United Nations Industrial Development Organization
Background Guide 2018

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Dear Delegates,

Welcome to the 2018 National Model United Nations China Conference (NMUN•China)! We are pleased to welcome you to the United Nations Industrial Development Organization (UNIDO). This year’s staff are: Director Sarah Walter and Assistant Directors Duan Chenxi and Liu Xiaochen. Sarah holds a M.A. in Political Science and has recently served as Under-Secretary-General at NMUN•New York. This is her seventh conference as an NMUN staff member. Chenxi is currently a senior student at Northwestern Polytechnical University majoring in English. This will be her first year on staff. Xiaochen is currently a junior student at Northwestern Polytechnical University majoring in Communication Engineering. This will also be his first year on staff.

The topics under discussion for the United Nations Industrial Development Organization are:

1. The Montreal Protocol: Mobilizing for Climate Action
2. Enhancing Economic Competitiveness through Global Access

The United Nations Industrial Development Organization is a specialized agency of the United Nations assigned to promote sustainable industrial development. UNIDO works with Member States, the United Nations system, and other stakeholders to provide educational, technological, and financial assistance to advance industrial development, particularly in developing regions and economies in transition. By promoting technical assistance, advisory services, networking opportunities, and industrial cooperation, UNIDO contributes considerably to poverty reduction, inclusive globalization, and environmental sustainability.

This Background Guide serves as an introduction to the topics for this committee. However, it is not intended to replace individual research. We encourage you to explore your Member State’s policies in depth and use the Annotated Bibliography and Bibliography to further your knowledge on these topics. In preparation for the Conference, each delegation will submit a Position Paper by 11:59 p.m. (Eastern) on 1 November 2018 in accordance with the guidelines in the NMUN Position Paper Guide.

Two resources, to download from the NMUN website, that serve as essential instruments in preparing for the Conference and as a reference during committee sessions are the:

1. **NMUN Delegate Preparation Guide** - explains each step in the delegate process, from pre-Conference research to the committee debate and resolution drafting processes. Please take note of the information on plagiarism, and the prohibition on pre-written working papers and resolutions. Delegates should not start discussion on the topics with other members of their committee until the first committee session.

2. **NMUN Rules of Procedure** - include the long and short form of the rules, as well as an explanatory narrative and example script of the flow of procedure.

In addition, please review the mandatory NMUN Conduct Expectations on the NMUN website. They include the Conference dress code and other expectations of all attendees. We want to emphasize that any instances of sexual harassment or discrimination based on race, gender, sexual orientation, national origin, religion, age, or disability will not be tolerated.

If you have any questions concerning your preparation for the committee or the Conference itself, please contact the Deputy Secretary-General, Patrick Parsons, at dsg.china@nmun.org.

We wish you all the best in your preparations and look forward to seeing you at the Conference!

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# Table of Contents

**Committee Overview** ........................................................................................................................................... 3

- Introduction ................................................................................................................................. 3
- Governance, Structure, and Membership .................................................................................. 3
- Mandate, Functions, and Powers ............................................................................................... 4
- Recent Sessions and Current Priorities ..................................................................................... 5
- Conclusion ....................................................................................................................................... 6
- Annotated Bibliography .............................................................................................................. 6
- Bibliography ............................................................................................................................ 7

**I. The Montreal Protocol: Mobilizing for Climate Action** ....................................................................................... 10

- Introduction .................................................................................................................................... 10
- International and Regional Framework ..................................................................................... 10
- Role of the International System ................................................................................................. 11
- The Current and Future Role of the Montreal Protocol ............................................................ 13
- Conversion of Key Industrial Sectors .......................................................................................... 14
- Conclusion ...................................................................................................................................... 15
- Further research .......................................................................................................................... 15
- Annotated Bibliography .............................................................................................................. 15
- Bibliography ............................................................................................................................ 16

**II. Enhancing Economic Competitiveness through Global Access** ............................................................................. 20

- Introduction .................................................................................................................................... 20
- International and Regional Framework ..................................................................................... 20
- Role of the International System ................................................................................................. 21
- Promoting Economic Diversification and Business Upgrading to Increase Competitiveness ................................................................................................................................. 23
- Advancing Global Access Through Capacity Building ............................................................. 24
- Strengthening the Role of SMEs in the Global Economy ............................................................. 25
- Conclusion ...................................................................................................................................... 25
- Further Research .......................................................................................................................... 25
- Annotated Bibliography .............................................................................................................. 26
- Bibliography ............................................................................................................................ 27
Introduction

The United Nations Industrial Development Organization (UNIDO) is a specialized agency of the United Nations (UN) that “promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability.” The UN General Assembly established UNIDO in 1966 through resolution 2152 (XXI), which outlined the purpose of the organization and also called for the creation of the Industrial Development Board (IDB) and a Secretariat to ensure UNIDO’s proper operation. In March 1975, UNIDO’s second General Conference adopted the Lima Declaration and Plan of Action on Industrial Development and Cooperation, which created a framework for North-South cooperation and identified least developed, landlocked, and island developing states as those most in need of assistance in regards to industrial development. Additionally, the document stated that to achieve the goals set out by the UN for industrial development, UNIDO would need to be strengthened into an autonomous specialized agency of the UN. In September 1975, at its seventh special session, the General Assembly established in resolution 3362 (S-VII) that UNIDO would become a UN specialized agency.

The UN Conference on the Establishment of UNIDO as a Specialized Agency was held in March and April 1979, leading to the adoption of the Constitution of UNIDO on 8 April 1979. The same year, UNIDO established its headquarters in Vienna, Austria. Due to a lack of consensus among Member States having ratified, accepted, or approved the Constitution, the document did not enter into force until 21 June 1985. In December 1985, the first session of the General Conference was held under the renewed system, making UNIDO the 16th specialized agency of the UN. As a specialized agency, UNIDO became an independent organization working within the UN framework, though with a separately funded budget and its own governing council.

Governance, Structure, and Membership

The two policymaking organs of UNIDO are the General Conference and the IDB; the IDB has a subsidiary body called the Programme and Budget Committee. The General Conference brings together all 168 members of UNIDO to meet once every two years and serves as the organization’s highest policymaking organ. In addition to establishing UNIDO’s overall principles and priorities, the General Conference approves the budget and work program, appoints the Director General every four years, and regularly elects members of the IDB and the Programme and Budget Committee.

The IDB meets annually and is comprised of 53 Member States elected on a rotational basis for four-year terms. The IDB reviews UNIDO’s budget and work program and gives recommendations to the General Conference on policy and the selection of the Director General. The Programme and Budget Committee accepts a draft of UNIDO’s work program from the Director General for the coming fiscal year and in turn recommends a proposed

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1 UNIDO, UNIDO in brief, 2018.
4 Ibid.
5 UN General Assembly, Development and international economic cooperation (A/RES/3362 (S-VII)), 1975.
7 Ibid.
8 Ibid.
10 UN DPI, Funds, Programmes, Specialized Agencies and Others.
14 Ibid.
15 Ibid.
budget for the IDB to vote on.¹⁶ The Committee consists of 27 Member States serving two-year terms and also meets annually.¹⁷

UNIDO is led by the Director General, who is the chief administrative officer and is held accountable by UNIDO’s policymaking organs.¹⁸ The current Director General of UNIDO is Li Yong, who was initially elected in June 2013 and subsequently reappointed for a second term in November 2017.¹⁹ The Office of the Director General includes the Chief of Cabinet; the Office of Strategic Planning, Coordination and Quality Monitoring; the Office of Legal Affairs, and the Office of Independent Evaluation and Internal Oversight.²⁰ UNIDO’s other offices and departments are organized into three directorates, each of which is headed by a managing director: the Directorate of Programme Development and Technical Cooperation, the Directorate of External Relations and Policy Research, and the Directorate of Corporate Management and Operations.²¹

Member States of the UN, of UN specialized agencies, and of the International Atomic Energy Agency are eligible for UNIDO membership upon becoming parties to the Constitution and being approved by the General Conference via a two-thirds majority vote.²² Parties acknowledged by the UN General Assembly as having observer status are also eligible for observer status with UNIDO upon approval by the General Conference.²³

*Mandate, Functions, and Powers*

Article 1 of UNIDO’s Constitution states:

“The primary objective of the Organization shall be the promotion and acceleration of industrial development in the developing countries with a view to assisting in the establishment of a new international economic order. The Organization shall also promote industrial development and cooperation on global, regional and national, as well as on sectoral levels.”²⁴

When the Constitution entered into force in 1985, UNIDO was established to “play the central role in and be responsible for reviewing and promoting the coordination of all activities of the United Nations system in the field of industrial development.”²⁵ In 1993, UNIDO underwent restructuring to enhance services for private sector development, and in 1997, the seventh session of the General Conference adopted the *Business Plan for the Future Roles and Functions of UNIDO* to help the organization better adapt to changes in the global economy.²⁶ Entering the new millennium, UNIDO altered its programs to account for the Millennium Development Goals (MDGs).²⁷ The most recent shift in the focus of the UNIDO mandate occurred in 2013, when the 15th session of the General Conference adopted the *Lima Declaration: Towards inclusive and sustainable industrial development*.²⁸ The document emphasized UNIDO’s commitment to achieving inclusive and sustainable industrial development (ISID) as a prerequisite for poverty eradication.²⁹

Some of the main functions allotted to the General Conference as listed by the Constitution are to offer assistance to developing Member States in the promotion of industrialization; conduct follow-up in the field on UN-led initiatives; perform studies and research to support industrial development at the international, regional, and national levels; assist developing countries in the proper use of natural resources for agribusiness; aid in the transfer,

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¹⁸ Ibid.
¹⁹ Ibid.
²⁰ UNIDO, *Director General re-appointed for second term as 17th UNIDO General Conference opens*, 2017.
²² Ibid.
²³ Ibid.
²⁴ Ibid.
²⁵ Ibid.
²⁶ Ibid.
²⁷ Ibid.
²⁹ Ibid.
³⁰ Ibid.
³¹ Ibid.
³² Ibid.
³³ Ibid.
³⁵ Ibid.
³⁷ Ibid.
adaption, and use of industrial technologies in developing countries; and assist developing countries upon request with financing from outside sources. The General Conference also has the ability to make recommendations to Member States as well as other international organizations on matters in which UNIDO has special expertise.

**Recent Sessions and Current Priorities**

The 45th session of the IDB took place from 27 to 29 June 2017 and resulted in seventeen decisions. Of chief importance was the IDB’s adoption of the program and budgets for 2018-2019, which are structured around six major programs: Policymaking Organs; Executive Direction and Strategic Management; Thematic Program Framework: Towards ISID; Program Support Services; Buildings Management; and Indirect Costs. The upcoming 46th session of the IDB will be held from 26 to 28 November 2018.

The 17th session of the General Conference took place from 27 November to 1 December 2017 and centered on the theme of “Partnering for impact – achieving the Sustainable Development Goals (SDGs).” The General Conference made a number of administrative decisions, including electing 27 members to the Industrial Development Board and 27 members to the Programme and Budget Committee, as well as approving the program and budgets for 2018-2019 as adopted by the IDB. The General Conference also adopted six substantive resolutions on topics including promoting gender equality and the empowerment of women, activities in energy and the environment, and the updated medium-term program framework (MTPF) for 2018-2021.

The MTPF 2018-2021 presents strategic guidance for UNIDO’s programmatic activities to fulfill the organization’s mandate to support countries in achieving ISID. Accounting for an evolving institutional and global development context, the MTPF 2018-2021 represents “a clear drive towards a more programmatic and country-based approach” that enables UNIDO to increase “the impact (rather than the volume) of its services” and “its contribution to high-level results.” The MTPF 2018-2021 identifies UNIDO’s four strategic priorities as creating shared prosperity, advancing economic competitiveness, safeguarding the environment, and strengthening knowledge and institutions. While the first three priorities were carried over from the previous MTPF, the fourth priority was defined for the first time in the MTPF 2018-2021, and it is intended to address “the knowledge, policy, normative and institutional nature of UNIDO’s approach to ISID.” The MTPF 2018-2021 further identifies UNIDO’s four core functions in service of its strategic priorities: technical cooperation; analytical, research, and policy advisory functions and services; normative functions and other activities related to standards and quality; and partnerships for investment, transfer of knowledge and technology, networking, and industrial cooperation.

Since the adoption of the 2013 Lima Declaration, UNIDO has actively promoted ISID by regularly organizing ISID Forums. The sixth and most recent ISID Forum was held on 27 November 2017 and focused on the status and progress of UNIDO’s Programme for Country Partnership (PCP), which brings together multiple stakeholders to support industrialization goals at the national level. UNIDO also promotes ISID by working to achieve the SDGs, which were adopted at the UN Sustainable Development Summit in September 2015. ISID is expressly mentioned

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31 Ibid.
33 UNIDO IDB & Programme and Budget Committee, Programme and Budgets 2018-2019 (IDB.45/5-PBC.33/5), 2017.
37 Ibid.
41 Ibid., p. 16.
42 Ibid., p. 12.
in SDG 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.” SDG 9 includes various targets on promoting sustainability and resource efficiency based on national standards. UNIDO activities in support of SDG 9 include advancing poverty eradication and building productive capacities for all; promoting economic and industrial growth; building industrial trade capacities; and encouraging environmentally sustainable growth and greener industries through cleaner production, improved resource efficiency, and innovation. Through the IDB, UNIDO contributed substantive input to the 2017 session of the High-level Political Forum on Sustainable Development, which included an in-depth review of SDG 9. UNIDO additionally works on relevant aspects of other SDGs, particularly SDG 8 on decent work and economic growth and SDG 11 on sustainable cities and human settlements.

**Conclusion**

UNIDO serves as the lead specialized agency of the UN in promoting industrial development. Originally established in 1966 and becoming an autonomous specialized agency in 1985, UNIDO has experienced substantial change throughout the years. Focusing on the promotion of industrial development in developing countries since its inception, UNIDO has constantly adapted to the ever-changing environment and global economy, most recently by prioritizing ISID. Going forward, UNIDO will continue to deliberate and strategize on how best to achieve ISID and SDG 9 more broadly in developing countries. Through these and other efforts, the work of UNIDO will remain significant within the international community.

**Annotated Bibliography**


This document is the General Assembly resolution that formed UNIDO. The resolution acknowledges the rapid industrial development occurring at the time, as well as the need to assist developing countries and countries with economies in transition. The resolution explains the need for a body within the UN system dedicated to addressing industrial development. The resolution is also crucial in understanding the structure and foundation of UNIDO.


As the organization’s governing document, the Constitution of UNIDO is crucial for understanding the foundation and guidelines of UNIDO. The document offers detailed explanations of the structure of UNIDO. Delegates will find this to be a useful resource for learning how actual UNIDO sessions are conducted.


After becoming familiarized with the Lima Declaration, delegates will find this document useful in offering real-world examples of ISID and how UNIDO is working on the issue. The document...
outlines UNIDO’s understanding of and commitment to ISID. It gives examples of region-specific approaches to ISID and provides a glimpse of the implementation of ISID in the work of other regional organizations and fora, as well as within individual states.


The most recent annual report from UNIDO provides an in-depth overview of the organization’s accomplishments in 2017. The report includes information on UNIDO’s activities to advance ISID and its three priorities for 2017: creating shared prosperity, advancing economic competitiveness, and safeguarding the environment. Delegates should use this report to learn more about UNIDO’s overall work, the concrete actions UNIDO takes to further its mandate, and the important role that UNIDO plays in the international community.


Adopted in 2013 at the 15th session of the General Conference, the Lima Declaration establishes UNIDO’s current mandate as achieving ISID. The declaration emphasizes that “poverty eradication remains the central imperative,” which can be achieved only “through strong, inclusive, sustainable and resilient economic and industrial growth, and the effective integration of the economic, social and environmental dimensions of sustainable development.” Familiarity with the Lima Declaration is crucial for delegates to understand UNIDO’s current efforts and priorities in the current global context.

### Bibliography


I. The Montreal Protocol: Mobilizing for Climate Action

“One of the biggest obstacles to making a start on climate change is that it has become a cliché before it has even been understood.”

Introduction

Worldwide emissions of ozone-depleting substances (ODSs) damage the ozone layer in a manner that results in adverse effects to human health and the environment. The Montreal Protocol on Substances that Deplete the Ozone Layer (1987), a protocol to the Vienna Convention for the Protection of the Ozone Layer (1985), is designed to protect and recover the ozone layer by phasing out ODSs and substituting them with less harmful substances or new processes. According to the definition by the United Nations Statistics Division, ODSs are substances containing chlorine or bromine that destroy the stratospheric ozone layer, which absorbs most of the biologically-damaging ultraviolet radiation emitted from the sun. ODSs regulated by the Montreal Protocol can be categorized into different groups, including chlorofluorocarbons (CFSs), halons, methyl bromides, and others. To promote sustainable manufacturing and consumption of less-damaging alternatives, the United Nations Industrial Development Organization’s (UNIDO’s) Montreal Protocol Division (MPD) works to phasing out ODSs in developing countries. Financed by the Multilateral Fund for the Implementation of the Montreal Protocol (MLF) and other contributions, over 1,340 MPD projects have been completed, helping to phase out ODSs in the developing world. Through a joint effort of the international community, the consumption of all ODSs globally has been reduced from 163,320.10 tons per year in 2002 to 44,433.30 tons per year in 2008, which is a reduction of 72.8%.

As one of the primary ODSs that the Montreal Protocol regulated, CFCs were eliminated before 2010 by controlling their production and consumption. With CFCs successfully addressed under the Montreal Protocol, the current major challenge pertains to the phase-out of hydro-chlorofluorocarbons (HCFCs), which are predominantly used in foam, refrigeration, and air conditioning sectors. The most common alternatives to HCFCs are hydrofluorocarbons (HFCs), which are non-ODSs but have a high Global Warming Potential (GWP). Thus, because of efforts to phase-out the use of HCFCs, the emissions of HFCs rose sharply from 2000 to 2015 and continue to increase, exacerbating the greenhouse gas effect on global climate. Following a recent amendment to the Montreal Protocol that aims to reduce the use of HFCs, UNIDO is now seeking ways to avoid the use of HFCs as part of its work completing the phase-out of ODSs. This marks a significant shift in the direction of the Montreal Protocol and the work of UNIDO’s MPD towards combatting climate change.

International and Regional Framework

In 1985, in the wake of growing scientific concern, the importance of safeguarding the ozone layer for the benefit of present and future generations was first recognized in the Vienna Convention for the Protection of the Ozone Layer. Parties to the Convention were dedicated to protecting the ozone layer from modifications due to human activities and to protecting human health and the environment from adverse effects resulting from damage to the ozone layer.

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58 UNIDO, Montreal Protocol, 2018; UN DESA, Air Pollution: Consumption of Ozone-Depleting Substances (ODS), 2010.
59 UN DESA, Air Pollution: Consumption of Ozone-Depleting Substances (ODS), 2010.
61 UN DESA, Air Pollution: Consumption of Ozone-Depleting Substances (ODS), 2010.
63 UN DESA, Air Pollution: Consumption of Ozone-Depleting Substances (ODS), 2010.
64 UNIDO, Montreal Protocol, 2018.
65 Ibid.
66 Ibid.
68 UNIDO, Montreal Protocol Division, 2016.
ozone layer. The Vienna Convention for the Protection of the Ozone Layer led to the Montreal Protocol on Substances that Deplete the Ozone Layer two years later. The Montreal Protocol entered into force on 1 January 1989, followed by five amendments that enabled parties to the protocol to respond to new scientific information, accelerate the reduction of chemicals covered by the protocol, and increase financial assistance towards these ends for developing countries. Aiming to protect both the climate and the ozone layer, 140 countries agreed on a sixth amendment, the Kigali Amendment to the Montreal Protocol: HFC Phase-down, during the 28th Meeting of the Parties to the Montreal Protocol in Kigali, Rwanda, in 2016. Expected to be in force on 1 January 2019, the Kigali Amendment’s goal is to phase-down HFCs, a common substitute for HCFCs, by establishing timetables for all countries to freeze and then reduce their production and consumption of HFCs. With the Kigali Amendment, the Montreal Protocol is said to become a powerful instrument against global warming as it expands its authority to reduce substances with high GWP often used in air conditioning, refrigeration, insulating foams, and other applications instead of only eliminating ODSs.

The Secretary-General’s report 45/696 on “Protection of global climate for present and future generations of mankind” of 2 November 1990, reaffirmed climate change as a common concern for mankind. The report recommended governments reduce and prevent activities that contribute significantly to greenhouse gas (GHG) emissions and have a negative impact on the climate. At the 1992 UN Conference on Environment and Development in Rio de Janeiro, Brazil, Member States adopted the United Nations Framework Convention on Climate Change (UNFCCC) to “stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.” The Kyoto Protocol to the United Nations Framework Convention on Climate Change (1998) and the Paris Agreement (2015) are two international agreements that implement the UNFCCC. Through the Kyoto Protocol, parties committed to internationally binding emission reduction targets. Also, recognizing that developed countries are principally responsible for the current high levels of GHGs in the atmosphere, the protocol placed a heavier burden on developed countries under the principle of “common but differentiated responsibilities” to change the current situation. Aiming to strengthen the global response to the threat of climate change, the Paris Agreement requires all parties to reduce emissions through “nationally determined contributions” and to strengthen these efforts in the years ahead.

Role of the International System

In 1990, the London Amendment to the Montreal Protocol established the MLF as the first financial mechanism borne from an international treaty with the focus of providing financial assistance, technical assistance, and capacity building to developing states to phase out the use of ODSs at an agreed-upon schedule. To deliver assistance to developing states, the MLF’s Executive Committee collaborates with the four implementing agencies composed of the UN Environment Programme (UNEP), the UN Development Programme (UNDP), the World Bank, and UNIDO. Since becoming the fourth implementing agency of the Montreal Protocol

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72 Ibid., p. 2.
74 UNIDO, Kigali Amendment: Vienna Talks - Challenges, opportunities and key actions for the phase down of HFCs, 2017.
75 Ibid.
77 UN General Assembly, Protection of global climate for present and future generations of mankind. Progress achieved in the implementation of resolution 44/207 on protection of global climate for present and future generations of mankind: Report of the Secretary-General, 1990.
78 Ibid.
80 Kyoto Protocol to the United Nations Framework Convention on Climate Change, 1997; Conference of the Parties to the UNFCCC. Paris Agreement, 2015.
82 Ibid.
83 Conference of the Parties to the UNFCCC. Paris Agreement, 2015.
84 NDC Partnership, Multilateral Fund for the implementation of the Montreal Protocol, 2017.
in 1992, UNIDO has assisted developing states in complying with their obligations under the Montreal Protocol and has accelerated sustainable industrial development through around 1,400 projects. As a specialized agency of the UN with the goal of promoting inclusive and sustainable industrial development, UNIDO works with multiple stakeholders within the UN system including UNFCCC, UNEP, and UNDP, as well as regional actors like the Renewable Energy and Energy Efficiency Partnership (REEEP).

UNIDO’s MPD aims to ensure developing states implement ODS phase-out plans under the framework of the Montreal Protocol. It works to implement investment and non-investment projects that convert and upgrade production lines of different companies to adopt sustainable industrial solutions and supports governmental institutions to enhance their regulatory and monitoring frameworks. UNIDO puts emphasis on the refrigeration servicing sector with regard to climate impact, and respective projects include providing necessary equipment to reduce refrigerant leakages, directly reducing emissions of gases that both deplete the ozone layer and accelerate climate change. MPD also cooperates with MLF and the Global Environment Facility (GEF), a global program originally established by the World Bank in 1992 to protect and promote global environmental development, to carry out Montreal Protocol projects including the current HCFCs phase-out management plans in 70 states. UNDP also assists developing countries in complying with the HCFC consumption freeze and the 10% reduction targets by supporting the conversion of manufacturing processes especially in the foam, refrigeration, air conditioning, and solvents sectors.

To facilitate the development and transfer of climate technology in developing states, UNFCCC established a technology mechanism consisting of the Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN). As the policy body of the technology mechanism, the TEC is comprised of 20 technology experts and provides suggestions for the development and transfer of climate technology. The operational arm, the CTCN, hosted by UNEP and UNIDO, facilitates the transfer of climate technology by providing technical assistance and access to information and knowledge to developing states, thus fostering collaboration among climate technology stakeholders. Another climate focus of UNIDO is the Private Financing Advisory Network (PFAN), co-hosted by UNIDO and the REEEP. PFAN provides one-on-one trainings to improve business plans, financial structures, and investment pitches submitted by project developers. Furthermore, consistent with the HCFC phase-out goal of the protocol, the World Bank has launched the four-year Low-Carbon Livable Cities Initiative to finance the 300 largest cities in developing states in their low-carbon and climate-smart development, as well as the three-year City Energy Efficient Transformation Initiative focusing on the energy efficiency during city planning.

Regional technical centers and networks have been established by UNIDO to provide supporting services to academic, public, non-governmental organizations (NGOs), and private sector entities in terms of cleaner, climate-friendly and climate-resilient industries at the request of developing states. Specifically, the Global Network of Regional Sustainable Energy Centers that is coordinated by UNIDO and financed by the Austrian and Spanish governments, has founded the Economic Community for West African States, the East African Community, and the Southern African Development Community to ensure the coherence of donor activities in the regional renewable

87 UNIDO, UNIDO in brief, 2018.
90 Ibid.
91 Ibid.
93 UNFCCC, Support for implementing climate technology activities.
94 UNFCCC, Technology Executive Committee, strengthening climate technology policies.
95 UNEP, Climate technology centre and network ready to assist developing countries, 2013; UNFCCC, Support for implementing climate technology activities.
96 UNIDO, Marking the 50th Anniversary of UNIDO, UNIDO-GEF cooperation, 2016, p. 19.
99 UNIDO, Marking the 50th Anniversary of UNIDO, UNIDO-GEF cooperation, 2016, p. 18.
energy sectors. Additionally, UNIDO and UNEP co-established the National Cleaner Production Centres, under the Resource Efficient and Cleaner Production Network, through which member organizations and regional leaders improve their knowledge and skills and put forward new available techniques by collaborating with local businesses and institutions.

The Current and Future Role of the Montreal Protocol

Among the international environmental treaties, the Montreal Protocol has seen the greatest success with ratification of the protocol by all 197 states. The results achieved at the international level include the complete elimination of CFCs in aerosol sprays, refrigeration, insulation, and air conditioning; the replacement of halon with alternative substances such as carbon dioxide, HFCs, and inert gases; and the phase-out of methyl bromide as a pesticide. In addition to the universal adherence to the protocol, the trade sanctions included in the protocol offered incentives for non-signatory states to sign the agreement, which in return protected the signatory states from damages in economic competitiveness compared with those non-signatories.

As substitutes to CFCs that do not threaten the ozone layer, HFCs, which are highly potent greenhouse gases with a high GWP, were not addressed in the original Montreal Protocol. In 2016, the Parties to the Montreal Protocol adopted the Kigali Amendment and included HFCs as controlled substances, marking a milestone in tackling climate change under the protocol at the global level. The Kigali Amendment aims to phase-down rather than phase-out HFCs to avoid over 80 billion metric tons of carbon dioxide equivalent emissions cumulatively until 2050. According to the Ozone Secretariat, the HFC phase-down is expected to reduce the global temperature rise by up to 0.5°C Celsius by 2100 and is thus considered the “single largest real contribution” to keep the temperature rise below 2°C Celsius. Additionally, to better reflect the specific challenges of developing countries, the Kigali Amendment allows developing countries a later freeze and phase-down schedule for HFCs similar to the provisions of the original Montreal Protocol.

The measures taken to implement the protocol present the systematic progress the global community has made to tackle climate change. However, further challenges include not only the phase-down of HFCs, but also how to simultaneously achieve energy efficiency gains as well as reaching the balance between environmental measures and industrial development. Additionally, a less noticeable emerging issue is the increasing level of nitrous oxide that is both ozone depleting and has a high GWP, which requires further research and prospective solutions. As global warming can exacerbate ozone depletion, protecting the ozone layer and combating climate change are more interlinked than previously thought. Thus, if implemented effectively, the Montreal Protocol presents a unique opportunity to address both issues collaboratively and avoid solutions that could negatively impact each other.

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100 UNIDO, Marking the 50th Anniversary of UNIDO, UNIDO-GEF cooperation, 2016, p. 19.
101 Ibid.
107 United States of America, Update on Kigali Amendment to the Montreal Protocol, 2016, p. 4.
108 Ibid., p. 5; UNEP, The Kigali Amendment to the Montreal protocol: another global commitment to stop climate change, 2016.
111 Ibid.
112 UNEP, Montreal Protocol – Achievements To Date and Challenges Ahead, 2015.
113 UNESCO, New Challenges to the Montreal Protocol; Canada, Ozone depletion and climate change, 2015.
114 Canada, Ozone depletion and climate change, 2015.
Conversion of Key Industrial Sectors

The conversion of key industrial sectors is critical to achieve the phase-out of ODSs and a phase-down of substances with high GWP in developing states and economies in transition. UNIDO thus works to enable targeted industries to achieve better economic performance as well as sustainable manufacturing. Through new, clean, and up-to-date technologies, industries are able to upgrade production lines with better and more energy-efficient equipment. UNIDO encourages the adoption of sustainable industrial solutions by converting and upgrading production lines of companies of all sizes, through a number of activities contributing to the full implementation of the Montreal Protocol. For instance, to support the methyl-bromide phase-out, UNIDO published the “UNIDO Toolkit for sustainable compliance with the methyl bromide phase-out” which provides practical guidance on how to comply with the provisions of the Montreal Protocol and case studies of how UNIDO assists states to this end.

Capacity-building

An incomplete understanding of the services and benefits that the environment provides transfers to inappropriate industrial planning and management. Due to a lack of capacity, industrial upgrading is difficult, particularly for developing states. Owing to the lack of technical assistance, information dissemination, and training aimed at phasing out ODSs and substances with high GWP, small and medium-sized enterprises (SMEs) and larger industries in developing and transition countries face great challenges during industrial conversion. Thus, upgrading inefficient equipment with potential danger and harm to the environment and introducing less hazardous alternatives safely remains a great challenges for them. On the domestic level, environmental assessment for HFC use is complicated by the fact that few states have systems in place for monitoring, recording, and reporting data. Even if the data is reported, there is often a lack of action to implement HFC phase-down strategies or to raise public awareness on the importance of the matter.

Case Study: The refrigeration servicing sector

In addition to alleviating the rise of atmospheric temperature by phasing down the use of HFCs and considering the growing demand for refrigeration and air conditioning that requires high electricity, the Kigali Amendment also focuses on improving the energy efficiency of refrigeration systems to mitigate climate change effects. Fluids in refrigeration equipment often contain chemicals that damage the ozone layer and contribute to climate change. Therefore, upgrading and servicing these appliances is vital to ensure they are working properly without releasing harmful chemicals. In 2017, UNIDO organized activities in 18 states for HFC phase-down and put forward proposals for the refrigeration manufacturing sector to provide sustainable, long-term, and HFC-free solutions without negative impact on the climate. One of the key element of UNIDO’s Montreal Protocol projects in this regard is the training of technicians to promote the safe recovery and reuse of refrigerants and empower technicians to also train future generations. Training activities following a distinct curriculum, are carried out in close cooperation with national governments, training institutes, schools, and refrigeration associations, and include the purchase of proper training equipment. Participants receive a certificate to prove they can follow guidelines

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116 Ibid.
117 Ibid.
118 UNIDO, Industrial Upgrading and Servicing, 2018.
119 UNIDO, UNIDO toolkit for sustainable compliance with the methyl bromide phase-out, 2015; UNIDO, UNIDO Toolkit for sustainable compliance with the methyl bromide phase-out, 2018.
121 UNFCCC, Technology Executive Committee, strengthening climate technology policies.
122 UNIDO, Fixing Fridges Helps Save The Planet, 2017.
123 Ibid.
124 NDC Partnership, Multilateral Fund for the implementation of the Montreal Protocol, 2017.
125 Ibid.
127 UNIDO, Fixing Fridges Helps Save The Planet, 2017.
128 Ibid.
130 UNIDO, Fixing Fridges Helps Save The Planet, 2017.
131 NDC Partnership, Multilateral Fund for the implementation of the Montreal Protocol, 2017.
provided by the Montreal Protocol and several international and national standards while installing, maintaining, and repairing equipment, thus ensuring that procedures are carried out in the safest and most environmentally-friendly manner.\textsuperscript{132} Also, since the demand side of the refrigerant market is shaped by the users that have the power to influence trends, UNIDO and its partners target and empower end users to make better choices through project intervention.\textsuperscript{133} For example, the Climate and Clean Air Coalition, financed by MLF, has taken actions to build the capacity of governments, the private sector, and intergovernmental organizations through the HFC Initiative, including technology conferences and exhibitions, interactive partner tools, and case studies.\textsuperscript{134} Committed to promoting the use of ozone-friendly and climate-friendly refrigerants, the projects help to raise public awareness towards an environmentally-friendly lifestyle.\textsuperscript{135}

\textit{Conclusion}

The risks and impacts of climate change have been well documented, which requires industries and institutions to adequately assess, understand, and implement policies to overcome the pressing challenges that the Montreal Protocol must now face.\textsuperscript{136} UNIDO develops programs focusing on the reduction of new ODSs and GHG emissions as well as capacity building by providing trainings and facilitating knowledge and intergovernmental or regional technology exchange.\textsuperscript{137} However, despite the decades of UNIDO’s commitment to converting the industrial sector and providing training for technicians, innovative approaches to improving energy efficiency as well as ozone- and climate-friendly alternatives are needed to foster inclusive and sustainable industrial development, which requires multifaceted participation by a wide range of UN entities, governments, NGOs, industries, and civil society.\textsuperscript{138}

\textit{Further research}

Moving forward, delegates should consider the following questions: What further innovative measures could UNIDO take in the phase-down of HFCs? How can states and UN entities simultaneously achieve energy efficiency gains and make industries more productive and climate resilient in this progress? How should environmental measures be balanced with the need for industrial development? How could data collection and implementation be improved regarding the needs of industries in transition? In what ways can the collaboration between the UN system, NGOs, and civil society be enhanced?

\textbf{Annotated Bibliography}


Comprised of five main sections, this handbook addresses the efforts that UNIDO has made to implement and enhance the Montreal Protocol in a chronological order, including the history and current applications in the agro-industry, refrigeration, and foam sector, as well as an outlook on its potential in the future. Particularly, each section on the current implementation of the Montreal Protocol provides a case study in a certain state, which makes the illustrations more concrete and elaborate. Delegates will find this source helpful because it gives a detailed introduction about both the Montreal Protocol itself and efforts that have been taken to fully comply with it.

\begin{itemize}
\item \textsuperscript{132} NDC Partnership, \textit{Multilateral Fund for the implementation of the Montreal Protocol}, 2017.
\item \textsuperscript{133} UNIDO, \textit{Fixing Fridges Helps Save The Planet}, 2017.
\item \textsuperscript{134} UNDP et al., \textit{National Hydrofluorocarbon (HFC) Inventories: A summary of the key findings from the first tranche of studies}, 2016.
\item \textsuperscript{135} UNIDO, \textit{Fixing Fridges Helps Save The Planet}, 2017.
\item \textsuperscript{136} UNIDO, \textit{Safeguarding the Environment}, 2018.
\item \textsuperscript{137} UNIDO, \textit{Kigali Amendment: Vienna Talks - Challenges, opportunities and key actions for the phase down of HFCs}, 2017, p. 39.
\item \textsuperscript{138} UNIDO, \textit{The Montreal Protocol Evolves To Fight Climate Change}, 2017, p. 2.
\end{itemize}

The UNFCCC is a major achievement by the international community. It is a first step in fashioning a response to the common concern of the adverse effects of climate change. Negotiated in a universal forum, it seeks to engage the widest possible participation in this cooperative venture. The ultimate objective of the convention is to stabilize atmospheric concentrations of greenhouse gases at a safe level. Action to this end is to be in accordance with the common but differentiated responsibilities and respective capabilities of the parties while developed states are expected to take the lead. Delegates will find this source helpful because it acts as a fundamental convention to protect the environment from climate change.


This report stresses the seriousness of climate change and calls upon states to work cooperatively towards achieving the ultimate objective of the UNFCCC through the urgent implementation of its provisions. The report also calls upon the international community to fulfil the commitments made during the fourth replenishment of the Global Environment Facility. Delegates will find this source helpful because it firstly stressed the importance to provide financial and technical resources to assist developing countries affected by climate change by industrial conversion.


Comprised of three main parts, this report addresses the efforts that UNIDO has made to implement and enhance the Montreal Protocol as well as an outlook on the Protocol’s potential in the future. Furthermore, each section offers in-depth, country-specific case studies. Delegates will find this source helpful because it provides a comprehensive and up-to-date overview of the development in enhancing the Montreal Protocol supported by elaborate examples.


This report groups challenges and opportunities by topic including technologies, capacity building, partnerships, gender balance, and social inclusion. Delegates will find this source helpful because it provides a comprehensive illustration related to the Kigali Amendment. Delegates can also gain an understanding of the current situation from various social perspectives rather than just the control of ODSs and GHG emissions.

**Bibliography**


17


II. Enhancing Economic Competitiveness through Global Access

Introduction

According to the World Economic Forum, economic competitiveness is defined as “the set of institutions, policies and factors that determine the level of productivity of a country,” and despite some variations, all definitions agree that productivity is key to competitiveness as it leads to growth, social development, and an increase in living standards.\(^\text{139}\) Competitiveness further relies on an economy’s ability to meet standards and regulations that allow for products to be sold on the global market, technological requirements for efficient production sites, and access to financing.\(^\text{140}\) Thus, access to technology, information, financing, and skilled labor forces as well as strong infrastructures and access to the global market are necessary prerequisites to enhance competitiveness.\(^\text{141}\) The 2030 Agenda for Sustainable Development (2015) calls for increasing action towards inclusive and sustainable industrial development as an important driver for sustainable development.\(^\text{142}\) Despite efforts by the international community, the majority of people in developing countries and Least Developed Countries (LDCs) live in agrarian, subsistence economies with no access to entrepreneurial or industrial skills and little chance for permanent employment.\(^\text{143}\) Due to a lack of industrialization, technological development, and education, economies in these countries are unable to compete with industrialized economies.\(^\text{144}\)

As a specialized agency assigned to promote industrial development through education, training, and the fostering of global partnerships, the United Nations Industrial Development Organization (UNIDO) plays a key part in assuring that states not only develop strong domestic economies through proper industrialization, but also gain access to the global economy.\(^\text{145}\) This requires not only the advancement of states’ industrial sectors, but it also requires the commitment of the international community, particularly industrialized states, to agree on standards and regulations that ensure products from developing states and LDCs can compete with those on the global market.\(^\text{146}\)

International and Regional Framework

Economic cooperation and development is one of the key principles enshrined in the Charter of the United Nations (1946) and has been promoted by various agencies and programs.\(^\text{147}\) The international community first worked to advance economic competitiveness amongst states in 1975 when the UNIDO General Conference adopted the Lima Declaration and Plan of Action on Industrial Development and Cooperation as part of the United Nations (UN) General Assembly’s initiative to work towards a new international economic order.\(^\text{148}\) The Lima Declaration called for the development of policies and standards that would allow developing states to compete with other economies and for developed economies to assist developing countries in their efforts to transform their production cycles.\(^\text{149}\) It also stressed the importance for industrialized economies to refrain from measures that would impede developing countries’ access to the global economy.\(^\text{150}\) Over the next forty years, the Lima Declaration served as a roadmap for states to work towards political, social, technological, and trade reforms, and it increased consultations between industries and states leading to a measurable increase of living standards and prosperity.\(^\text{151}\) Taking the success of the first Lima Declaration into account, the General Conference renewed its commitment in 2013 with the Lima Declaration: Towards inclusive and sustainable industrial development.\(^\text{152}\) The 2013 Declaration raises concerns about deindustrialization, the depletion of natural resources, low access to economic and financial opportunities, and


\(^{144}\) Ibid.

\(^{145}\) Ibid.

\(^{146}\) UNIDO, *Meeting the standards*, 2018.

\(^{147}\) *Charter of the United Nations*, 1945.


\(^{149}\) Ibid., p. 12.

\(^{150}\) Ibid., pp. 12-15.


\(^{152}\) Ibid.
inequalities between countries as some of the remaining structural challenges in industrial development. Furthermore, it stressed the importance of domestic transformation to create jobs, promote investments, and advance trade, especially concerning community-based entities such as small and medium-sized enterprises (SMEs) or micro-industries.

The support of SMEs in increasing competitiveness was also recognized by the Addis Ababa Action Agenda of the Third International Conference on Financing for Development (2015), which was endorsed by General Assembly resolution 69/313 of 27 July 2015. The same year, the General Assembly presented the predecessor to the United Nations Millennium Declaration (2000) in resolution 70/1 on “Transforming our world: the 2030 Agenda for Sustainable Development,” which promotes sustainable economic development and economic growth as critical to eradicate poverty. The 2030 Agenda highlights the importance of inclusivity in economic development on multiple occasions while stressing the need for proper access to resources and infrastructure towards that end. This commitment was reaffirmed by General Assembly resolution 71/236 of 2017 entitled “Towards a New International Economic Order,” which noted that persisting impediments for developing states to access global trade can only be addressed by an inclusive partnership amongst states. Furthermore, General Assembly resolution 71/242 on “Industrial development cooperation” of 2017 called on Member States to increase their capacity-building efforts in developing states to help advance their economic competitiveness and participation in global markets.

Commitment to further economic competitiveness and growth has also taken place on regional levels. The Commission of the African Union adopted “Agenda 2063: The Africa We Want” in 2015 as a strategic framework for the continent’s development over the following 50 years. The “First ten-year implementation plan 2014 – 2023” presents strategies to advance industrial transformation and economic growth and discusses how African states can gain further access to global trade negotiations. The Association of Southeast Asian Nations (AESAN) has a long-standing commitment to foster the region’s economic growth and to collaborate towards a regional single-market as laid down in The ASEAN Declaration (Bangkok Declaration) of 1967. Member States of ASEAN released the “ASEAN Economic Community Blueprint” in 2008 as a roadmap to strengthen economic competitiveness of the region. The blueprint discusses different measures to advance industries and economic growth in the region and especially highlights the need to improve access to technology, information, financing, and access to markets for SMEs. Finally, the European Union’s “Europe 2020” strategy discusses the region’s own economic development also with regards to global competitiveness and the growing role of developing and emerging economies. In the strategy, the European Union commits to collaborate on all levels to advance development in Africa and other regions and to foster inclusive partnerships with developing states.

Role of the International System

Within the UN and the international system, there are a number of players involved in enhancing economic competitiveness and the access of developing and emerging economies to global trade. The General Assembly has repeatedly highlighted the role of UNIDO in supporting states’ economic development, especially concerning
industrial transformation. General Assembly resolution 71/214 on “International trade and development” of 2017 stressed the need for developing countries to adhere to international standards and rules set by the World Trade Organization (WTO) such as the Trade Facilitation Agreement of 2013 to create an inclusive, open, and transparent global trading system to further economic development in developing countries and LDCs.

UNIDO is a key player in supporting economies’ industrial transformation and ensuring that developing and emerging economies meet the standards required to compete with developed states. UNIDO serves as an advisor for developing states to improve investment and technology promotion, the development of SMEs and entrepreneurship, and capacity-building for enhanced participation in global trade. This is done through a variety of activities including trainings for business owners and political stakeholders, the formulation of trade policies with public and private stakeholders, and furthering secondary and vocational training opportunities for young adults. UNIDO’s main focus is the domestic transformation of production and processing systems that improve the quality of local products and make them more competitive. UNIDO works with public and private partners to adapt existing policies and develop strategies to increase developing economies’ competitiveness including the International Fund for Agricultural Development, the Green Industry Platform, and Microsoft, which promotes the role of small business in Africa. UNIDO’s medium-term programme framework 2018-2021 has emphasized the role of SMEs in advancing developing countries’ economic competitiveness and UNIDO will focus on support for SMEs over the coming years. This includes strengthening entrepreneurial culture and skills through public services and the development of programs that focus on investment and technology opportunities to increase productivity and innovation for SMEs. With regards to the 2030 Agenda, UNIDO has also made it a priority to provide “access to information, finance, technical know-how, and export markets” as part of capacity-building efforts for entrepreneurs to enter domestic and international trade. As products often receive certificates in one economy as proof of their quality, UNIDO works to standardize these accreditation and inspection tests in order to facilitate developing economies’ participation in the global economy.

Participation in the global economy is further structured by the WTO, which aims for more “coherence in global economic policy-making” by working with a number of international organizations to this end. The WTO has acknowledged that a lack of physical access to markets often poses an obstacle, especially for developing states, to enter global trade, and it is working towards “trade facilitation, the simplification, modernization and harmonization of export and import processes” as a means to improve the global trading system. WTO members achieved a landmark agreement in 2013 with the adoption of the Trade Facilitation Agreement, which entered into force in 2017. Through the agreement, states commit to provide extended information on their provisions for importation, exportation, and transit of goods and to promote consultations between border agencies and traders on these matters. The Trade Facilitation Agreement will eventually reduce bureaucratic delays and rigid procedures to allow a faster movement of goods across borders. The agreement also suggests that states review their fees and charges on a regular basis to reduce their number and diversity, thus ultimately increasing opportunities for market access.

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171 Ibid.
172 Ibid.
177 Ibid., p. 6.
178 UNIDO, Setting up Accreditation Bodies in Developing Economies, 2017.
181 Ibid.
183 WTO, Trade facilitation, 2018.
The UN Conference on Trade and Development (UNCTAD) is also involved in discussing matters related to trade, finance, investment, and technology and serves as a platform for knowledge exchange and research to find practical solutions to critical issues. While UNIDO provides advice to the industrial sector including investment and technology assistance, UNCTAD focuses on the regulations and frameworks for investments. UNIDO and UNCTAD work together on different projects to improve economic competitiveness and access to global trade of developing states and LDCs together with other stakeholders such as the International Labour Organization and the UN Office for Project Services. In 2015, UNIDO and UNCTAD hosted a workshop for local hotels, restaurants, and horticulture manufacturers to strengthen the business linkages between local manufacturers and the tourism industry in Tanzania. Despite a growing demand from the tourism sector for food and beverages, the majority of hotels still import their products. The workshop allowed manufacturers to present their products while learning more about the demands of the tourism sector thus promoting the production of high value agro-products amongst manufacturers to improve their competitiveness and productivity. Furthermore, UNIDO and UNCTAD collaborate in analyzing the economic status of developing states and LDCs to identify key obstacles for their industries to participate in global trade and necessary actions to enhance their economic competitiveness.

Promoting Economic Diversification and Business Upgrading to Increase Competitiveness

UNIDO recognizes that inclusive and sustainable industrial development can only be achieved by a holistic approach that integrates the economic, social, and environmental dimensions of sustainable development as enshrined in the 2030 Agenda. One of the key remaining challenges, especially in Africa, is the still high dependence on the agro-economic sector and a relatively low diversification of business sectors, leading to low competitiveness according to the manufacturing value added (MVA) statistic that describes how much value all manufacturing activities of an economy generate. Comparing the share of an economy’s MVA to the global MVA helps to determine an industry’s ability to perform competitively in the global economy. Whereas Africa’s MVA was 2%, the share of the Asia and Pacific region including China was 48.1%, making that the largest region for global manufacturing production. One of the reasons for that is the relatively high number of technology-intensive production centers in China, India, Japan, and the Republic of Korea for high-technology products such as computers and electronics. The MVA in these countries has constantly risen since the 1990s, and due to the global access their high-tech manufactured goods achieved in international trade, their overall economies gained easier access to the global market, technologies, and finance to further increase productivity.

The UNIDO Industrial Upgrading and Modernization Programme (IUMP) works towards “promoting diversification and competitiveness, improving regulatory frameworks and the business environment, and reinforcing institutional capacities of technical and business support infrastructure to address all three mentioned dimensions.” IUMPs, running on the regional and national level contribute to the acceleration of economic growth and creation of new jobs. In Kyrgyzstan, UNIDO and the Ministry of Economy are implementing a project to promote “innovative and low-cost technologies to produce cost-effective and environmentally-friendly construction materials” using local raw resources that can be directly utilized by national industries. The project will not only support the construction

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185 UNCTAD, UNCTAD at a glance, 2017.
187 UNCTAD, Country Projects funded by SECO.
188 UNIDO, UN trade cluster partners help facilitate tourism in Tanzania, 2015.
189 Ibid.
190 Ibid.
194 UNIDO, What is manufacturing value added.
195 UN General Assembly, Industrial development cooperation (A/71/264), 2016.
196 UNIDO, Global manufacturing recovers with sustained growth in industrialized and developing economies, 2018.
197 UN General Assembly, Industrial development cooperation (A/71/264), 2016.
198 UNIDO, Industrial Upgrading and Modernization Programme, 2018.
199 Ibid.
200 UNIDO, Promoting community level job creation and income generating activities through the development of cost-effective building materials production in Kyrgyzstan, 2018.
industry, but will also engage researchers, developers, and SMEs from the building sector, thus creating new job opportunities while ensuring durable and affordable housing for the greater population.\textsuperscript{201} UNIDO has implemented successful IUMPs in North Africa, the Middle East, and West, and Central and East African subregions and is now expanding programs to Asia, Eastern Europe, the Caucasus, and Central Asia.\textsuperscript{202}

**Advancing Global Access Through Capacity Building**

In order to compete in the global economy, industries need resources like infrastructure, knowledge, technology, financing, and human capital, which are often categorized as physical, market, and social access.\textsuperscript{203} Amongst the necessary physical prerequisites, access to financing remains critical as investments are needed to upgrade production capacities and implement new technologies.\textsuperscript{204} UNIDO advocates for a multi-stakeholder approach from foreign and domestic investors and has recently established its eight Investment and Technology Promotion Offices (ITPOs) to mobilize investments and bring together investors, technology suppliers, and businesses from developed, developing, and economies in transition.\textsuperscript{205} ITPOs are set up through an agreement between UNIDO and the host government and aim to foster “mutually beneficial industrial cooperation” between national industries and enterprises in developing economies and economies in transition.\textsuperscript{206} UNIDO is working with partners like the World Bank to promote foreign direct investment by providing training through the specialized Investment Learning Centre that helps governments and businesses assess their investment opportunities and project implementation costs.\textsuperscript{207}

Developing economies’ market access is often challenged by their ability to comply with regulatory policies regarding “health, safety, environmental protection, fraud prevention or market fairness” and trade rules set by the WTO or those individually set by Member States.\textsuperscript{208} Product testing and accreditation systems thus play an important role to overcome these technical trade barriers and ensure market access.\textsuperscript{209} UNIDO has partnered with accreditation bodies like the International Accreditation Forum (IAF), the International Laboratory Accreditation Cooperation (ILAC), WTO, and the World Bank to provide guidance on setting up accreditation bodies in developing countries.\textsuperscript{210} In Lebanon, UNIDO conducted a training together with LibanPack, a private partner from the packaging industry, to train representatives of Iraqi and Sudanese SMEs on how to improve their competitiveness through better packaging and labelling of products.\textsuperscript{211} The training included information about international standards, structural and labelling designs, and product testing.\textsuperscript{212} Furthermore, to meet international standards, economies must create consistency in their domestic regulatory framework.\textsuperscript{213} Thus, UNIDO supports governments in developing National Quality Infrastructures (NQIs) consisting of private and public organizations and institutions that develop and implement standards and help create conformity of national industries.\textsuperscript{214} Additionally, the UNIDO Institute for Capacity Building provides training on industrial policy diagnosis, strategies, and instruments for policymakers, government officials, and other stakeholders to strengthen understanding of inclusive and sustainable industrial development.\textsuperscript{215} It also supports product testing and advocates that national accreditation bodies receive international recognition from IAF and ILAC.\textsuperscript{216} Nevertheless, challenges in setting up NQIs remain, such as access to information about existing regulations, financing, and supporting information and

\textsuperscript{201} UNIDO, *Promoting community level job creation and income generating activities through the development of cost-effective building materials production in Kyrgyzstan*, 2018.


\textsuperscript{204} Ibid.


\textsuperscript{206} UNIDO, *Investment and Technology Promotion Offices*, 2018; UNIDO, *ITPO Germany (Bonn)*, 2018.

\textsuperscript{207} UNIDO, *Investment Learning Centre*, 2018.


\textsuperscript{209} UNIDO, *Setting up Accreditation Bodies in Developing Economies*, 2017.

\textsuperscript{210} Ibid., p. 51.

\textsuperscript{211} UNIDO, *UNIDO and LibanPack organize training course for Arab SMEs*, 2011.

\textsuperscript{212} Ibid.

\textsuperscript{213} UNIDO, *Quality Infrastructure*, 2016.

\textsuperscript{214} UNIDO, *Setting up Accreditation Bodies in Developing Economies*, 2017, p. 25.


\textsuperscript{216} UNIDO, *Meeting the standards*, 2018.
telecommunication infrastructure to guarantee access to online resources, as well as governments’ reluctance to allow independent institutions to carry out these powers.\textsuperscript{217}

**Strengthening the Role of SMEs in the Global Economy**

SMEs, which make up 90\% of businesses worldwide, play a key role in intensifying regional economic integration and “greater industrial diversification.”\textsuperscript{218} However, they often have only minimal entrepreneurial skill and little insight into business strategies and production cycles.\textsuperscript{219} Additionally, due to their size their access to new technologies and financing is limited, which makes it difficult for them to compete in domestic or international markets.\textsuperscript{220} In 2006, UNIDO assisted the Vietnamese government in establishing the Viet Nam Government Business Portal offering legal and practical advice to SMEs as well as access to relevant policies, programs, and institutions that support SMEs to enhance their entrepreneurial skills.\textsuperscript{221} Moreover, UNIDO has developed a comprehensive program on export consortia as a means to increase SME competitiveness.\textsuperscript{222} Export consortia are alliances among firms that cooperate to facilitate their access to foreign markets.\textsuperscript{223} By combining financial resources and exchanging knowledge and information, SMEs can increase their productivity and export potential while keeping individual costs and risks low.\textsuperscript{224} In Morocco, a consortium of six textile manufacturers was able to develop more brand communication and marketing activities to increase awareness for their products and quality of training for their staff.\textsuperscript{225} Furthermore, the consortium built a competitive intelligence system to analyze international market trends and demands.\textsuperscript{226} To use their full potential, export consortia need political frameworks to regulate their business model and UNIDO works with policy-makers and local business chambers to build more capacity and provide assistance to SMEs.\textsuperscript{227} It also provides training opportunities for SMEs to become national promoters for export consortia in their respective countries.\textsuperscript{228}

**Conclusion**

While many emerging economies and developing states have already enhanced their competitiveness, developing states and LDCs, especially in Africa, often remain on the margins of industrialization.\textsuperscript{229} Weak infrastructures, institutional incapacities, and a lack of industrial diversification are key factors that lead to a high dependence and thus vulnerability to external partners.\textsuperscript{230} By promoting investment and knowledge transfer through IUMPs, NQIs, and SMEs, UNIDO plays an important role in ensuring that economies improve their productivity, overcome technical trade barriers, and increase their competitiveness. Nevertheless, technological and financial support as well as standardization of trade regulations remains critical to ensure they gain greater access to the global economy.

**Further Research**

Much progress has been made to enhance economies’ competitiveness and ensure that developing countries and LDCs gain more access to global trade through knowledge exchange, investment in new technologies, and capacity-building amongst governments and businesses.\textsuperscript{231} Moving forward, delegates should consider the following questions: How can IUMPs be effectively established in more regions and countries? How could developing

\textsuperscript{217} UNIDO, Setting up Accreditation Bodies in Developing Economies, 2017, p. 53.
\textsuperscript{218} UNIDO, Investing in technology and innovation, 2018; UN General Assembly, Industrial development cooperation (A/71/264), 2016.
\textsuperscript{219} Ibid.
\textsuperscript{220} UNIDO, SME Business Portals, 2018.
\textsuperscript{221} Antoldi, Export Consortia in Developing Countries, 2011.
\textsuperscript{222} UNIDO, Export Consortia, 2008.
\textsuperscript{223} UNIDO, What are SME consortia?, 2018.
\textsuperscript{224} Antoldi, Export Consortia in Developing Countries, 2011.
\textsuperscript{225} Ibid., p. 64,
\textsuperscript{226} UNIDO, UNIDO organizes training course for Latin American representatives on role of SMEs in economic development, 2010.
\textsuperscript{227} Ibid.
\textsuperscript{228} UN General Assembly, Industrial development cooperation (A/71/264), 2016.
\textsuperscript{229} Ibid.
\textsuperscript{230} UNIDO, Medium-term programme framework, 2018-2021, 2017.
economies further shift their production from low- to medium- or even high-technology goods? Is there a need to reform current international regulations to facilitate developing countries’ access to the global economy? How can partnerships and consortia among SMEs be fostered to strengthen economic growth and increase developing economies’ and LDCs’ access to the global economy?

**Annotated Bibliography**


This note of the Secretary-General provides an in-depth assessment of UNIDO’s work and its importance in achieving sustainable development. The report not only summarizes recent and current trends in industrial development, but it also provides insights on the economic order as a whole and the interdependence of trends in industrialized and developing countries. This source will help delegates to contextualize their topic with the 2030 Agenda and to develop solutions to enhance competitiveness.


This resolution provides further explanation on the dimensions of global access and its interlinkage to economic competitiveness. By referring to this resolution, delegates can also get a quick overview of actions taken within the UN system thus far and the most important outcomes of previous undertakings. The source is also helpful as it strongly elaborates on the role of UNIDO in promoting sustainable industrial development for which economic competitiveness is an important prerequisite.


The UNIDO website on the topic is a great point for delegates to start their research. The website provides a brief overview of the issue and explains the interdependence between economic competitiveness, global trade, and sustainable development. The website provides useful links to other related issues, offering delegates the opportunity to intensify their research and broaden their understanding for the various facets of the topic.


The medium-term programme framework is a guiding document for the work of UNIDO for the next four years. The strategy highlights main areas of focus for the organization and steps it intends to take to carry out its mandate and advance industrial development. A distinct section is committed to the question of advancing economic competitiveness and provides insights into UNIDO’s strategy in this regard. Delegates will find this source helpful to understand UNIDO’s priorities and the interdependence between competitiveness and global access. Considering the long-term program will also be helpful for delegates when considering their own resolutions.


This joint publication by UNIDO, ILAC, and IAF shows the importance of quality infrastructures in order to enter global trade and examines UNIDO’s strategy to assist Member States in meeting international standards. Delegates will find this a helpful resource as it explains one of the dimensions of gaining access to the global economy, thus concretizing the idea of the topic. This resource also provides insights to the interdependence of global access and economic competitiveness and can help delegates in their research for adequate solutions to the topic.
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