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**UNIDO and the 2030 Agenda for Sustainable
Development****UNIDO's Small Island Developing States Strategy, 2019–2025**

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I. Introduction

1. Small Island Developing States (SIDS) were first recognized as a distinct group of developing countries facing specific social, economic and environmental vulnerabilities at the United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit, held in Rio de Janeiro, Brazil (3–14 June 1992).
2. SIDS are commonly sub-grouped into three broad regions: the Pacific; the Caribbean; and the Atlantic, Indian Ocean, Mediterranean and South China Sea (AIMS) region. Despite numerous commonalities, a large degree of differentiation exists among SIDS in terms of income levels, population densities, geographic spread and relative development progress. According to the United Nations Economic and Social Commission for Asia and the Pacific's World Economic Situation and Prospects 2018 report, among 38 United Nations members which are SIDS, five are high-income countries (Bahamas, Bahrain, Barbados, Singapore, Trinidad and Tobago); 17 are situated in the middle-income grouping (upper middle income: Belize, Cuba, Dominican Republic, Fiji, Guyana, Jamaica, Maldives, Mauritius, Samoa, Suriname, lower middle income: Cabo Verde, Kiribati, Papua New Guinea, Sao Tome and Principe, Solomon Islands, Timor-Leste, Vanuatu), three countries are low-income countries (Comoros, Guinea-Bissau, Haiti), while 13 countries (Antigua and Barbuda, Dominica, Grenada, Marshall Islands, Micronesia (Federated States of), Nauru, Palau, Saint Lucia, Saint Vincent and the Grenadines, Seychelles, Tonga, Tuvalu) are not categorized.
3. Additionally, as per the United Nations Economic and Social Council, nine of these 38 countries are least developed countries (Comoros, Guinea-Bissau, Haiti, Kiribati, Sao Tome and Principe, Solomon Islands, Timor-Leste, Tuvalu, Vanuatu). Five are heavily indebted poor countries (Comoros, Guinea-Bissau, Guyana, Haiti, Sao Tome and Principe). Among the 38 United Nations members, all are Member States of UNIDO except for Nauru, Palau, Singapore and Solomon Islands.
4. The United Nations has been paying continuous and close attention to the development of SIDS. The Barbados Programme of Action (BPOA) adopted in 1994, further complemented by the Mauritius Strategy of Implementation (MSI) of 2005 and the MSI+5 Outcome document, recognized that although SIDS are afflicted by economic difficulties and confronted by development imperatives similar to those of developing countries generally, SIDS have their own particular vulnerabilities and characteristics.
5. The Third International Conference on SIDS was held in Apia, Samoa, in September 2014, with the overarching theme of "The sustainable development of SIDS through genuine and durable partnerships". The SIDS Accelerated Modalities of Action Pathway (SAMOA Pathway)¹ adopted at the Conference addresses priority areas for SIDS and calls for urgent actions and support for SIDS' efforts to achieve their sustainable development. Furthermore, the Apia Outcome, adopted by SIDS at the Inter-regional Preparatory Meeting for the Midterm Review of the SAMOA Pathway, from 30 October to 1 November 2018 in Apia, reaffirmed that the SAMOA Pathway is an integral part of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)², as well as the standalone overarching framework for guiding global, regional and national development efforts to achieve the sustainable development aspirations of SIDS.
6. In 2016, a comprehensive review of United Nations System support for SIDS was carried out by the Joint Inspection Unit (JIU/REP/2016/7).³ It provided a number

¹ SAMOA Pathway: www.sids2014.org/index.php?menu=1537.

² 2030 Agenda for Sustainable Development: <https://sustainabledevelopment.un.org/post2015/transformingourworld>.

³ Comprehensive review of United Nations system support for small island developing States: final findings (JIU/REP/2016/7): www.unjiu.org/sites/www.unjiu.org/files/jiu_document_files/products/en/reports-notes/JIU%20Products/JIU_REP_2016_7_English.pdf.

of recommendations which United Nations agencies, including UNIDO, were asked to reflect in their future SIDS work. The recommendations included, among others, mainstreaming the SAMOA Pathway in strategic plans, planning SIDS activities in line with national and regional priorities, and allocation of multi-year funding to facilitate the effective implementation of programmatic activities in support of SIDS.

7. Taking into consideration UNIDO's commitment to the SAMOA Pathway, the 2030 Agenda for Sustainable Development and the SDGs, the Paris Agreement⁴, the Addis Ababa Action Agenda,⁵ and the recommendations provided in the JIU report, this SIDS strategy is formulated to streamline and strengthen UNIDO's interventions in SIDS with the aim of achieving Inclusive and Sustainable Industrial Development (ISID). Since vulnerability due to natural disasters is a major challenge for SIDS, the recommendations of the Sendai Framework for Disaster Risk Reduction 2015–2030⁶ are also taken into account in this strategy.

8. The strategy is aligned with UNIDO's medium-term programme framework 2018–2021 (IDB.43/9 and Add.1) (MTPF), the Gender Equality and Empowerment of Women Strategy, 2016–2019 (GC.16/Res.3), and UNIDO strategies for Middle-Income Countries and Least Developed Countries. Further alignment is additionally being sought with the UNIDO's Youth Strategy, currently under development.

II. Rationale behind the strategy

9. Aware of their development challenges, SIDS have reached out to international organizations to seek their assistance. As a specialized agency aiming to promote ISID, UNIDO has comparative advantage within the United Nations system in addressing industry-related vulnerabilities faced by SIDS, especially in the wake of the 4th Industrial Revolution.

10. UNIDO has also received direct requests from several SIDS for technical assistance to address their respective development challenges, including but not limited to: waste management; development and utilization of renewable energy; export promotion through diversification and compliance to international standards and quality infrastructure; building resilience to environmental shocks; mobilizing development finance; agriculture, agri-business and fisheries; institution-building and industrial policy development.

11. Against this background and in line with UNIDO's previous cooperation with SIDS, this strategy details UNIDO's response to the requests received to promote and accelerate ISID in SIDS, by aligning UNIDO activities to recommendations emanating from the United Nations system-wide and regional initiatives for SIDS, as included in the BPOA, MSI and SAMOA Pathway. It serves as a guiding framework to steer results-based interventions and cooperation with SIDS for the achievement of ISID. The framework will also support the prioritization of efforts, and support the coordination of these efforts with development partners, in particular within the wider United Nations and United Nations Development System⁷.

⁴ United Nations Framework Convention on Climate Change Paris Agreement: https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

⁵ Addis Ababa Action Agenda of the Third International Conference on Financing for Development: www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf.

⁶ Sendai Framework for Disaster Risk Reduction 2015–2030 www.unisdr.org/we/inform/publications/43291.

⁷ Where the ongoing UNDS reform actions are to improve collective support to the implementation of the 2030 Agenda for Sustainable Development.

III. Vision and strategic approach

12. UNIDO's approach to responding to the challenges and opportunities of SIDS is aligned with the Organization's four overall priorities as set out in the MTPF for the period 2018–2021, which aim to achieve the following development results:

(i) **Creating shared prosperity:** Contributing to poverty eradication and inclusive growth, building productive capacities in an inclusive manner, and providing increased opportunities for all women and men, including youth, as well as across social groups, including through partnerships with all relevant stakeholders involved in the industrialization process;

(ii) **Advancing economic competitiveness:** Advancing and sustaining rapid industrial growth, through: fostering of entrepreneurship; building of trade capacities in industries; fostering technology transfer, deployment and innovation; and application of modern industrial policies and compliance with global standards and norms;

(iii) **Safeguarding the environment:** Advancing environmentally responsible growth; building institutional capacities for greening industries through cleaner production technologies and resource efficiency methodologies; creating green industries, including in fields of waste management and recycling; supporting energy transitions; and implementing Multilateral Environmental Agreements (MEAs);

(iv) **Strengthening knowledge and institutions:** This enabling pillar of the MTPF aims at integrating all services delivered by UNIDO across functions and thematic areas for the provision of long-term development results. It focuses on advancing the technical, policy and normative knowledge base for ISID.

13. Under the four thematic priorities, and in line with requests for assistance received, UNIDO's approach to SIDS will focus on addressing vulnerabilities which have, among other things, been compiled in a matrix by the United Nations Department of Economic and Social Affairs (UN DESA), as the United Nations entity in charge of coordinating system-wide efforts to implement the provisions of the SAMOA Pathway.⁸ UNIDO's first three thematic priorities serve to address the economic, social and environmental dimensions respectively, while the fourth one provides cross-cutting impact.

SIDS Vulnerabilities and ISID		
1. Creating Shared Prosperity	2. Advancing Economic Competitiveness	3. Safeguarding the Environment
<p><i>Education</i></p> <ul style="list-style-type: none"> Inadequate investment in education and training (including TVET), in particular for women and girls Inadequate and unequal access to industry relevant knowledge and technology <p><i>Food safety and nutrition</i></p> <ul style="list-style-type: none"> Inadequate access to safe and nutritious food (also economic and gender dimension) 	<p><i>Economic growth</i></p> <ul style="list-style-type: none"> High levels of poverty or social disparities in some SIDS Low diversification of economies and overdependence on tourism in some SIDS Weak industrialization and economic policies (e.g. agrobusiness, creative industries, manufacturing, fishery, tourism) High rates of unemployment (particularly youth and women) and for some, underemployment Limits for achieving economies of scale due to remoteness, small market and narrow natural resource base 	<p><i>Climate Change</i></p> <ul style="list-style-type: none"> High per-capita GHG emissions due to dependence on fossil fuels Ocean acidification and coral bleaching <p><i>Energy</i></p> <ul style="list-style-type: none"> Lack of access to sustainable energy knowledge, technology and adapted solutions Weak sustainable energy

⁸ UN-DESA Matrix based on MSI and SAMOA Pathway - Vulnerability-Resilience Country Profile (VRCP) [https://sustainabledevelopment.un.org/content/documents/1982Vulnerability-Resilience%20Country%20Profile%20\(VRCP\).pdf](https://sustainabledevelopment.un.org/content/documents/1982Vulnerability-Resilience%20Country%20Profile%20(VRCP).pdf).

<ul style="list-style-type: none"> • Reliance on food imports also due to undeveloped local agro-value chains • Inadequate infrastructure dedicated to the transformation / processing of raw materials / livestock (e.g. case of fisheries in the pacific) • Particular barriers for small-scale fishery <p><i>Natural disasters</i></p> <ul style="list-style-type: none"> • Insufficient resilience to natural disasters and climate change impacts and related adaption costs <p><i>Culture</i></p> <ul style="list-style-type: none"> • Loss of traditional knowledge and know-how • Unequal opportunities for men and women in some SIDS 	<ul style="list-style-type: none"> • Lack of skilled human capital in some SIDS, also due to “brain drain” (migration) • Weak domestic innovation and entrepreneurial eco-systems • Low energy security due to fossil fuel import dependence • High fossils fuel spending and subsidies burden national households and the productivity and of key industries <p><i>Financing</i></p> <ul style="list-style-type: none"> • Lack of gender-responsive access to concessionary financing despite vulnerabilities • Low levels of FDIs (incl. from the diaspora) <p><i>Trade</i></p> <ul style="list-style-type: none"> • High transportation and communication costs • Remoteness from global markets (such as lack of e-commerce) and decreasing market share • Lack of diversity in exports • Low levels of conformity to international trade schemes/ standards by MSMEs/SMEs • Lack of/no regional institution dedicated to trade issues in the Pacific • Challenges related to the inclusiveness of trade regimes (e.g. large-scale fishery) 	<p>entrepreneurship and innovation</p> <ul style="list-style-type: none"> • Inadequate access to sustainable energy technology <p><i>Oceans and seas</i></p> <ul style="list-style-type: none"> • Over-exploitation of marine resources and falling fish stocks • Marine litter <p><i>Waste</i></p> <ul style="list-style-type: none"> • Unsustainable waste treatment, disposal and management practices
<p style="text-align: center;">4. Strengthening Knowledge and Institutions</p> <ul style="list-style-type: none"> • Low institutional capacity including inadequate human resources • Lack of integrated planning, and inadequate monitoring and evaluation • Lack of data and science-policy interface to facilitate informed decision-making 		

14. To effectively address these vulnerabilities, UNIDO’s approach to SIDS will build upon a number of defining principles. These include an increased focus on integrated multi-disciplinary interventions, multi-country regional interventions, and multi-stakeholder partnerships. All three are aimed at ensuring thematic comprehensiveness, regional convergence and coherence of interventions.

Multi-disciplinary interventions:

15. UNIDO’s Country Programmes (CP) are strategic instruments to foster multidisciplinary interventions on the ground and contribute to the 2030 Agenda and the SDGs. The CPs are well established in UNIDO’s Member States, including SIDS, and are renewed and adapted in multi-year cycles according to national and regional priorities. The CPs in SIDS will therefore help define the scope of UNIDO’s interventions and steer the delivery of programmes and projects in key thematic areas based on in-depth consultations with governments, as well as provide a practical guiding instrument for potential donors and a clear monitoring and reporting framework of the results achieved. In addition, and where applicable, the Programme for Country Partnerships (PCP) is recognized as an effective model to further integrate and scale up UNIDO multidisciplinary interventions in Member States within a framework of multi-stakeholder cooperation and high-level ownership by the government.

Multi-country regional interventions:

16. UNIDO's approach to promoting ISID in SIDS will target SIDS as a group and will also focus on the specific needs of individual SIDS. Regional and sub-regional programmes will aim to strengthen inter-governmental partnerships for increased synergies, resource sharing and knowledge and technology transfer. They will also aim to improve the policymaking capability of each country to create a suitable regulatory environment. Cooperation and integration among SIDS and relevant organizations is expected to ensure that positive effects will be sustainable and scaled up after the programmes are completed. Regional and sub-regional approaches have also been found to be preferable to country-by-country interventions in view of the special geographical features and size of SIDS, including a lack of economies of scale. UNIDO's ongoing programme for SIDS comprises more than 30 technical cooperation projects, covering about half of SIDS Member States, with a total volume of approximately \$30 million. However, effective implementation of regional interventions will require that donors who still prefer to fund country-level projects support regional interventions.

Multi-stakeholder partnerships:

17. Similar to the PCP approach for the mobilization of partners and resources, including Development Finance Institutions (DFIs), donor countries and the business sector, multi-stakeholder partnerships will play a key role in leveraging additional investment for SIDS in selected priority sectors. UNIDO's approach will also place a premium on South-South and triangular partnerships. In this context, UNIDO will build on established partnerships with regional organizations, particularly in context of the energy sector. UNIDO will further strengthen its engagement with sub-regional economic communities such as the Common Market for Eastern and Southern Africa (COMESA), the Pacific Community, the Economic Community of West African States (ECOWAS), the East African Community, the Southern African Development Community, the Caribbean Community, and organizations such as the Alliance of Small Island States (AOSIS) and its initiative Small Island Sustainable Energy and Climate Resilience Organization (SIDS DOCK). In addition, cooperation with other United Nations organizations active in SIDS will be pursued under an umbrella of joint programmes.

18. As part of an effective partnership approach, coordination of United Nations system-wide actions for the implementation of the SAMOA Pathway is of particular importance. Such coordination takes place, among other things, through the Executive Committee of Economic and Social Affairs Plus (ECESA Plus) of which UNIDO is a member. Members have developed a matrix to follow up on the SAMOA Pathway, focusing on mandates specifically directed at the United Nations system as well as on areas where the United Nations is already engaged through its programmatic work. It spells out areas for actions by United Nations entities and identifies associated lead responsibility and links to existing and new partnerships. The United Nations Implementation Matrix,⁹ which is being continuously updated, serves as an accountability framework and working tool to promote and monitor progress. As part of this matrix, UNIDO has, among others, committed to assist SIDS in a number of priority areas with the aim of responding to the vulnerabilities identified above. UNIDO's response will make use of a set of interventions under the Organization's main priorities and apply them to SAMOA Pathway priority areas and related paragraphs as follows:

⁹ SAMOA Pathway: UN System Implementation Matrix
www.sids2014.org/content/documents/612SAMOA%20Pathway%20implementation%20matrix_UN%20system.pdf.

SAMOA PATHWAY		UNIDO INTERVENTIONS								
Priority Areas	Paragraph	Creating Shared Prosperity			Advancing Economic Competitiveness			Safeguarding the Environment		
		Agribusiness and Rural Development	Women and Youth in Productive Activities	Human Security and Post-crisis Rehabilitation	Investment, Technology and SME Development	Competitive Trade Capacities and Corporate Responsibility	Entrepreneurship Development	Resource-efficient and Low-carbon Industrial Production	Clean Energy Access for Productive Use	Implementation of Multilateral Environmental Agreements
Sustainable, Inclusive and Equitable Economic Growth	25: Strengthen Coordination and Support for SIDS on Green Economy									
	27 (a): Education, Training and Entrepreneurship									
	27 (c): SME Competitiveness and Women and Youth Empowerment									
	27 (d): Development Impact and Capacity of Financial Services									
	27(e): Job Creation and Environmentally Sound Businesses									
	27 (f): Job Creation and Investment Environment									
	27 (h): Gender Equality and Women's Empowerment									
Sustainable Tourism	30 (b): Diversifying Sustainable Tourism									
	30 (e): Platform for Exchange of Tourism-Related Best Practices									
Climate Change	39: North-South Cooperation for Climate Change Mitigation									
	44 (a): Resilience to Climate Change Impacts									
Sustainable Energy	49: Development and Implementation of National, Regional and Interregional Energy Policies and Practices									
	50 (c): Investment in Initiatives by and for SIDS, including "SIDS DOCK"									
Disaster Risk Reduction	52 (e): Mainstream Disaster Risk Reduction and Climate Change Adaptation									
Oceans and Seas	58 (l): Capacity Development for Fisheries-Related Industries									
Food Safety and Nutrition	63 (d): Empowerment of Small-Scale Food Producers, Especially Women									
	63 (f): Resilience of Agriculture and Fisheries to Climate Change, Disasters and Ocean Acidification									
Management of Chemicals and Waste	71 (d): Reduction, Reuse, Recycling, Recovery and Return Approaches									
Gender Equality and Women's Empowerment	77 (b): Integrate Gender Perspective in Priority Areas									
	77 (i): Give Women Equal Rights with Men to Economic Resources									
Education	88 (a): Provide High-Quality Education to Youth and Girls									
Capacity-Building	109 (e): Strengthen Technical Assistance Programmes in Partnership with UNDP, UNOSSC and Regional Institutions									

19. As guidance for UNIDO's interventions (at the macro level), a theory of change is included in Annex I. It shows the expected outcomes and impact of proposed UNIDO interventions by describing the causal interrelationships from project/programme activities to outputs, outcomes and impact.

IV. Means of implementation

20. The means of implementation included in the SAMOA Pathway correspond to those in the 2030 Agenda for Sustainable Development. In the same vein, the means of implementation outlined in this strategy are in line with the SAMOA Pathway focussing on those relevant to UNIDO's mandate and its four thematic priorities.

Partnerships

21. Besides being a member of ECESA Plus, UNIDO will reinforce its efforts as an active member of the Inter-Agency Consultative Group on SIDS (IACG), established pursuant to General Assembly resolution [A/RES/59/311](#). The resolution "requests the Secretary-General, through the Department of Economic and Social Affairs of the Secretariat, to articulate a plan with recommendations for action and proposed activities for the coordinated and coherent implementation of the Mauritius Strategy for Implementation by the relevant United Nations bodies, the specialized agencies, regional commissions and other organizations of the United Nations system within their respective mandates". The SAMOA Pathway also notes the potential role for the Inter-Agency Consultative Group on SIDS in the follow up, requesting in paragraph 124 (b) to "... regularly convene the inter-agency consultative group to report on the full implementation of the BPOA, MSI and the SAMOA Pathway."

22. The mandate of the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) calls upon the Office to engage in advocacy and mobilization of international support and resources for the implementation of the Programme of Action for SIDS. OHRLLS also ensures the mainstreaming of the SAMOA Pathway and issues related to SIDS in the work of the United Nations system. UNIDO will seek to organize joint awareness-raising activities with the Office and regularly report its SIDS activities to OHRLLS, based on previous close cooperation on other subjects.

23. UNIDO will establish an internal coordination mechanism to support multi-disciplinary and multi-country regional interventions, as well as to ensure appropriate attention to the demands of SIDS within the Organization's operations. This SIDS support group will be convened regularly and in addition based on ad hoc demand. It will be coordinated by the Regional Division for Asia and the Pacific in the Department of Programmes, Partnerships and Field Integration, and maintain focal points in all other Regional Divisions, UNIDO's technical departments and other relevant divisions in-house.

24. UNIDO will also participate, including through its network of field offices, in country level processes in SIDS, led by Resident Coordinators and United Nations Country Teams, with the aim of ensuring that strategic planning documents of the United Nations, such as the Common Country Assessment (CCA) and the United Nations Development Assistance Frameworks (UNDAF) properly address SIDS vulnerabilities and thematic priorities where UNIDO can provide support. This will also ensure that these processes correlate to the three dimensions of sustainable development in a balanced manner. UNIDO will also explore the possibility of developing joint programmes with other United Nations agencies based on these.

25. To mobilize required knowledge and resources, South-South and triangular cooperation will be pursued. In many instances, South-South cooperation has been found to be particularly effective, because technology transfer and absorption has benefitted from adaptability to local needs. South-South solutions have also proven to be cost-effective ways to transfer knowledge and technology. UNIDO's

South-South Cooperation Centers and the relevant centres of the Global Network of Regional Sustainable Energy Centres (GN-SEC)¹⁰ have the potential to play an important role in this regard in cooperating with SIDS.

26. UNIDO will establish and strengthen partnerships with regional institutions, and tap into UNIDO's ongoing partnership efforts with the business sector. Priority regional institutions and initiatives will include AOSIS and its initiative SIDS DOCK, including in its capacity as coordinator of the Island Women Open Network (IWON). In 2014, UNIDO and SIDS DOCK launched a SAMOA Pathway partnership with the objective to establish a network of regional sustainable energy centres for SIDS in Africa, the Caribbean, the Pacific and the Indian Ocean. The network's centres are owned by regional organizations (CARICOM, SPC, ECOWAS) and are based on international agreements. The Caribbean Centre for Renewable Energy and Energy Efficiency Centre (CCREEE) is operating in Bridgetown, Barbados, the Pacific Centre for Renewable Energy and Energy Efficiency (PCREEE) in Nuku'alofa, Tonga and the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) in Praia, Cabo Verde. UNIDO, in partnership with SIDS DOCK, will further upscale its technical support for the operation of the regional centres and work with existing donors, including Austria, Norway, the Republic of Korea and Spain, as well as other emerging and traditional donors.

27. In SIDS where UNIDO already has a significant portfolio of projects and engagements, UNIDO will study the options of creating a regional PCP approach serving the entire SIDS region. Building on the established SIDS energy centres under the GN-SEC, and the increasing engagement of Private Financing Advisory Network (PFAN) in the Caribbean and Pacific, UNIDO will make efforts to develop regional programs in key areas such as clean-tech innovation (e.g. through the Global Cleantech Innovation Programme), e-mobility and storage, as well as mini-grids (the latter particularly in Pacific and African SIDS). In addition, cooperation with other United Nations organizations active in SIDS will be pursued under an umbrella programme.

Financing

28. UNIDO and the governments of SIDS will jointly explore innovative financing mechanisms and approach donor countries, International Finance Institutions (IFIs) and the business sector to seek financial support for the implementation of programmes and projects in support of this strategy. Potential donors include:

<i>UNIDO Interventions</i>	<i>Potential Donors (among others)</i>
Agribusiness and Rural Development	China
Women and Youth in Productive Activities	Global Environment Facility (GEF) <i>Partners of IWON:</i> Global Forum on Sustainable Energy (GFSE) Clinton Foundation Austrian Development Agency (ADA)
Human Security and Post-crisis Rehabilitation	India-UN Development Partnership Fund
Investment, Technology and SME Development (including e-commerce)	To be identified during implementation
Competitive Trade Capacities and Corporate Responsibility	European Union (EU) One UN Fund Republic of Korea
Entrepreneurship Development	To be identified during implementation

¹⁰ Global Network of Regional Sustainable Energy Centres: www.gn-sec.net.

Resource-efficient and Low-carbon Industrial Production	One UN Fund World Bank EU ACP Group (Intra ACP Funds equivalent to 3.1 billion Euros until 2020 + possibility of new funds with the new Cotonou Agreement)
Clean Energy Access for Productive Use	DFIs (e.g. AfDB, ADB, IADB, CDB) Global Environment Facility (GEF) Green Climate Fund (GCF) World Bank (WB) Austria China Germany Japan
Implementation of Multilateral Environmental Agreements (MEA)	Global Environment Facility (GEF)

Trade

29. Trade is an important means for SIDS to build their economies. UNIDO will help SIDS build their productive capacities and facilitate partnerships to enhance their participation in international trade of goods and services, including e-commerce. Trade agreements such as the Pacific Agreement on Closer Economic Relations (PACER) Plus, which establishes a framework of international rules to increase predictability, transparency and stability in the regional business environment and assists SIDS to benefit from trade, will be supported and promoted. UNIDO will also scale up its trade capacity-building interventions in selected value chains relevant to SIDS by strengthening quality infrastructure.

Capacity-building

30. In line with UNIDO's fourth organizational priority of strengthening knowledge and institutions, UNIDO will aim to support and organize capacity-building activities in identified industrial sectors to develop human and institutional capacities so as to build resilience of SIDS' societies and economies. Through these activities, UNIDO will also focus on fostering entrepreneurship, skills development, and improving training capacities of national institutions. UNIDO will also ensure that women are fully and equally able to benefit from capacity development and that institutions are inclusive and supportive of women at all levels.

31. UNIDO will also utilize its networks and relevant centres of excellence, such as the International Center on Small Hydro Power (IC-SHP), Investment and Technology Promotion Offices (ITPOs), the Global Network of Regional Sustainable Energy Centres (GN-SEC), the Global Network for Resource Efficient and Cleaner Production (*RECPnet*) and the Private Financing Advisory Network (PFAN).

Technology

32. In line with the Secretary-General's Strategy on New Technologies¹¹ and its primary objective of "defining how the United Nations system will support the use of these technologies to accelerate the achievement of the 2030 Sustainable Development Agenda", UNIDO will support SIDS to access new technology and innovative approaches which can be applied for synergetic solutions to address their vulnerabilities.

33. Deployment of information and communication technology (ICT) in SIDS remains a key challenge and its role as a cross-cutting enabler has been further augmented in the era of the Fourth Industrial Revolution (4IR). The 4IR promises improved methods of production and business models through new technologies,

¹¹ Secretary-General António Guterres' Strategy on New Technologies, September 2018: www.un.org/en/newtechnologies/images/pdf/SGs-Strategy-on-New-Technologies.pdf.

including automation, augmented reality, and the Internet of Things, which could accelerate the deployment of renewable energy in manufacturing, reduce carbon emissions, optimize energy use, and enhance productivity and cost savings. This, in turn, could help tackle major global challenges, such as climate change and the lack of access to clean energy. UNIDO will support SIDS in maximizing the potential of Industry 4.0 technologies through its research capacity, technical cooperation, convening power and existing networks.

Data and statistics

34. According to UNIDO's annual Competitive Industrial Performance (CIP) Index 2016,¹² which benchmarks the ability of countries to produce and export manufactured goods competitively, it is noticeable that there is an untapped potential for inclusive and sustainable industrialization, competitiveness and economic growth in SIDS. The index also highlights that some SIDS, grouped as high-income countries, lack capability and competitiveness in manufacturing, and have low resilience in managing environmental risks and vulnerability. UNIDO will continue utilizing its indices and statistics to assess progress in the sustainable development of SIDS so as to guide them in adopting informed industrial policies and strategies. In addition, capacity-building support will be provided to national and regional institutions to enhance their capacities in data collection and statistical analysis, including disaggregation by sex.

V. Roadmap

35. Covering the period from 2019 to 2025, the following roadmap will guide the implementation of UNIDO's SIDS strategy for addressing the vulnerabilities and priorities of SIDS as identified in the SAMOA Pathway.

UNIDO Action Plan for SIDS 2019–2025							
Major Activities planned	2019	2020	2021	2022	2023	2024	2025
<i>Data and Statistics</i>							
Systematic mapping of demand and requests received from Member States and confirmation of main priorities of Pacific, Caribbean and AIMS SIDS							
Support to national and regional institutions to enhance their capacities in data collection and statistical analysis, including disaggregation by sex							
<i>Capacity-Building, Trade, and Technology</i>							
Organize side events during meetings of UNIDO's governing bodies focusing on SIDS' ISID-related challenges and UNIDO's response							
Develop and implement national, regional and sub-regional projects in the identified thematic areas							
<i>Financing</i>							
Organize donor round table, investment promotion workshops and financing for development meetings with priority donors and financing partners							

¹² UNIDO's annual Competitive Industrial Performance (CIP) Index 2016: <https://stat.unido.org/database/CIP%202018>.

Explore possibility of a Trust Fund for SIDS at UNIDO, in consultation with donor countries, IFIs and SIDS							
<i>Partnerships</i>							
Contribute to SAMOA Pathway mid-term review conference							
Strengthening Regional Cooperation (e.g. explore possibility of a liaison office of AOSIS for enlarged SIDS representation; granting observer status to SIDS DOCK in UNIDO's governing bodies)							
Constitute multi-disciplinary SIDS coordination group within UNIDO Secretariat							
Organize mid-term review of UNIDO's SIDS strategy with Member States							
Prepare yearly reports to UNIDO governing bodies on UNIDO activities in SIDS							
Active role in IACG and ECESA Plus to ensure implementation of UNIDO commitments under the SAMOA Pathway Implementation Matrix							
Inclusion of ISID in CCAs and UNDAFs							

VI. Monitoring and Reporting

36. Regular monitoring and reporting are already established as part of the results-based approach UNIDO is following. Monitoring and reporting responsibilities under this strategy will be shared by the SIDS focal point (Asia and the Pacific Division in the Department of Programmes, Partnerships and Field Integration) and the internal SIDS coordination group to be established.

37. Consolidated yearly progress reports will be prepared at the end of each calendar year and made available to UNIDO's governing bodies. Regular reporting to UN-DESA and OHRLLS as inputs to relevant Secretary-General reports on progress made under the SAMOA Pathway is already being carried out and will continue. A dedicated section for SIDS on UNIDO's Open Data Platform could be considered. Moreover, the road map (Section V. of this strategy) foresees a mid-term review of the implementation of the SIDS strategy.

VII. Risk Management

38. Remoteness and geographical features of SIDS pose challenges in realizing the full potential of the proposed interventions. Considering the limited physical presence of UNIDO in the regions and high transaction costs of interventions in SIDS, greater involvement of relevant nearby field offices will be a key element of this strategy, as well as the development of multi-country and sub-regional programmes. Resource mobilization could be a deciding factor of the success of the implementation of the strategy. In this regard, the strategy identifies a number of potential donors and financing partners based on their priorities in line with the development needs of SIDS and the established cooperation with UNIDO.

Annex:

SIDS Strategy - Theory of Change

