pathway, and I think that is my recommendation.

#### **Mr. Todd Benjamin**

I am not going to let you off the hook that easy because I asked if you would be interested in investing in industrial parks in Ethiopia, Senegal and Peru. Would you have interest in that?

#### **Mr. Zhang Chao**

We are very interested in such possibilities but we need to be very careful and conduct prudent studies before such investment.

#### **Mr. Todd Benjamin**

I think you have raised some really great points here. Basically, this idea that if you are going to develop something in your strategic plan, you have to be very consistent. You have to be very consistent because if you are not, you will not have credibility. The other thing is in terms of your industrial blueprints, you need excellent communication with enterprises, and perhaps the approach with big enterprises may be different than with your small enterprises. So you always have to have very good communication, and you have to have very good communication with the government. The other idea is having clusters because you can share knowledge, which is something that came out of the presentations today is also very important. We only have about two minutes before I get to the DG's comments. But I want to get a response, Mr. Meles, to what we just heard because you did a terrific job outlining how to be successful in terms of your industrial parks.

#### **H.E. Mr. Mebrahtu Meles**

Thank you for the reaction to the question that you have just raised with the Chinese who are interested in investing in industrial parks. The Chinese are already on the ground in Ethiopia, in Africa in general. In fact, they have also dedicated zones. For example, we have the Eastern Industrial Park which is owned by a Chinese company. Of course the law allows, you know, for any development joint venture, and of course the Government is also developing industrial parks. The Chinese are already on the ground, and they are showing interest in the agro-industrial parks which we are now finalizing. There is more light- manufacturing coming towards Africa, so I am sure they are very much interested. They are also supporting us in terms of technical assistance. For example, the Chinese Association of Development Zones has developed a strategy for other parks. They have also developed a model for special economic zones in Ethiopia.

**Mr. Todd Benjamin**

I think we have had a terrific set of presentations today in terms of the PCPs for Senegal and Ethiopia and hearing more about Peru's national plan and how UNIDO can work with Peru, and how this will evolve over time. I think this is a great testament and tribute to Director General Li, to all your people who work within, on this idea of the technical know-how that UNIDO can bring to the ground, in the field, because in these countries they need that technical know-how. They admit that they have to catch up. So this is a great tribute to your entire team here in Vienna and everyone around the world who is making sure that that technical know-how is brought to the various countries and that we have a multi-stakeholder approach. Director General Li, I would like to get your closing thoughts.

**Closing remarks****Mr. Li Yong, Director General, UNIDO**

Thank you very much, Todd, for your good managing and narrating of our two sessions. I really appreciate, excellencies, distinguished delegates, ladies and gentlemen, your active participation in this important side event.

Ever since the very first ISID Forum last year, we have brought along the idea that we would like to operationalize ISID, inclusive and sustainable industrial development, but we need to implement that. How to implement this, friends, really needs some innovation, some thinking. We believe that some countries have best practices, success stories. Why don't we introduce this to the countries that need these practices? We tried to develop a kind of Programme for Country Partnership, and the first Forum was so successful with lots of ideas from our stakeholders, from the private sector. So we grouped all these thoughts.

We conducted a second Forum, and during the first one and second one, we developed an approach and we identified two countries – Senegal and Ethiopia – two countries for this kind of industrialization process. We spoke with development institutions, the World Bank and the African Development Bank, and very quickly, we got very positive responses from them. We worked together with the two countries to develop industrial policies, which are actually owned by the countries themselves. Their government approved them, their parliament approved them, and we completed the second ISID Forum with very successful implementation, very smooth implementation of the two pilot countries, two PCPs.

We disseminated this kind of knowledge: country implementing strategy, about how some countries implemented it and how other countries can learn from this. We held a third ISID Forum on the occasion of the Third International Conference on Financing for Development, which was so nicely conducted. It was one of the success stories of convening forums with very high-level participation: dignitaries, the President of the World Bank, the Secretary-General Ban Ki-moon, with State leaders, Prime Minister Dessalegn, and the Minister of Finance and Economy of Senegal, two countries very well represented, and the conclusion was so encouraging. The Secretary-General highlighted that the PCP is a good model for the implementation of the new SDGs, the SDGs having not yet been approved, but he mentioned that it is a good example. Then Dr. Kim referred to it as a very comprehensive programme. Why comprehensive? Because it has content from macroeconomic programme design and economic policy, and takes into account how UNIDO's industrial development policy strategy fits into this whole macroeconomic development policy. Then we went down to the ground to see industrial park design, infrastructure design, donor coordination, financing—all of it was a cluster programme, a packaged programme.

We moved on to the 4th ISID Forum, this one. We are very happy to have announced the third PCP: Peru. It is a big challenge for UNIDO. Peru is a country with a high level of per capita income, with some basics of industries and a middle level of industrial development. But we are very confident we will work together, with

development institutions, and develop a very concrete tailor-made industrial strategy for this country. This is important progress.

In the future, five years later, we won't have piloting. We will have an operational approach, automatically connected to this kind of approach, and we will talk to the international community with the same language. We will sit down and move out of the country programmes and start with macroeconomic industrial policy, and the country will feel the confidence. I had quite a number of meetings with ministers of industry of our Member States. They also expressed interest to work together on this PCP.

So in short, colleagues, friends, the PCP is not a single operation of UNIDO. It is a partnership. A partnership UNIDO has been developing for many years, but now we need to strengthen this partnership, and we need to let stakeholders play the major role implementing Goal 9. It is not UNIDO implementing Goal 9. We assist the country in implementing Goal 9. This is a very clear message, and UNIDO is trying to facilitate this process with strong partnerships.

And of course, it takes a little bit more time to see the results. We ask you to be little bit more patient for another two years, three years, then we will see the great progress being made. The countries will move ahead with great progress in industrial development. Sub-sectors of industry and the private sector play very important roles, bringing the financing, the technology, the market access, the trainings for skilled labour and for technicians, and then we will complete the whole story, and write the final chapter. Thank you very much.



## BIOGRAPHIES

### Mr. Li Yong, Director General, United Nations Industrial Development Organization

Li Yong, Director General, United Nations Industrial Development Organization (UNIDO), has an extensive career as a senior economic and financial policymaker. As Vice-Minister of Finance of the People's Republic of China and member of the Monetary Policy Committee of the Central Bank for a decade, Mr. Li was involved in setting and harmonizing fiscal, monetary and industrial policies, and in supporting sound economic growth in China. He pushed forward financial sector reform, and prompted major financial institutions to establish corporate governance, deal with toxic assets and strengthen risk management. Mr. Li has given great importance to fiscal and financial measures in favour of agricultural development and small and medium-sized enterprises, the cornerstones for creating economic opportunities, reducing poverty and promoting gender equality. He played a key role in China's cooperation with multilateral development organizations, such as the World Bank Group and the Asian Development Bank.



### Mr. Wu Hongbo, Under-Secretary-General, United Nations Department of Social and Economic Affairs

Wu Hongbo was appointed United Nations (UN) Under-Secretary-General for Economic and Social Affairs on 1 August 2012. In this capacity, Mr. Wu guides UN Secretariat support for the follow-up processes of the Rio+20 Conference, including the UN General Assembly Open Working Group on Sustainable Development Goals, the Intergovernmental Committee of Experts on Sustainable Development Financing, and the High-level Political Forum on Sustainable Development. He has overseen the substantive services to a number of intergovernmental processes, including the General Assembly Special Event on MDGs, the intergovernmental deliberations on the post-2015 development agenda, the General Assembly High-level Meeting on Persons with Disability, the High-level Dialogue on Migration and Development, as well as the annual meetings of the Second and Third Committees of the General Assembly, the meetings of the Economic and Social Council, including its Development Cooperation Forum, and the work of the functional commissions of ECOSOC. Mr. Wu recently served as the Secretary-General of the third International Conference on Small Island Developing States and is currently serving as the Secretary-General of the third International Conference on Financing for Development. Prior to his appointment, Mr. Wu served as Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Federal Republic of Germany. Among his various diplomatic assignments, Mr. Wu served as China's Ambassador to the Philippines. Mr. Wu graduated from Beijing Foreign Studies University and pursued his postgraduate studies at Victoria University of Wellington in New Zealand.



### Ms. Moono Mupotola, Director, New Partnership for Africa's Development, Regional Integration and Trade, African Development Bank, African Development Bank

Moono Mupotola is the Director of the New Partnership for Africa's Development (NEPAD), Regional Integration and Trade Department at the African Development Bank. She provides leadership to infrastructure project preparation, cross border soft infrastructure interventions and coordinates the \$1.2 billion African Development Fund regional envelop priorities. In addition, she works closely with the African Union and NEPAD Planning Agency, in mobilizing financial resources for implementing projects under the Programme for Infrastructure Development for Africa.





Ms. Mupotola is also the AfDB's trade representative and interface with related external partners, alongside being the Fund Coordinator for the Africa Trade Fund. The fund has diverse portfolio of 40 trade related projects covering 47 African countries. Ms. Mupotola holds degrees from the University of Cambridge, UK and Bennington College USA, alongside postgraduate executive leadership and management qualifications from the Wharton School, USA and Cranfield Business School, UK.

**Ms. Heike Ruettgers, Head of Portfolio and Policy for Africa, the Caribbean and the Pacific, European Investment Bank**

Heike Ruettgers is the Head of Division of the Portfolio Management and Policy Division in the ACP Department (Africa Caribbean and Pacific) at the European Investment Bank in Luxembourg; she deals with non – operational matters such as the management of the ACP Investment Facility, the business plan and any other policy or strategy matters and institutional relationships with stakeholders. Prior to becoming Head of Division at the European Investment Bank, Ms. Ruettgers worked already 16 years for the Operational Department for lending outside the EU as a loan officer on West Africa, Northern Africa and Indian Ocean region at the European Investment Bank. Ms. Ruettgers also worked as a Consultant for SME Promotion and Entrepreneurial training at LUSO CONSULT GMBH in Germany. She had to deal with Project acquisition, development and implementation in Tunisia, Bulgaria, Tanzania Ethiopia Kirgizstan and Thailand for Gesellschaft für Technische Zusammenarbeit (GTZ). Ms. Ruettgers studied Agricultural Economics and holds a Master of Business Administration.



**Mr. Pavel Kabat, Director General and Chief Executive Officer, International Institute for Applied Systems Analysis**

Pavel Kabat is the tenth Director of the International Institute for Applied Systems Analysis (IIASA) as of February 2012. As Director General, Mr. Kabat is the Chief Executive Office of the Institute, responsible for the formulation, management, and administration of all research programs and other activities at IIASA. Mr. Kabat has provided science and policy advice to numerous organizations and governments in various roles such as Chief Scientist for an Asian Development Bank project in Bangladesh from 2008 to 2010, Member of the Advisory Group on Climate to the Dutch Parliament, Member of the High Level International Mekong Delta Committee and Review Editor for the Fifth Assessment Report of the IPCC.



**Mr. Martin Ledolter, Managing Director, Austrian Development Agency**

Martin Ledolter is the Managing Director of the Austrian Development Agency – the operational unit of the Austrian Development Cooperation. In this position he is responsible for the implementation of all bilateral programmes and projects of the Austrian Development Cooperation in eleven partner countries in three continents. He regularly lectures in International Corporate Health Law for post-graduate students at the University of Applied Sciences IMC Krems, Austria, and is a regular guest lecturer at the Vietnam University of Commerce in Hanoi. He has served as a senior political advisor to the Vice Chancellor and Minister of Foreign Affairs in the Cabinet of the Austrian Foreign Ministry in the areas of development cooperation, social and health affairs. His previous assignments include postings as Senior Political Officer in the Austrian Employees' Association, as Parliamentary Group Secretary of the Austrian People's Party, and assignments with a number of law firms.



**Mr. Philippe Scholtès, Managing Director, Programme Development and Technical Cooperation, United Nations Industrial Development Organization**

Philippe Scholtès joined UNIDO in 1988. He has since served in various capacities including Representative in Viet Nam and Regional Director for South Asia in India. He is currently leading the Programme Development and Technical Cooperation Division, acts as Director ad interim of the Agri-Business Development Branch and is a member of the Executive Board. Mr. Scholtès holds a Master's degree in industrial engineering from the Institut Supérieur Industriel du Luxembourg with a major in electro-mechanics and a Master's of Science in economics from the Catholic University of Louvain.



**Mr. Todd Benjamin, Veteran journalist, experienced interviewer and former financial editor, CNN International**

Todd Benjamin has worked as an anchor, correspondent and financial editor for CNN based in Washington D.C., New York, Tokyo and London for over 25 years. As an award winning journalist, Mr. Benjamin has interviewed global leaders from Mikhail Gorbachev to Alan Greenspan. Mr. Benjamin's wide-ranging international experience and informed opinions, combined with his engaging style have made him a sought after speaker, moderator and interviewer of key business and political leaders. He continues to appear on CNN to provide live commentary and analysis. He also writes a blog for the CNN website where his views on the economy, financial markets, energy and other issues are followed widely. He is also a visiting lecturer in leadership at the London Business School Executive Education Programme.



**H.E. Mr. Mebrahtu Meles, State Minister of Industry, Ethiopia**

Mebrahtu Meles currently serves as a State Minister of Industry in Ethiopia. He has more than 15 years in management up to senior and executive level. He has extensive experience in managing and organizing different regional, federal private sector supporting institutions, programs & projects in private sector. He has received PhD in the Area of Research Private Sector Development and has been awarded a Master's in Economics and Management in Agro-Industrial Complex.



**Mr. Dejene Tezera, Unit Chief and Team Leader for PCP Ethiopia, United Nations Industrial Development Organization**

Dejene Tezera has more than 25 years of experience in agro-food processing industries. He started his career in the Ethiopian Food Corporation as a process engineer, head of quality control, and senior researcher. Subsequently, he worked as researcher in the Agro-Technology Research Institute in Wageningen, Netherlands. From 1999 until 2006, he worked for FAO as team leader of an agro-industry project in Iraq and then as Chief Technical Advisor for a joint UNIDO-FAO program in Jordan. Presently, he works as industrial development officer in the Agribusiness development branch of UNIDO. His work consists of developing projects and programs for agro-food value chains, management of technical assistance projects, developing sector strategies and providing advisory support related to agribusiness. Mr. Tezera has a Master's of Science in agro-food process technology from Wageningen University, the Netherlands.



### **Mr. Modienne Guisse, Vice-Minister of Industry and Mining, Senegal**

Modienne Guisse is the current Vice-Minister of Industry and Mining of Senegal. He has 31 years of working experience at the Central Bank of West African States where he held the position of Agency Director in Dakar, Head of the Department of training and General Secretary. He was also member of technical committees and boards of directors of several national banks and investment funds in Senegal. Mr. Guisse holds a Master's degree in Applied Economics, with a specialization in management, and a postgraduate degree on banking and finance delivered by the West African Training Centre for Banking Studies.



### **Mr. Tidiane Boye, Industrial Development Officer and Team Leader for PCP Senegal, United Nations Industrial Development Organization**

Tidiane Boye has international work experience of close to 25 years in the fields of Private Sector Development and Investment Promotion. He has worked extensively in the Private Sector (companies as well as Private Sector Associations) and in International Organizations. His work has covered Africa, the Middle East and Asia. He is a graduate of Mc Gill University (Montreal, Canada) and Cambridge University (United Kingdom) where he studied Economics, Political Science and Development Studies.



### **H.E. Mr. Piero Ghezzi Solís, Minister of Production, Peru**

Piero Ghezzi Solís is the Minister of Production of Peru. Prior to assuming the role, Mr. Solís was the Head of Global Economics, Emerging Markets and Foreign Exchange Research and Managing Director at Barclays PLC, Research Division from July 2007 to 2013. He served as Head of Latin America Strategy at Deutsche Bank AG from 2004 to 2007. Mr. Solís was also an Executive Director of emerging market external debt strategy for the Andean region and Strategist at Deutsche Bank AG, Research Division. He joined the firm's emerging markets research department in 1999. Prior to that, Mr. Solís served as an Assistant Professor of International Macroeconomics at Johns Hopkins University and a Macroeconomic Consultant for the Inter-American Bank for Development. He has also served as Head of Emerging Markets Research at JPMorgan Chase & Co. Dr. Ghezzi Solís holds an Advanced Studies Certificate from the Kiel Institute of World Economics in Germany. Mr. Solís holds a Ph.D. in Economics from the University of California at Berkeley and a Bachelor of Arts in Economics from Universidad del Pacífico in Peru.



### **Mr. Andreas von Wedemeyer Knigge, President, National Society for Industry, Peru**

Andreas von Wedemeyer Knigge is the President of the National Society for Industry of Peru. Prior to assuming the role, he served as Chairman of the Board of Directors of CREDITEX S.A.A from March 1995. In addition, he has been Executive Chairman of the Board, Chief Executive Officer of Corporacion Cervesur SAA and Chairman of the Board of Profuturo AFP, Euromotors SA, Altos Andes SA, Renting SA and Corporacion Cervesur. He has also been Member of the Board of Directros of La Positiva Seguros y Reaseguros, La Positiva Vida Seguros y Reaseguros, Corporacion Financiera de Inversiones SAA, Ferreyros SAA, Alianza Compania de Seguros y Reaseguros and Alianza Vida Seguros y Reaseguros in Bolivia. Mr. von Wedemeyer Knigge acted as Chairman of the Asociacion de AFPs and Director of CONFIEP, Comex Peru and Sociedad Nacional de Industrias.



He obtained a Masters of Business Administration from Universitat Hambug in 1976 and a Master Brewer degree from Ulmer Fachschule fur Bierbrauerei und Malzer in Ulm in Germany in 1978. In addition, he has completed the Advanced Management Program at Universidad de Piura and the Program for Management Development at Harvard Business School.

**Mr. Johannes Dobinger, Representative for the Andean Region at UNIDO, Colombia**

Johannes Dobinger is the representative for the Andean Region at the United Nations Industrial Development Organization (UNIDO) since 2014. Prior to assuming to this role, he worked in various roles at UNIDO such as Evaluator, Regional Coordinator Cleaner Production, International Consultant SME support, and Junior Professional Officer. He was Secretary General at the Christian Droppler Research Centre from 2000 to 2005. Mr. Dobinger has a Master's of Science in Economics and Business Administration from the University of Vienna.

**Ms. Petra Schwager, Industrial Development Officer and Team Leader for PCP Peru, Industrial Resource Efficiency Unit, Environment Branch, United Nations Industrial Development Organization**

Petra Schwager leads UNIDO's Global Resource Efficient and Cleaner Production Programme that is jointly implemented with the United Nations Environment Programme in more than 60 countries. She has long-standing experience in working for with governments and industry in Latin America on developing strategic approaches to scale-up industrial resource efficiency and to foster innovative business models and financing. She is the co-author of the book "Chemical Leasing goes global" and coordinates UNIDO's global programmes on innovative approaches to sound management of chemicals and chemicals waste and green chemistry. She holds a Master's degree in economics from the Vienna University of Business Administration and Social Sciences and studied Environmental Management at the University of London.













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