





# United Nations Industrial Development Organization Background Guide 2021

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# NATIONAL MODEL UNITED NATIONS



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Dear Delegates,

Welcome to the 2021 National Model United Nations New York Conference (NMUN•NY)! We are pleased to introduce you to our committee, the United Nations Industrial Development Organization (UNIDO). This year's staff is: Directors Courtney Indart (Conference A) and Dominic Tierno (Conference B), and Assistant Directors Emad Toubar (Conference A) and Maryam Sarhan (Conference B). Courtney has a Masters Degree in International Affairs from The George Washington University and works in the field of international leadership exchange programs. Dominic completed his BA in Political Science at Stockton University in May 2019. Emad is a Computer Engineering undergraduate student at the American University of Sharjah, UAE, currently specializing in the field of artificial intelligence. Maryam Sarhan is an elementary and middle school teacher with a Masters degree in International Studies and Diplomacy.

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

- I. Accelerating Industrial Development in Africa
- II. Promoting Sustainable Rural Entrepreneurship and Businesses
- III. Achieving Resource Efficient and Cleaner Production

Consisting of 170 Member States, UNIDO is a UN specialized agency tasked with promoting sustainable and inclusive industrial development for poverty reduction, inclusive globalization, and environmental sustainability. UNIDO provides an avenue through which the UN, Member States, and other stakeholders can develop partnerships and address challenges to industrial development, particularly in developing regions. UNIDO currently has four strategic priorities, in line with the 2030 Agenda for Sustainable Development: creating shared prosperity, advancing economic competitiveness, safeguarding the environment, and strengthening knowledge and institutions. It will be critical for delegates to understand the role and mandate of UNIDO as an direct provider of industrial development services.

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 March 2021 in accordance with the guidelines in the <u>Position Paper Guide</u> and the <u>NMUN•NY Position Papers</u> website. Two resources, available to download from the <u>NMUN website</u>, that serve as essential instruments in preparing for the Conference and as a reference during committee sessions are the:

- <u>NMUN Delegate Preparation Guide</u> 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. <u>NMUN Rules of Procedure</u> 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 <u>NMUN Conduct Expectations</u> 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 Under-Secretaries-General for the Development Department, Lauren Kiser (Conference A) and Max Lacey (Conference B), at <u>usg.dev@nmun.org</u>.

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

Sincerely,

#### **Conference A**

Courtney Indart, *Director* Emad Toubar, *Assistant Director* 

### Conference B

Dominic Tierno, *Director* Maryam Sarhan, *Assistant Director* 



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# United Nations System at NMUN•NY

This diagram illustrates the UN system simulated at NMUN•NY and demonstrates the reportage and relationships between entities. Examine the diagram alongside the Committee Overview to gain a clear picture of the committee's position, purpose, and powers within the UN system.





# **Committee Overview**

#### 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."<sup>1</sup> In 1966, the UN General Assembly established UNIDO through resolution 2152.<sup>2</sup> This resolution developed the mandate, functions, and powers of the organization, and also created the Industrial Development Board and Secretariat to oversee UNIDO and ensure its proper operation.<sup>3</sup> UNIDO held its second General Conference in March 1975, which led to the adoption of the *Lima Declaration and Plan of Action on Industrial Development and Cooperation.*<sup>4</sup> The Lima Declaration further defined a framework for the organization through the emphasis on industrial development among Member States in order to combat poverty.<sup>5</sup> The delegations at the conference believed industrialization resulted in favorable economic conditions for job creation and increased income, which in turn led to poverty reduction.<sup>6</sup> With rapid industrialization causing an increase in the divide between developed and developing Member States, in 1975 the General Assembly announced in resolution 3362 (S-VII) that UNIDO would become a UN specialized agency.<sup>7</sup>

On 8 April 1979, UNIDO adopted its constitution, and in the same year, established its headquarters in Vienna, Austria.<sup>8</sup> As a specialized agency, UNIDO became an independent organization working within the UN framework, with a separately funded budget and its own governing council.<sup>9</sup> UNIDO's autonomous status allows for enhanced participation within the UN system to provided technical cooperation among Member States in "research and policy advisory services, standards and compliance" in order to fully realize its mandate.<sup>10</sup>

Nearing the deadline for the Millennium Development Goals (MDGs), UNIDO recognized a need for a more sustainable and environmentally-friendly approach.<sup>11</sup> UNIDO incorporated the promotion of Inclusive and Sustainable Industrial Development (ISID) into its mandate to accelerate industrial development among Member States, which was formally adopted by the General Assembly in 2013.<sup>12</sup> At the Sustainable Development Summit on 25 September 2015, UNIDO adopted the *2030 Agenda for Sustainable Development* as its driving framework towards achieving the Sustainable Development Goals (SDGs).<sup>13</sup> In order to meet this challenge, at its forty-fifth session in June 2017, the *Medium-term program framework 2018-2021* (MTPF) was presented as a guide to UNIDO's commitment for the next four years in achieving SDGs with ISID as the driving mechanism.<sup>14</sup> This guide acts as a framework to bring uniformity and consistency to the agency, and introduced four pillars that would make up the core functions of UNIDO.<sup>15</sup>

<sup>8</sup> UNIDO, A Brief History.

<sup>&</sup>lt;sup>1</sup> UNIDO, UNIDO in brief, 2020.

<sup>&</sup>lt;sup>2</sup> UN General Assembly, *United Nations Industrial Development Organization (A/RES/2152 (XXI))*, 1966. <sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> UNIDO, *Lima Declaration and Plan of Action on Industrial Development and Cooperation*, 1975. <sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup> UNIDO, Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1), 2013.

<sup>&</sup>lt;sup>7</sup> UN General Assembly, *Development and international economic cooperation (A/RES/S-7/3362)*, 1975.

<sup>&</sup>lt;sup>9</sup> UN DGC, Funds, Programmes, Specialized Agencies and Others.

<sup>&</sup>lt;sup>10</sup> UNIDO, *Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1)*, 2013, p. 12.

<sup>&</sup>lt;sup>11</sup> UNIDO, Inclusive and Sustainable Industrial Development: Creating shared prosperity and safeguarding the environment, 2018.

<sup>&</sup>lt;sup>12</sup> UNIDO, *Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1)*, 2013.

<sup>&</sup>lt;sup>13</sup> UNIDO, The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets, 2015; UN General Assembly, Transforming our World: The 2030 Agenda for Sustainable Development (A/RES/70/1), 2015.

<sup>&</sup>lt;sup>14</sup> UNIDO, Medium-term programme framework 2018-2021, 2017.

<sup>&</sup>lt;sup>15</sup> Ibid.



#### Governance, Structure and Membership

The two policy-making organs of UNIDO are the General Conference and the Industrial Development Board (IDB).<sup>16</sup> The General Conference brings together all 170 members of UNIDO to meet once every two years and serves as the organization's highest policymaking organ.<sup>17</sup> In addition to establishing regulatory policies, the General Conference also approves the budget and programs of action, and appoints the Director-General every four years.<sup>18</sup> The Conference is also responsible for electing members of the IDB and the Programme and Budget Committee.<sup>19</sup> The IDB meets annually and is comprised of 53 Member States elected on a rotational basis for four-year terms.<sup>20</sup> The IDB reviews UNIDO's work programs and budgets, and makes recommendations to the General Conference organizational policy and also on the selection of the Director-General.<sup>21</sup> Within the IDB is a subsidiary body called the Programme and Budget Committee.<sup>22</sup> The Programme and Budget Committee, consisting of 27 Member States, meets annually.<sup>23</sup> During that meeting, the Committee accepts a draft of UNIDO's program of work from the Director-General for the coming fiscal year, and in turn recommends a proposed budget for the IDB to vote on based on the program of work.<sup>24</sup>

Member States of the UN, UN specialized agencies, and the International Atomic Energy Agency are eligible for UNIDO membership upon becoming parties to its constitution and being approved by the General Conference by a two-thirds majority vote.<sup>25</sup> Member States of UNIDO are also part of the General Conference.<sup>26</sup> Parties acknowledged by the UN General Assembly as having observer status are eligible for observer status with UNIDO upon approval by the General Conference.<sup>27</sup>

The UNIDO Secretariat is comprised of: the Director-General, the chief administrative officer held accountable by UNIDO's policymaking organs; the Deputy to the Director-General, responsible for supporting the Director-General in routine operation of UNIDO; the Programme Development and Technical Cooperation Division, responsible for providing capacity building opportunities to developing Member States; the Industrial policy, External Relations and Field Representation Division, which monitors and analyzes trends in industrial development; and the Programme Support and General Management Division, which institutes policies, and offers guidance and support to all other bodies of the Secretariat.<sup>28</sup> Additionally within the Secretariat is the Office of Evaluation and Internal Oversight, which serves as independent and objective organ to ensure programs meet UNIDO's mandate and to investigate any irregularities, wrongdoings, and waste of resources to promote efficiency across the organization.<sup>29</sup>

#### Mandate, Functions and Powers

Article one 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

<sup>25</sup> Ibid.

<sup>&</sup>lt;sup>16</sup> UNIDO, Constitution of the United Nations Industrial Development Organization, 1979.

<sup>&</sup>lt;sup>17</sup> UNIDO, The General Conference.

<sup>&</sup>lt;sup>18</sup> Ibid.

<sup>&</sup>lt;sup>19</sup> UNIDO, Constitution of the United Nations Industrial Development Organization, 1979.

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>22</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> Ibid. <sup>24</sup> Ibid.

<sup>&</sup>lt;sup>26</sup> Ibid.

<sup>&</sup>lt;sup>27</sup> Ibid.

<sup>&</sup>lt;sup>28</sup> Ibid.; UNIDO, UNIDO Technical Cooperation Programmes, Projects and Tools, 2017.

<sup>&</sup>lt;sup>29</sup> UNIDO, Charter of the Office of Evaluation and Internal Oversight (DGB/2019/07), 2019.



promote industrial development and co-operation on global, regional and national, as well as on sectoral levels."30

The constitution entered into force in 1985 and 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."<sup>31</sup> By 1995, UNIDO's mission had evolved to focus on the importance of public and private partnerships, and in 1997, the seventh session of the General Conference brought on the adoption of the *Business Plan for the Future Roles and Functions of UNIDO*.<sup>32</sup> The plan restructured UNIDO's mandate to focus on cooperating with supporting institutions, integrating women in industrial development, and aiding small and medium enterprises.<sup>33</sup>

In 2013, UNIDO formally updated its mandate to incorporate sustainable development as a part of industrialization, resulting in the *Lima Declaration*, which called attention to the need for ISID to achieve both the goals of the organization and the broader goals of the international community.<sup>34</sup> UNIDO has determined that ISID is the optimal driver to achieve the SDGs because "every country achieves a higher level of industrialization in their economies and benefits from the globalization of markets for industrial goods and services".<sup>35</sup> To help realize the 2030 Agenda, UNIDO has pivoted to the Programme for Country Partnership (PCP), which helps UNIDO work directly with governments and stakeholders to plan holistic industrial development and leverage UNIDO's private sector partnerships to accelerate industrialization projects.<sup>36</sup> The eighteenth session of the General Conference was organized to reflect the theme of "Industry 2030 – Innovate, Connect, Transform Our Future," as delegates and stakeholders underscored the positive and negative impacts of new industrial technologies and called for continued implementation of ISID to realize the 2030 Agenda.<sup>37</sup>

The pillars of the MTPF are creating shared prosperity, advancing economic competitiveness, safeguarding the environment, and strengthening knowledge and institutions, and are crafted to focus on specific SDGs.<sup>38</sup> For instance, the pillar on creating shared prosperity sets standards by which to achieve SDG 5 (gender equality and women's empowerment), by increasing the participation of women in the development of industries and manufacturing.<sup>39</sup> The pillar on advancing economic competitiveness is affiliated with several SGDs and focuses on investing for new technologies to streamline productivity, increase trade capacity-building, and help enterprises improve competitiveness.<sup>40</sup> Safeguarding the environment pillar promotes clean and sustainable production by reducing waste and pollution and efficiently managing resources.<sup>41</sup> Lastly, the final pillar, strengthening knowledge and institutions, enhances the effort of the first three pillars.<sup>42</sup> The four pillars combined contribute greatly to UNIDO's ongoing commitment to achieving the 2030 Agenda by further streamlining UNIDO's global activities towards industrialization through sustainable development.<sup>43</sup> Most recently, the independent review of the MTPF found that the first year of the term, 2018, resulted in renewed success by UNIDO to the four pillars;however, the report recommended consistent monitoring of the four pillars to enable progress

33 Ibid.

- <sup>35</sup> UNIDO, The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets, 2015.
- <sup>36</sup> UNIDO, Programme for Country Partnership.

<sup>38</sup> UNIDO, Programme and Budgets 2018-2019, 2017.

<sup>&</sup>lt;sup>30</sup> UNIDO, Constitution of the United Nations Industrial Development Organization, 1979.

<sup>&</sup>lt;sup>31</sup> Ibid.

<sup>&</sup>lt;sup>32</sup> UNIDO, A Brief History.

<sup>&</sup>lt;sup>34</sup> UNIDO, *Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1)*, 2013.

<sup>&</sup>lt;sup>37</sup> UNIDO, General Conference, Decisions and resolutions adopted by the General Conference at its eighteenth session (GC.18/INF/4), 2019.

<sup>&</sup>lt;sup>39</sup> UNIDO, Inclusive and Sustainable Industrial Development: Creating shared prosperity and safeguarding the environment, 2018.

<sup>&</sup>lt;sup>40</sup> UNIDO, *The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets*, 2015.

<sup>&</sup>lt;sup>41</sup> UNIDO, Inclusive and Sustainable Industrial Development: Creating shared prosperity and safeguarding the environment, 2018.

<sup>&</sup>lt;sup>42</sup> UNIDO, Strengthening knowledge and institutions, 2018.

<sup>&</sup>lt;sup>43</sup> UNIDO, Medium-term programme framework 2018-2021, 2017.



towards achieving the MTPF objectives.<sup>44</sup> In its 2019 Annual Report UNIDO emphasized that to further implement the pillars, programs need to prioritize behavioral change within production and policy making to ensure that all industry development scales up ISID.<sup>45</sup>

The General Conference also has the ability to make recommendations to Member States as well as other international organizations on matters of which UNIDO may have special expertise.<sup>46</sup> While the General Conference is often influenced by the General Assembly and important developments from other UN bodies, they do not directly report to any other agency.<sup>47</sup> The General Conference can request action be taken by the Director-General or the IDB, and will ask that reports be made back to one of the policy making bodies or in UNIDO's annual report.<sup>48</sup>

#### **Recent Sessions and Current Priorities**

The eighteenth session, which was the most recent session of UNIDO's General Conference, was held from 3-7 November 2019 in Abu Dhabi and further emphasized the importance of the MTPF 2018-2021 to meeting mid-term targets for the SDGs.<sup>49</sup> Through this lens, UNIDO continues to support initiatives and policies that promote gender equality and the empowerment of women, advocate on behalf of the 2030 Agenda, support programs in alliance with the Third Development Decade for Africa, and endorse UNIDO activities to incorporate energy, environment, trade capacity-building, job creation, and more.<sup>50</sup> In light of COVID-19, UNIDO has quickly adjusted its work to ensure continuity in its programming and regular meetings.<sup>51</sup> For example, from 15-17 July 2020, UNIDO held a virtual event titled "Women in Industry and Innovation", which focused on bringing together stakeholders to discuss how industry and governments can leverage digital trends to promote inclusive industries.<sup>52</sup>

Since the adoption of the *Lima Declaration*, the 2030 Agenda, and the MTPF, UNIDO has prioritized comprehensive industrial development that is able to incorporate ISID at every level and respond to rapid technological changes.<sup>53</sup> The 2020 Industrial Development Report tackles the rising concerns connected to advanced digital production (ADP) technologies and whether industrialization is still a feasible path for economic development.<sup>54</sup> In the report, UNIDO finds that 70% of "lagging economies" are still using analog technologies in manufacturing, which directly inhibits the ability of industries to scale up production and compete on the global market.<sup>55</sup> Even more important, UNIDO posits that if adopted correctly, ADP will break down barriers for marginalized communities and promote resilience to economic shocks.<sup>56</sup>

In response to COVID-19, UNIDO has released a number of reports on what its experts are seeing across industrial sectors and how it is responding to the crisis.<sup>57</sup> The most notable report is *COVID-19 Implications and Responses: Digital Transformation and Industrial Recovery*, which notes that ADP technologies have improved global resilience to an immense economic shock; unfortunately, that resilience is not universal and many developing economies are experiencing significant decreases in trade and remittances.<sup>58</sup> Despite its concerns, UNIDO does not believe industrial development will come

54 Ibid.

 <sup>&</sup>lt;sup>44</sup> UNIDO, Evaluation Activities: Report by the Director of the Office of Evaluation and Internal Oversight, 2019.
<sup>45</sup> UNIDO, Annual Report 2019, 2020, pp. 10-11.

<sup>&</sup>lt;sup>46</sup> UNIDO, Constitution of the United Nations Industrial Development Organization, 1979.

<sup>&</sup>lt;sup>47</sup> UNIDO, General Conference, *Decisions and Resolutions of the General Conference (GC.14/INF/4)*, 2011. <sup>48</sup> Ibid.

<sup>&</sup>lt;sup>49</sup> UNIDO, General Conference, *Decisions and resolutions adopted by the General Conference at its eighteenth* session (GC.18/INF/4), 2019.

<sup>50</sup> Ibid.

<sup>&</sup>lt;sup>51</sup> UNIDO, Meetings of the policymaking organs, 2020.

<sup>&</sup>lt;sup>52</sup> UNIDO, Women in Industry and Innovation, 2020.

<sup>&</sup>lt;sup>53</sup> UNIDO, Industrial Development Report 2020: Industrializing in the digital age, 2020.

<sup>55</sup> Ibid., p. xii.

<sup>&</sup>lt;sup>56</sup> Ibid.

<sup>&</sup>lt;sup>57</sup> UNIDO, COVID-19 Implications & Responses: Digital Transformation & Industrial Recovery, 2020.

<sup>58</sup> Ibid.



to a standstill as industries have used innovation and ADP technologies to adjust, and most importantly these innovations are increasing ISID.<sup>59</sup>

#### Conclusion

UNIDO serves as the lead specialized agency of the UN promoting industrial development and continues to support its Member States face myriad global crises from financial to public health.<sup>60</sup> Adapting to the ever-changing environment and global economy, UNIDO has prioritized incorporating ISID, the *2030 Agenda for Sustainable Development*, and rapidly changing technologies into its mandate.<sup>61</sup> As underlined in the MTPF, UNIDO will use its four strategic core priorities and functions to escalate its efforts in having a greater sustainable industrial development impact on participating Member States.<sup>62</sup>

# **Annotated Bibliography**

United Nations, General Assembly, Twenty-first session. (1966). *United Nations Industrial Development Organization (A/RES/2152 (XXI))*. Adopted on the report of the Second Committee. Retrieved 28 August 2020 from: <u>http://undocs.org/A/RES/2152%20(XXI)</u>

This document is the General Assembly resolution that formed UNIDO. The resolution acknowledges the quickly evolving industrial development occurring at the time, and the need for assistance in the field of developing Member States and those with economies in transition. This document explains the need for a body within the UN system involving industrial development. This resolution is crucial in understanding the structure and foundation of UNIDO.

United Nations Industrial Development Organization. (1979). *Constitution of the United Nations Industrial Development Organization*. Retrieved 28 August 2020 from:

https://www.unido.org/sites/default/files/2009-10/UNIDO\_Constitution\_E\_0.pdf

The Constitution of UNIDO is crucial in understanding the foundation and guidelines of the organization. The document offers detailed explanations of how the committee is to be run. This is an especially useful resource for delegates looking for complete explanations of the three policymaking bodies of UNIDO. Delegates will find this to be a useful resource for learning how actual UNIDO sessions are conducted.

United Nations Industrial Development Organization. (2015). *The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets*. Retrieved 28 August 2020 from: <a href="https://www.unido.org/sites/default/files/2015-12/ISID\_SDG\_brochure\_final\_0.pdf">https://www.unido.org/sites/default/files/2015-12/ISID\_SDG\_brochure\_final\_0.pdf</a>

All 17 SDGs are explained in detail for delegates to become familiarized with and how they relate to UNIDO and its mandate. It is important to note that there is a brief description of why, how, and when SDGs were adopted from MDGs. Delegates should also pay close attention to the industry-related targets offered by this document at the end of every SDG description. The targets give a realistic goal that UNIDO is working towards. For example, UNIDO is working to substantially reduce by 2030 the negative health effects from pollution and hazardous chemicals contamination. This document also provides a detailed overview of ISID and how UNIDO shifted its policies to directly relate to the achievement of the SDGs.

United Nations Industrial Development Organization. (2017). UNIDO Technical Cooperation Programmes, Projects and Tools. Retrieved 28 August 2020 from: <u>https://www.unido.org/sites/default/files/2017-</u>04/PTC\_Brochure\_Draft\_16.3.2017\_0.pdf

It is important for delegates to understand that advancing economic competitiveness, creating shared prosperity, and safeguarding the environment are crucial elements to

<sup>59</sup> Ibid.

<sup>&</sup>lt;sup>60</sup> UNIDO, A Brief History.

<sup>&</sup>lt;sup>61</sup> UNIDO, Introduction to UNIDO inclusive and sustainable industrial development, 2015.

<sup>&</sup>lt;sup>62</sup> UNIDO, Medium-term programme framework 2018-2021, 2017, p. 5.



implementing ISID and the development of UNIDO programs. Therefore, delegates should familiarize themselves with this document since it details all three elements with real world examples such as the implementation of national and regional standards for recycling industries. Another example is working with national stakeholders in improving financial capabilities to include women for the creation of new industries. These and the other examples found in this document are a good source of information for delegates to better understand UNIDO's area of work and objectives.

United Nations Industrial Development Organization, General Conference, Fifteenth session. (2013). *Lima Declaration: Toward inclusive and sustainable industrial development (GC.15/Res.1)*. Retrieved 28 August 2020 from: <u>https://www.unido.org/sites/default/files/2014-04/Lima\_Declaration\_EN\_web\_0.pdf</u>

The Lima Declaration of 2013 establishes UNIDO's current mandate as ISID. This document explains what ISID is and how it can be incorporated in efforts to achieve the SDGs. Understanding the Lima Declaration is crucial in order for delegates to understand UNIDO's current efforts. It is important to note that this document reaffirms UNIDO's commitment to achieve the SGDs with ISID as the major driver towards that achievement.

United Nations Industrial Development Organization, Industrial Development Board, Forty-fifth session. (2017). *Medium-term programme framework, 2018-2021*. Retrieved 28 August 2020 from: <a href="https://www.unido.org/sites/default/files/2017-05/IDB.45\_8\_Add.2\_2\_E\_Medium-term\_programme\_framework\_2018-2021\_1703143E\_20170522\_0.pdf">https://www.unido.org/sites/default/files/2017-05/IDB.45\_8\_Add.2\_2\_E\_Medium-term\_programme\_framework\_2018-2021\_1703143E\_20170522\_0.pdf</a>

Proposed by the Director-General to the Industrial Development Board, the Medium-term program framework 2018-2021 (MTPF) introduces the four strategic priorities and functions of UNIDO for the next four years and is an update to the previous MTPF 2016-2019. In addition, MTPF recognizes the changing economic environment in which renewed efforts towards ISIDs and SDGs are needed to combat poverty. Included in this document is a report recently completed by a Joint Inspection Unit (JIU) that provides details on UNIDO's progress towards achieving ISIDs and SDGs. For instance, currently UNIDO is working on SDGs relating to gender equality, environmental degradation, poverty and others.

United Nations Industrial Development Organization, Industrial Development Board, Forty-fifth session. (2017). *Programme and Budgets 2018-2019*. Retrieved 28 August 2020 from: <u>https://www.unido.org/sites/default/files/2017-04/PBC.33 5 E Programme and budgets 2018-2019\_V1701280\_0.pdf</u>

The various current programs within UNIDO can be found in this document. For instance, the program on meetings of the policymaking organs are intended to develop guidelines and policy within UNIDO. Strategic management program ensures that effective communication to all Member States in implementing ISID. This source also has a good explanation of how ISID is a major driver in achieving SDGs and it highlights that SDG 9 is essential for sustainable development. Both the 2030 Agenda and IDDA III are discussed in relation to UNIDO and its current work towards achieving those programs.

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# I. Accelerating Industrial Development in Africa

*"Let's start with a High 5 for Africa! Light up and power Africa, Feed Africa, Integrate Africa, Industrialize Africa, and Improve the quality of life of African People."*<sup>63</sup>

#### Introduction

The United Nations Industrial Development Organization's (UNIDO) involvement with Africa's industrialization has spanned decades, with 31 projects costing over \$38 million.<sup>64</sup> The African Development Bank (AfDB,) which is the official financial institution that provides public and private capital for projects and programs that will accelerate industrial development in Africa, recognizes Africa's potentials; its expanding demographic of 2 billion people and its growing urbanization makes a promising case for industrialization.<sup>65</sup> Accelerating Africa's industrial development can be defined as the achievement of high economic growth rates, diversification of Africa's economies, and reduction of exposure to export trades.<sup>66</sup> In 2016, the United Nations (UN) General Assembly adopted resolution 70/293, proclaiming the years 2016-2025 as the Third Industrial Development Decade for Africa (IDDA III).<sup>67</sup> In this resolution, the General Assembly called on UNIDO, in collaboration with the African Union (AU), to "mobilize adequate resources for the implementation of the IDDA III.<sup>768</sup> As the leading entity for industrial development, UNIDO has been instrumental in accelerating industrialization in Africa.<sup>69</sup>

Industrialization is said to be achieved in an economy where a Member State moves from primarily agrarian production and import of goods to the manufacturing of commodities.<sup>70</sup> Manufacturing is broadly defined as transforming and creating new products, irrespective of its means, location, and sales method.<sup>71</sup> The unit to measure industrialization in an economy is manufacturing value added (MVA), and its calculation is generated by the International Standard Industrial Classification.<sup>72</sup> The MVA is a measure of manufacturing output as the share of a country's economy and is used by UNIDO to determine the overall gross domestic product (GDP).<sup>73</sup> UNIDO has outlined four core issues in order for African economies to achieve sustainable industrial development: government ownership, enabling business environment, sectoral focus, and strong financial and non-financial partnerships.<sup>74</sup> Africa is home to five of the ten fastest-growing economies in the world; however, its industrial development is hindered due to the high import of processed goods and the export of unprocessed goods.<sup>75</sup> This leads to a lack of innovation in manufacturing and technical advancement in other sectors, both of which are key to industrialization.<sup>76</sup>

#### International and Regional Framework

In 2016, the United Nations (UN) General Assembly adopted resolution 70/293, proclaiming the years 2016-2025 as the Third Industrial Development Decade for Africa (IDDA III).<sup>77</sup> This period was

<sup>&</sup>lt;sup>63</sup> Adesina, The Future Belongs to Africa, *Africa Policy Review*, 2017.

<sup>&</sup>lt;sup>64</sup> UNIDO Open Data Platform, *Projects by Country*, 2019.

<sup>65</sup> AfDB, Industrialize Africa, 2019, p. 3.

<sup>&</sup>lt;sup>66</sup> UN, Africa Industrialization Day, 2018.

<sup>&</sup>lt;sup>67</sup> UN General Assembly, Third Industrial Development for Africa (A/RES/70/293), 2016, p. 3.

<sup>68</sup> Ibid., p. 3.

<sup>&</sup>lt;sup>69</sup> UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2016, p. 4.

<sup>&</sup>lt;sup>70</sup> Ross, How Can Industrialization Affect the National Economy of Less Developed Countries (LDCs)?, 2019.

<sup>&</sup>lt;sup>71</sup> SDSN, Indicator: 61. Manufacturing Value Added (MVA) as Percent of GDP, 2019.

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>&</sup>lt;sup>74</sup> UNIDO, UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016, p. v.

<sup>&</sup>lt;sup>75</sup> AfDB, Industrialise Africa, 2019, p. 1.

<sup>&</sup>lt;sup>76</sup> UNIDO, UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016, p. v.

<sup>&</sup>lt;sup>77</sup> UN General Assembly, *Third Industrial Development for Africa (A/RES/70/293)*, 2016, p. 3.



established because Africa has shown the potential for sustainable industrialization.<sup>78</sup> In this resolution, the General Assembly called on UNIDO, in collaboration with the African Union (AU), to "mobilize adequate resources for the implementation of the IDDA III."<sup>79</sup> Before IDDA III, the General Assembly had proclaimed certain periods as the Industrial Development Decade for Africa (IDDA).<sup>80</sup> In 1980, the General Assembly adopted resolution 35/66 B on the "Industrial Development for Africa" (IDDA I) for the period of 1980-1990."<sup>81</sup> This resolution set the stage for future IDDAs by laying a foundation for accelerating industrial development of Africa and focusing on the creation of industrial subsectors, such as textiles and food processing.<sup>82</sup> IDDA I was based on the 1980 *Lagos Plan of Action for the Economic Development of Africa* (LPA), which was created by African Member States for the continent's development from 1980-2000.<sup>83</sup>

Following the end of the IDDA I period, the General Assembly adopted resolution 44/237 (1989) on the "Second Industrial Development Decade for Africa" (IDDA II) to strengthen the international community's commitments towards industrial growth in Africa.<sup>84</sup> In 1993, the General Assembly adopted resolution 47/177 in which the time period for the program was amended to cover the years 1993-2002.<sup>85</sup> IDDA II focused on the rehabilitation and expansion of the existing industries, such as food production and metallurgy.<sup>86</sup> The implementation of IDDA II took a regional and national approach, considering the varying domestic situations of each African Member State.<sup>87</sup> Most importantly, except for UNIDO and the General Assembly, IDDA II did not involve the donor community and other UN agencies.<sup>88</sup> This led to weakened financial support, and the implementation efforts for IDDA II consequently diminished.<sup>89</sup>

An early commitment to the importance of industrial development in Africa is symbolized in the 50th Anniversary Solemn Declaration.<sup>90</sup> The declaration is a commitment made by African leaders of the African Union in 1963 which sought to strengthen commitment to build sustainable economic development, including infrastructure, private sector growth, ownership of natural resource, intra-Africa trade/tourism, urbanization, and more.<sup>91</sup>

In 2015, the General Assembly adopted resolution 70/1 on "Transforming our world: the 2030 Agenda for Sustainable Development," providing a strategic roadmap in 17 Sustainable Development Goals (SDGs) to build capacity for developing inclusive societies.<sup>92</sup> The SDGs incorporate industry-related aspects and targets.<sup>93</sup> The SDG most specific to UNIDO is SDG 9 (Industry, Innovation and Infrastructure), which has targets and indicators on "building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation."<sup>94</sup> In relation to Africa, Member States at the 2015 High-Level Political Forum on Sustainable Development (HLPF) articulated the need for financial support for the

<sup>&</sup>lt;sup>78</sup> Ibid., p. 3.

<sup>&</sup>lt;sup>79</sup> Ibid., p. 3.

<sup>&</sup>lt;sup>80</sup> UN DGC, International Decades, 2019.

<sup>&</sup>lt;sup>81</sup> UN General Assembly, First Industrial Development for Africa (A/RES/35/66B), 1980.

<sup>&</sup>lt;sup>82</sup> Ibid.

<sup>&</sup>lt;sup>83</sup> UNIDO, Industrial Development Decade for Africa (IDDA II): Report of Mid-Term Programme Evaluation, 1997, p. 12.

<sup>&</sup>lt;sup>84</sup> UN General Assembly, Second Industrial Development for Africa (A/RES/44/237), 1989.

<sup>&</sup>lt;sup>85</sup> UN General Assembly, Second Industrial Development for Africa (A/RES/47/177), 1993.

<sup>&</sup>lt;sup>86</sup> UN General Assembly, Second Industrial Development for Africa (A/RES/44/237), 1989.

<sup>&</sup>lt;sup>87</sup> UNIDO, Industrial Development Decade for Africa (IDDA II): Report of Mid-Term Programme Evaluation, 1997, p. 12.

<sup>&</sup>lt;sup>88</sup> Kalenga, The Future of My Africa, 2017, pp. 14-15.

<sup>&</sup>lt;sup>89</sup> Ibid., pp. 14-15.

<sup>&</sup>lt;sup>90</sup> Office of the Special Adviser on Africa, 50<sup>th</sup> Anniversary Solemn Declaration, 2013, pp. 3-6

<sup>&</sup>lt;sup>91</sup> Ibid., pp. 3-6

<sup>&</sup>lt;sup>92</sup> UN General Assembly, *Transforming our world: the 2030 Agenda for Sustainable Development (A/RES/70/1)*, 2015.

<sup>&</sup>lt;sup>93</sup> Ibid.

<sup>94</sup> Ibid.



industrialization of Africa as one of the strategies to implement the SDGs.<sup>95</sup> This draws a parallel to the adoption of the *Addis Ababa Action Agenda of the Third International Conference on Financing for Development* (2015), which suggests over 100 methods of finance for industrial development by the international community.<sup>96</sup>

In 2018, to boost industrialization in Africa, UNIDO signed a Memorandum of Understanding (MoU) with AfDB.<sup>97</sup> This MoU is part of the collaboration within the framework of UNIDO's flagship Program for Country Partnership (PCP) model.<sup>98</sup> PCPs are implemented in select Member States around the world to assist in accelerating ISID.<sup>99</sup> The host government owns the program, and PCP interventions provide assistance to gain public and private investments to fund large-scale projects.<sup>100</sup> In 2019, PCP has expanded to other select African Member States including Côte d'Ivoire, Egypt, Rwanda, and Zambia.<sup>101</sup>

#### Role of the International System

UNIDO takes on a significant role in promoting industrial development in Africa. The Industrial Upgrading and Modernization Programme (IUMP) serves as a valuable resource in bridging the gap in institutional capacity as it relates to economic growth in the region.<sup>102</sup> Economies in transition and developing countries often lack the managerial capacity and knowledge of operation and production cycles to effectively execute sound business processes.<sup>103</sup> The challenges industrial small and medium enterprises (SMEs) face on an institutional level also affect their presence and ability to compete in domestic and international markets.<sup>104</sup> IUMP addresses this by contributing to the economic growth by increasing the capacities of local industries for economic diversification, as well as the creation of exports and employment.<sup>105</sup> UNIDO advocates that competitiveness and innovation are key towards driving economic development.<sup>106</sup>

UNIDO partners with various UN bodies to achieve industrialization in Africa such as the United Nations Conference on Trade and Development (UNCTAD).<sup>107</sup> Trade is pertinent to industrial development, and UNCTAD was instrumental in the creation of the African Continental Free Trade Area (AfCFTA), which promotes regional trade without restrictions or tariffs.<sup>108</sup>

The Food and Agriculture Organization (FAO) partnered with UNIDO to create the 2010 African Agribusiness and Agro-industries Development Initiative (3ADI).<sup>109</sup> Together, the organizations hosted an event in 2019 in Tokyo, Japan, called Launching the Flagship Initiative to Accelerate Youth Employment in Agriculture and Agribusiness in Africa.<sup>110</sup> According to FAO Director-General, Qu Dongyu, African

96 Ibid.

<sup>101</sup> Ibid., p. 2.

<sup>&</sup>lt;sup>95</sup> UN General Assembly, Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa Action Agenda) (A/RES/69/313), 2015.

 <sup>&</sup>lt;sup>97</sup> Africa's Industrialization Sector Gets a Boost, Namibia Economist, 2018; AfDB, Africa Development Bank, 2019.
<sup>98</sup> Ibid.

<sup>&</sup>lt;sup>99</sup> UNIDO, *Program for Country Partnership: Accelerating Inclusive and Sustainable Development*, 2019, p. 2. <sup>100</sup> Ibid., p. 2.

<sup>&</sup>lt;sup>102</sup> UNIDO, Industrial Upgrading and Modernization Programme (IUMP).

<sup>&</sup>lt;sup>103</sup> Ibid.

<sup>&</sup>lt;sup>104</sup> Ibid.

<sup>&</sup>lt;sup>105</sup> Ibid.

<sup>106</sup> Ibid.

<sup>&</sup>lt;sup>107</sup> UNIDO, UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016, pp.15-17; UNCTAD, United Nations Conference on Trade and Development, 2019.

<sup>&</sup>lt;sup>108</sup> UNCTAD, Economic Development in Africa Report: Made in Africa, Rules of Origin for Enhanced Intra- African Trade, 2019, p. 1.

<sup>&</sup>lt;sup>109</sup> UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2015, p. 8.

<sup>&</sup>lt;sup>110</sup> UNIDO, UNIDO-FAO Side Event: Launching the Flagship Initiative to Accelerate Youth Employment in Agriculture and Agribusiness in Africa, 2019.



agribusinesses are expected to create a market worth USD 1 trillion by 2030, demonstrating an untapped potential to address youth unemployment and accelerate industrial development.<sup>111</sup>

The African Union (AU) plays a pivotal role in coordinating and empowering efforts towards increasing African sustainable industrial development, with a noteworthy strategy being the 2008 *African Union Action Plan for the Accelerated Industrial Development of Africa* (AIDA).<sup>112</sup> AIDA's financial and technical assistance is provided by UNIDO to carry out its 53 projects, which cover accelerating modernization and industrial policy and skill development.<sup>113</sup> In 2013, AU established *Agenda 2063* with the aim of utilizing African resources for the prosperity of the continent.<sup>114</sup> The Agenda lists specific targets relevant to accelerating industrialization and affirms the need to implement continental strategies for industrialization.<sup>115</sup> The First-Ten Year Implementation Plan (FYTIP) of Agenda 2063 (2013-2023) provides a structured plan at 10 year increments to promote follow through and measurable results.<sup>116</sup> Among that purpose are the Agenda 2063 goals, of which there are four, which identify priorities on a national level towards achieving success on a collective basis in Africa.<sup>117</sup> The Agenda also specifically outlines the Commodities strategy which aims to move the continent beyond being a raw materials supplier into one that utilizes its own resources for greater economic benefit in its own region.<sup>118</sup> This strategy also seeks to promote vertical and horizontal diversification economically.<sup>119</sup>

UNIDO is a member of UN-Energy, which promotes various multi-cluster energy programs.<sup>120</sup> Regarding Africa's industrial development, under UN-Energy, UNIDO, and the Global Environment Facility (GEF) established the GEF Strategic Program on Energy in West Africa 2009-2015.<sup>121</sup> This initiative aimed at taking an integrated programmatic approach to promoting renewable energy and energy-efficiency projects at the national and regional levels in West Africa.<sup>122</sup>

#### African Continental Free Trade Agreement of 2018

The AfCFTA of 2018 is a continental agreement signed by 49 African Member States and ratified by 27.<sup>123</sup> AfCFTA was created to establish a free-trade continent with a commitment to remove tariffs on at least 90% of African-produced goods.<sup>124</sup> According to UNCTAD, the impact of this agreement is monumental, leading to an expected growth by 20% of intra-African trade by 2022 and the acceleration of industrial development in Africa.<sup>125</sup> UNCTAD further projects over \$16.1 billion in revenue for African Member States and a boost in intra-African trade of 33% by 2025 with the potential AfCFTA has to offer.<sup>126</sup> In 2018, during the Extraordinary Meeting of the African Union Heads of State and Government, UNIDO's Director-General, Li Yong, pledged to support the implementation of AfCFTA through technical and financial assistance.<sup>127</sup> African Member States are in negotiations on the terms of the AfCFTA, which address the challenges the continent's trade system faced with high tariffs on imported goods from

<sup>&</sup>lt;sup>111</sup> Ibid.

<sup>&</sup>lt;sup>112</sup> UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2016, p. 5.

<sup>&</sup>lt;sup>113</sup> Ibid., p. 8.

<sup>&</sup>lt;sup>114</sup> African Union Commission, Agenda 2063: The Africa We Want, 2015, p. 1.

<sup>&</sup>lt;sup>115</sup> UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2016, p. 5.

<sup>&</sup>lt;sup>116</sup> African Union, *First-Ten Year Implementation Plan*.

<sup>&</sup>lt;sup>117</sup> Ibid.

<sup>&</sup>lt;sup>118</sup> African Union, Flagships Projects of Agenda 2063.

<sup>&</sup>lt;sup>119</sup> Ibid.

<sup>&</sup>lt;sup>120</sup> UN-Energy, Delivering on Energy: An Overview of Activities by UN-Energy and its Members, 2010, p. 52.

<sup>&</sup>lt;sup>121</sup> Ibid., p.102.

<sup>&</sup>lt;sup>122</sup> Ibid., p.102.

<sup>&</sup>lt;sup>123</sup> Ighobor, Africa Set for a Massive Free Trade Area, *African Renewal*, 2018.

<sup>&</sup>lt;sup>124</sup> Ibid.; UN ECA, African Continental Free Trade Area: Questions and Answers, 2019.

<sup>&</sup>lt;sup>125</sup> Ibid.

<sup>&</sup>lt;sup>126</sup> UNCTAD, Economic Development in Africa Report: Made in Africa, Rules of Origin for Enhanced Intra-African Trade, 2019, p. 1.

<sup>&</sup>lt;sup>127</sup> UNIDO Director General Attends Launch of Continental Free Trade Area, UNIDO, 2018.



foreign countries.<sup>128</sup> Negotiations are dealt in phases, and Phase II negotiations, which are currently taking place to elaborate on topics such as investment and property rights, are set to end in 2021.<sup>129</sup>

In order to accelerate industrialization, Member States have been negotiating on the implementation of the term Rules of Origin (RoO) to promote trade relationships.<sup>130</sup> RoO is a term in AfCFTA that seeks the right of "Made in Africa" to be promoted and held by African Member States in the manufacture of goods.<sup>131</sup> RoO assigns the nationality of goods produced in Africa, reducing imported goods into the continent.<sup>132</sup> The purpose is to prevent trade deflection and transshipment, whereby goods made elsewhere are exported to a beneficiary country with no profit or gain made by the manufacturing country.<sup>133</sup> This can be applied in accelerating Africa's industrialization, as a product made in Africa needs to be attributed to its RoO to prevent loss in profit to African traders.<sup>134</sup>

There are challenges that follow in creating this rule, which also determine the economic benefits gained from AfCFTA, such as the design of the framework, enforcement, and verification.<sup>135</sup> Other issues to consider include the legibility of rules; considering the lower level of financial literacy in Africa, the rules should be easily understood by traders.<sup>136</sup> Additionally, Africa faces constraints related to transportation networks and customs capacity, leading to low compliance with RoO provisions for direct shipment and certification requirements and procedures.<sup>137</sup> Furthermore, it is integral that each Member State establish national customs policies to ensure impartial and transparent execution of RoO.<sup>138</sup> Creating AfCFTA and implementing RoO are part of the flagship projects of Agenda 2063 that represent a critical step in the development of Africa.<sup>139</sup> Moreover, AfCFTA and RoO will contribute towards the operationalization of a unified market that is meant to accelerate industrialization in the continent.<sup>140</sup>

#### Gender Inequality and Industrialization in Africa

There are numerous challenges to realizing industrialization in Africa, such as gender inequality.<sup>141</sup> Addressing gender inequality is incorporated in the Comprehensive Africa Agriculture Development Programme (CAADP).<sup>142</sup> This framework seeks to address challenges of industrialization by creating a policy framework for agricultural transformation, wealth creation, and economic growth and prosperity for all.<sup>143</sup> CAADP's championing of reform in the agriculture sector sets a target of 6% annual growth in agricultural GDP as well as a focus on job creation and opportunities particularly for women and youth.<sup>144</sup> CAADP recognizes women and youth as a central component of this strategy, with poverty reduction and economic growth as leading drivers of change.<sup>145</sup>

<sup>&</sup>lt;sup>128</sup> UNCTAD, Economic Development in Africa Report: Made in Africa, Rules of Origin for Enhanced Intra-African Trade, 2019, p. 1.

<sup>&</sup>lt;sup>129</sup> Investment Treaty News, AfCFTA Enters Into Force; Phase II on Investment, Competition, IPRs to Last Through 2020–2021, 2019.

<sup>&</sup>lt;sup>130</sup> UNCTAD, Economic Development in Africa Report: Made in Africa, Rules of Origin for Enhanced Intra-African Trade, 2019, p. 3.

<sup>&</sup>lt;sup>131</sup> Ibid., p. 1.

<sup>&</sup>lt;sup>132</sup> Ibid., pp. 8-9.

<sup>&</sup>lt;sup>133</sup> African Growth and Opportunity Act, *AGOA's General Rules of Origin*, 2019.

<sup>&</sup>lt;sup>134</sup> TradeMark Southern Africa, *Training Module on Rules of Origin*, 2018, p. 6.

<sup>&</sup>lt;sup>135</sup> UNCTAD, Economic Development in Africa Report: Made in Africa, Rules of Origin for Enhanced Intra-African Trade, 2019, p. 1.

<sup>&</sup>lt;sup>136</sup> Ibid., p. 1.

<sup>&</sup>lt;sup>137</sup> Ibid., p. 67.

<sup>&</sup>lt;sup>138</sup> Ibid., p. 16.

<sup>&</sup>lt;sup>139</sup> Ibid., p. 1.

<sup>&</sup>lt;sup>140</sup> Ibid., p. 1.

<sup>&</sup>lt;sup>141</sup> UNIDO, UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016, p. 7.

<sup>&</sup>lt;sup>142</sup> OSSA, Comprehensive Africa Agriculture Development Programme.

<sup>&</sup>lt;sup>143</sup> Ibid.

<sup>144</sup> Ibid.

<sup>145</sup> Ibid.



Another associated challenge is the evident gender gap in the industrial sector, which hinders the acceleration of industrialization.<sup>146</sup> Gender equality is integral to Africa's socio-economic development, as the Organisation for Economic Co-operation and Development (OECD) projects a 12% increase in GDP by 2030 if the gender gap is closed among African Member States.<sup>147</sup> Currently, the gender gap in the labor force participation is 13%, which costs Africa a 9% reduction in annual GDP.<sup>148</sup> African women make up 43% of the informal sector, which includes petty trade, farming, and fishing, where they are subject to bias and discrimination.<sup>149</sup> Additionally, Sub-Saharan African Member States have recorded 50% of adolescent pregnancies being a result of child-marriages.<sup>150</sup> Not only does this represent an infringement on African girls' rights, from the perspective of industrial development, this also signifies the exclusion of half of the youth from the workforce required in the manufacturing sector.<sup>151</sup> UNIDO's Director-General stated that the organization's strategy for inclusive industrialization is to ensure the realization of gender equality, which is a conduit to the implementation of IDDA III.<sup>152</sup> In addition, the Group of 20 adopted an initiative in 2016 to support industrialization in African and least developed countries, encouraging its members to promote training and skill-upgrading for women.<sup>153</sup>

#### Conclusion

The key to accelerating industrial development in Africa is to implement IDDA III successfully.<sup>154</sup> UNIDO requires various stakeholders, from UN bodies to financial institutions, to commit to technical or financial assistance.<sup>155</sup> Furthermore, trade partnerships and an increase in manufacturing among African Member States is essential towards the structure and implementation of AfCFTA.<sup>156</sup> Further, multi-stakeholder cooperation is required to tackle the challenges impeding industrialization in Africa, such as energy insecurity, gender inequality, and gaps in economic diversification.<sup>157</sup> In conclusion, UNIDO's goal to accelerate industrial development in Africa encompasses the realization of all SDGs in an inclusive and sustainable manner.<sup>158</sup>

#### Further Research

Moving forward, delegates should consider the following questions: How can UNIDO track and monitor the implementation of IDDA III, which is key to accelerating industrial development in Africa? How can African Member States promote intra-trade relations regarding AfCFTA? How can African Member States domesticate RoO in its respective countries? What initiatives can be built upon or improved to include women and improve energy security to accelerate industrial development in Africa?

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<sup>151</sup> Ibid., pp. 63-64.

<sup>&</sup>lt;sup>146</sup> Yong, Africa's Industrialization: Leaving No Woman Behind, 2017.

<sup>&</sup>lt;sup>147</sup> Wandia, Commitment without Implementations Widens the Gender Gap, 2017, pp. 63-64; Yong, Africa's Industrialization: Leaving No Woman Behind, 2017.

<sup>&</sup>lt;sup>148</sup> Wandia, Commitment without Implementations Widens the Gender Gap, 2017, pp. 63-64.

<sup>&</sup>lt;sup>149</sup> Mlambo-Ngcuka, Harnessing the Power of Youth for a More Sustainable and Equal Africa, 2017, p. 10.

<sup>&</sup>lt;sup>150</sup> Wandia, *Commitment Without Implementations Widens the Gender Gap*, 2017, pp. 63-64.

<sup>&</sup>lt;sup>152</sup> Yong, Africa's Industrialization: Leaving No Woman Behind, 2017.

<sup>&</sup>lt;sup>153</sup> Ibid.

<sup>&</sup>lt;sup>154</sup> UNIDO, UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016, p. v.

<sup>&</sup>lt;sup>155</sup> Ibid., p. 28.

<sup>&</sup>lt;sup>156</sup> UNCTAD, Economic Development in Africa Report: Made in Africa, Rules of Origin for Enhanced Intra-African Trade, 2019, p. 1.

<sup>&</sup>lt;sup>157</sup> UNIDO, UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016, p. 7.

<sup>&</sup>lt;sup>158</sup> Ibid., p. 28.



This Agenda is a global strategy to ensure the use of Africa's resources for the continent's growth. The document lists the targets and projects relevant to industrial development, which are eradicating poverty, modernization of African agriculture, climate change, and preserving the environment. Delegates would find this helpful to understand the need for industrialization from an African perspective. Understanding the Agenda would ensure that suggestions made are feasible and sustainable within the African context.

United Nations Economic Commission for Africa. (2018). African Continental Free Trade Area: Questions and Answers. Retrieved 20 September 2020 from: <u>https://au.int/sites/default/files/documents/36085-doc-ga\_cfta\_en\_rev15march.pdf</u>

This document provides a detailed explanation of the African Continental Free Trade Area (AfCFTA). It gives an insight into the projects of African Agenda 2063, which is the foundation of the creation of AfCFTA, and why African Member States drafted the Agreement. It also details the various negotiations in place that aim to create the rules of origin, which promote nationally produced goods. Most importantly, the questions and answers are targeted to various sectors of the African economy, such as the agricultural and manufacturing sectors. Delegates will find this source extremely helpful as a starting point in their research for understanding the impact and purpose of AfCFTA.

United Nations Industrial Development Organization. (2015). *Inclusive and Sustainable Industrial Development in Africa Region*. Retrieved 20 September 2020 from:

https://www.unido.org/sites/default/files/2015-07/UNIDO in Africa Region 0.pdf

This thematic paper was authored by UNIDO and addresses the milestones set to realize the mandate of the committee in the region. This report lists past activities coordinated by UNIDO and its successes. It also includes UNIDO's engagement with the UN system after the introduction of the UN's Delivering as One process, which calls for cooperation among UN bodies. This paper would be insightful to delegates to understand the past decades of IDDA I and IDDA II. The report provides a regional context, grouping African Member States according to its levels of development, i.e., middle income, least developed, landlocked developing, and small island developing countries.

United Nations Industrial Development Organization. (2016). *IDDA3 Third Industrial Development Decade for Africa 2016-2025*. Retrieved July 2020 from: <u>https://www.unido.org/sites/default/files/files/2018-09/IDDA3 Roadmap.pdf</u>

This roadmap of implementation lays out the foundation of creating a path for Africa to become inclusive and sustainable in its industrial development. It outlines joint initiatives in favor of industrialization. The initiatives include areas such as "technology transfer, product diversification, agro-value chain development, trade capacity-building, renewable energy and energy efficiency, industrial policy, special economic zones and industrial parks, climate change and human capital development." This road map signifies a plan for both the long term and immediate future for the region.

United Nations Industrial Development Organization. (2016). UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025). Retrieved 20 September 2020 from: https://www.unido.org/sites/default/files/files/2018-09/IDDA3\_Roadmap.pdf

This is an important document by UNIDO; it provides an overview of the Committee's priorities and efforts to accelerate Africa's industrialization for 2016-2025. The Road Map lists the thematic pillars, as suggested by the UN General Assembly resolution 70/293 (2015). These pillars are explained and broken down into various programs and projects to be achieved by UNIDO. The document also lists various international and regional organizations and bilateral agreements collaborating to achieve IDDA III. Delegates should find this source helpful as they research IDDA III to get a better understanding of the UNIDO's plans to fulfill its mandate in the region.



United Nations, General Assembly, Seventieth Session. (2016). *Third Industrial Development Decade Africa (2016-2025) (A/RES/70/293)*. Adopted without reference to a Main Committee (A/70/L.49/Rev.1) Retrieved 20 September 2020 from: <u>https://undocs.org/en/A/RES/70/293</u>

This resolution recognizes the need to accelerate industrialization in Africa by the international community. It calls on UNIDO to act as the primary UN body to promote inclusive and sustainable development in Africa. The third installment of Africa's Development Decade shifts from natural resource reliance to intra-trade in the region. Delegates would find this resolution helpful to gain an insight into the origin of IDDA III. Most importantly, the resolution calls various international organizations to be stakeholders in Africa's industrialization.

United Nations, Office of the Special Adviser on Africa. (n.d.). *Comprehensive Africa Agriculture Development Programme (CAADP)*. Retrieved 20 September 2020 from: https://www.un.org/en/africa/osaa/peace/caadp.shtml

This source would be of benefit to delegates to illustrate the ways in which the African region has created a framework which seeks to create economic growth, namely agricultural GDP and investments. Both are instrumental in accelerating industrial development in Africa, particularly by setting broad targets including 6% annual growth in agricultural GDP and allocating at least 10% of public expenditures to the agricultural sector. The CAADP seeks to encourage the region to individually self-assess and identify investment opportunities that encourages growth and poverty reduction. As stated by the CAADP, "the Sustaining CAADP Momentum Results Framework - Next Decade of CAADP 2015-2025 is now an inherent part of the CAADP and Agenda 2063 implementation processes."

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# **II. Promoting Sustainable Rural Entrepreneurship and Business**

"In the least developed countries, underdevelopment and unfavorable forms of participation in global trade constrain the emergence of the dynamic, opportunity-seeking entrepreneurs. The dearth of dynamic local entrepreneurship endangers structural transformation and ultimately weakens national ownership and the potential impact of attaining the Sustainable Development Goals in the least developed countries."<sup>7159</sup>

#### Introduction

The United Nations Industrial Development Organization (UNIDO) coordinates with governments and the private sector to increase opportunities for businesses and entrepreneurs globally.<sup>160</sup> This is reflected in its efforts to promote inclusiveness through building productive capacities of young people, men, and women in entrepreneurship and businesses.<sup>161</sup> In addition, UNIDO targets agribusiness and rural entrepreneurship development, which in turn leads to individual empowerment, while reinforcing sustainable livelihoods for rural communities in developing countries.<sup>162</sup> Agribusiness is defined as the industry centered around agricultural operations, specifically the processing, storage, and distribution of agricultural commodities.<sup>163</sup> Entrepreneurship, specifically rural entrepreneurship, is vital to the growth and success of agribusiness, especially in efforts to create sustainable value that positively impacts the quality of life for individuals and the community.<sup>164</sup> Rural entrepreneurship and agribusinesses provide employment and income opportunities for rural communities.<sup>165</sup> For example, in 2018, rural entrepreneurship was responsible for the creation of around 498,000 new jobs in India.<sup>166</sup> Furthermore, rural entrepreneurship serves as a solution for stimulating local entrepreneurial talent and subsequent growth of rural enterprise and the economy of developing countries.<sup>167</sup>

UNIDO is active in promoting investments in new agriculture businesses and value chain development in harvesting, processing, transporting, and final sale of agricultural products.<sup>168</sup> UNIDO specifically emphasizes the importance of development through its mandate of inclusive industrial sustainable development.<sup>169</sup> In order to promote empowerment in rural communities, UNIDO organizes global forums and expert group meetings to connect with rural farmers, and publicize specialized training manuals, guides, and electronic media for easy access of entrepreneurs.<sup>170</sup> Since the beginning of March 2020, many Member States are now facing an economic recession triggered by the lower international demand for goods and services.<sup>171</sup> This has also caused a massive disruption in Global Value Chains (GVCs), which are defined as the division of production of certain products into many different activities and tasks that are achieved through the collaboration of different operations located across several countries.<sup>172</sup> This global disruption has affected production for many businesses across industries and further reaffirms the importance of international coordination to address economic disruptions.<sup>173</sup>

<sup>&</sup>lt;sup>159</sup> UNCTAD, *The Least Developed Countries Report 2018*, 2018, p. 1.

<sup>&</sup>lt;sup>160</sup> UNIDO, Agribusiness and Rural Entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>161</sup> UNIDO, 2030 Agenda and the Sustainable Development Goals, 2019.

<sup>&</sup>lt;sup>162</sup> UNIDO, Agribusiness and Rural Entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>163</sup> Merriam Webster, *Agribusiness*, 2020.

<sup>&</sup>lt;sup>164</sup> FAO, Entrepreneurship and Supporting Institutions: An Analytical Approach, 1994, p. 1.

<sup>&</sup>lt;sup>165</sup> UNIDO, Agribusiness and Rural entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>166</sup> IJSR, Rural Entrepreneurship: The Current Scenario in India, 2019.

<sup>&</sup>lt;sup>167</sup> FAO, Entrepreneurship and Supporting Institutions: an Analytical Approach, 1994, p. 1.

<sup>&</sup>lt;sup>168</sup> UNIDO, Agribusiness and Rural Entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>169</sup> Ibid.

<sup>&</sup>lt;sup>170</sup> UNIDO, Agribusiness and Rural Entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>171</sup> CCSA, How COVID-19 is Changing the World: A Statistical Perspective, 2020.

<sup>&</sup>lt;sup>172</sup> UNIDO, Coronavirus: The Economic Impact – 10 July 2020, 2020; IAP, What Are Global Value Chains and Why Do They Matter?, 2019.

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#### International and Regional Framework

UNIDO adopted the *Lima Declaration on Industrial Development and Cooperation* at its second General Conference in Lima, Peru in 1975.<sup>174</sup> The Lima Declaration had an underlying objective of promoting the economic development of rural communities through job creation, the empowerment of women and girls, and the development of employment for youth.<sup>175</sup> In the same year, the General Conference of the International Labour Organization (ILO) adopted the *Rural Workers' Organisations Recommendation 1975*.<sup>176</sup> These recommendations recognized the importance of rural workers, especially those in developing communities, as agents for economic and social development.<sup>177</sup> It recommends that rural workers be given support in terms of education, training, and financial and material assistance in order to develop viable organizations, capable of protecting and ensuring positive contributions to economic and social development.<sup>178</sup>

In 2013, the objectives of the Lima Declaration were built upon with the adoption of its direct successor, *The Lima Declaration: Towards Inclusive and Sustainable Industrial Development* at the fifteenth session of the General Conference of UNIDO.<sup>179</sup> The 2013 Lima Declaration focused on a three-pillared approach of economic, social, and environmental solutions for inclusive and sustainable development.<sup>180</sup> This declaration recognizes the eradication of poverty as an imperative objective to be achieved using strong, inclusive, sustainable, and resilient means for economic industrial growth.<sup>181</sup>

The 2030 Agenda Sustainable Development (2030 Agenda), which is comprised of 17 sustainable development goals (SDGs), recognizes that rural communities play an important role in developing the economies of Member States and emphasizes the importance of rural industries, including agricultural businesses and fisheries.<sup>182</sup> It also notes that women are critical agents for this enhancement of agriculture.<sup>183</sup> Rural business needs are encapsulated in several of the SDGs, including SDG 1 (no poverty), SDG 8 (decent work and economic growth), and SDG 9 (industry, innovation and infrastructure).<sup>184</sup> UN General Assembly resolution 69/313 (2015) on the "Addis Ababa Action Agenda of the Third International Conference on Financing for Development" provides a funding plan on how the SDGs can be actualized and specifically calls for a revitalization of rural business investment with a particular emphasis on developing countries.<sup>185</sup> Most recently in 2019, UNIDO collaborated with the Asia Pacific Economic Cooperation (APEC) on *Draft Resolution on (2B) Food Security and Sustainable Agricultural Development*, which called on governments to strengthen their responses to livestock-threatening diseases and urged APPF members to shift their focus to improving food security and sustainable agricultural development.<sup>186</sup>

 <sup>&</sup>lt;sup>174</sup> UNIDO, General Conference, *Lima Declaration: Towards Inclusive and Sustainable Industrial Development*, 2013.
<sup>175</sup> Ibid.

<sup>&</sup>lt;sup>176</sup> ILO, R149- Rural Workers' Organisations Recommendation, 1975 (No. 149), 1975.

<sup>&</sup>lt;sup>177</sup> Ibid.

<sup>178</sup> Ibid.

<sup>&</sup>lt;sup>179</sup> UNIDO, General Conference, *Lima Declaration: Towards Inclusive and Sustainable Industrial Development*, 2013. <sup>180</sup> Ibid.

<sup>&</sup>lt;sup>181</sup> Ibid.

<sup>&</sup>lt;sup>182</sup> UN General Assembly, *Transforming Our World: the 2030 Agenda for Sustainable Development (A/RES/70/1)*, 2015, p. 7.

<sup>&</sup>lt;sup>183</sup> UNCSD, The Future We Want, 2012, p. 30.

<sup>&</sup>lt;sup>184</sup> UN General Assembly, *Transforming Our World: the 2030 Agenda for Sustainable Development (A/RES/70/1)*, 2015, p. 2.

<sup>&</sup>lt;sup>185</sup> UN General Assembly, Addis Ababa Action Agenda of Third International Conference on Financing for Development (Addis Ababa Action Agenda) (A/RES/69/313), 2015, pp. 3-7.

<sup>&</sup>lt;sup>186</sup> APPF, Draft Resolution on (2B) Food Security and Sustainable Agricultural Development, 2019.



#### Role of the International System

The fundamental mandate of UNIDO is to promote inclusive and sustainable industrial development.<sup>187</sup> Hence, UNIDO proposes that development in rural communities should focus on growth in agribusinesses.<sup>188</sup> On a regional level, UNIDO recognizes that, with 65% of its employment being in the agricultural sector, Africa holds a particular importance in terms of developing rural business.<sup>189</sup> In turn, UNIDO has developed the Comprehensive African Agricultural Development Programme to set goals for monitoring annual agricultural growth, upgrading value chains, and addressing market developments for commodities and processed goods.<sup>190</sup> This is realized through the linking of African producers to local, regional, and global markets and exploitation of international, regional, and local demand.<sup>191</sup> UNIDO has additionally developed projects to empower women through livelihood diversification in rural communities.<sup>192</sup> UNIDO equally encourages country partnerships amongst Member States to achieve industrial development.<sup>193</sup> A functional implementation of this is fostering investments amongst government and the private sector.<sup>194</sup>

UNIDO sustains an important role in conducting research, developing policies, and collecting and presenting data through publications of policy guidelines.<sup>195</sup> For example, in 2012, UNIDO worked with the United Nations Conference on Trade and Development (UNCTAD) to develop an *Entrepreneurship Policy Framework* to assist legislators and policy makers in Member States in their policy making when it relates to entrepreneurship.<sup>196</sup> UNCTAD has also developed the *Policy Guide on Youth Entrepreneurship in 2015,* building upon its 2012 Framework to support policy makers in developing countries and transitioning economies design programs and policies to promote youth entrepreneurship in rural communities.<sup>197</sup>

Beyond UNIDO, other UN organs contribute to entrepreneurial development in rural areas. The Food and Agriculture Organization of the United Nations (FAO) plays an important role in agribusiness and value chain development to promote investment in agriculture.<sup>198</sup> FAO emphasizes building partnerships between public and private sectors, while focusing on specific objectives, like the inclusion of farmers in small and medium agricultural enterprises.<sup>199</sup> FAO does this through public-private partnerships and public-private-producer partnerships.<sup>200</sup> The United Nations Development Programme (UNDP), alongside UNIDO, seeks to provide support for institution building and policy formulation.<sup>201</sup> UNDP, in partnership with the United Nations Specialized Agency for Information and Communications Technologies, focuses on industry and infrastructure and in broadening digital transformation, broadband infrastructure, and internet.<sup>202</sup> The ILO is actively working to support youth entrepreneurs through rural youth empowerment.<sup>203</sup> United Nations Economic Commission for Africa (UNECA) focuses on social development, women empowerment, and providing policy-oriented research for Africa's social

<sup>&</sup>lt;sup>187</sup> UNIDO, UNIDO in Brief, 2019.

<sup>&</sup>lt;sup>188</sup> UNIDO, Agribusiness and Rural Entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>189</sup> UNIDO, Agribusiness for Africa's Prosperity, 2019, p.17.

<sup>&</sup>lt;sup>190</sup> Ibid., p.17.

<sup>&</sup>lt;sup>191</sup> Ibid., p.17.

<sup>&</sup>lt;sup>192</sup> UNIDO, UNIDO Gender Equality and Empowerment of Women, 2017, p. 2.

<sup>&</sup>lt;sup>193</sup> UNIDO, Programme for Country Partnership, 2019.

<sup>&</sup>lt;sup>194</sup> UNIDO, Inclusive and Sustainable Industrial Development, 2019.

<sup>&</sup>lt;sup>195</sup> UNCTAD, Entrepreneurship Policy Framework and Implementation Guidance, 2012, p. IV.

<sup>&</sup>lt;sup>196</sup> Ibid., p. IV.

<sup>&</sup>lt;sup>197</sup> UNCTAD, Policy Guide on Youth Entrepreneurship, 2015.

<sup>&</sup>lt;sup>198</sup> FAO, Agribusiness and Value Chains, 2017, p. 2.

<sup>&</sup>lt;sup>199</sup> Ibid., p. 2.

<sup>&</sup>lt;sup>200</sup> Ibid., p. 2.

<sup>&</sup>lt;sup>201</sup> ECOSOC, An Integrated Approach to Rural Development- Dialogues at the Economic and Social Council, 2003, p. 26.

<sup>&</sup>lt;sup>202</sup> Ibid., p. 26.

<sup>&</sup>lt;sup>203</sup> ILO, Global Employment Trends for Youth 2013, 2013, p. 49.



development.<sup>204</sup> The United Nations' Office of the Special Adviser on Africa (UN-OSAA), alongside UNIDO, implements the provisions of the *Third Industrial Development Decade for Africa 2016-2025*.<sup>205</sup> The objective of the decade is to establish enabling conditions for competitive industrial production through the strengthening of key elements such as infrastructure, innovation and technology transfer, industrial financing, industrial knowledge, and skills.<sup>206</sup>

Since the beginning of the COVID-19 pandemic in 2020, it has become increasingly more difficult for UNIDO to coordinate work with Member States due to new barriers in reporting accurate and timely data. because of temporary shutdowns of many offices.<sup>207</sup> To solve these new issues and measure progress on current strategies, UNIDO launched the COVID-19 Industrial Recovery Program (CIRP) as a way to help revitalize the economies of all Member States and, in turn, help continue the growth of rural businesses in developing Member States.<sup>208</sup> CIRP is a plan that is focused on providing effective support to national governments in order to accelerate them closer to their economic recovery period.<sup>209</sup> Also, CIRP is guided by a five-phase approach that focuses on bringing low-income and developing countries one step closer to a successful industrial recovery.<sup>210</sup> The five phases of the CIRP plan are: assessment and analysis, consensus building, developing a national industrial recovery plan, piloting national industrial sector recovery, and replicating pilot success to achieve national industrial sector recovery.<sup>211</sup> With these five phases, UNIDO hopes to achieve an economic recovery in all participating countries with the help of an emphasized partnership between the local governments, UNIDO, and development finance institutions.<sup>212</sup> UNIDO has also issued a three-phase plan to face the crisis and help bring businesses closer to the recovery period.<sup>213</sup> First, UNIDO is helping minimize the damage on health by aiding Member States in responding to the health crisis.<sup>214</sup> Second, UNIDO is providing advice to Member States on how to deal with the impact of COVID-19 on the value chain and productive activities and how to come back stronger with their production.<sup>215</sup> Finally, once Member States begin to reach their recovery periods, UNIDO will provide help in the form of development support to ensure value chains and production can resume.<sup>216</sup>

#### Empowering rural women through entrepreneurship

Female unemployment rates in rural communities are disproportionately higher than their urban counterparts, a disparity that is even more pronounced in developing countries.<sup>217</sup> The *Least Developed Countries Report 2019* reports that women in rural areas are often faced with limited opportunities for economic activity due to their traditional role in unpaid household and care work.<sup>218</sup> Women residing in rural communities experience higher unemployment, and or underemployment due to insufficient formal jobs.<sup>219</sup> To address this, UNIDO chooses to focus on the knowledge, skills, technologies, and support for rural women to have access to greater entrepreneurial opportunities and training.<sup>220</sup> UNIDO forms

206 Ibid.

<sup>&</sup>lt;sup>204</sup> UNECA, About Social Development, 2019.

<sup>&</sup>lt;sup>205</sup> UNIDO, IDDA3 Third Industrial Development Decade for Africa 2016-2025: UNIDO Roadmap Implementation of the Third Industrial Development Decade for Africa (2016-2025), 2016.

<sup>&</sup>lt;sup>207</sup> CCSA, How COVID-19 is Changing the World: A Statistical Perspective, 2020.

<sup>&</sup>lt;sup>208</sup> UNIDO, COVID-19 Industrial Recovery Program, 2020.

<sup>&</sup>lt;sup>209</sup> Ibid.

<sup>&</sup>lt;sup>210</sup> Ibid.

<sup>&</sup>lt;sup>211</sup> Ibid.

<sup>&</sup>lt;sup>212</sup> Ibid.

<sup>&</sup>lt;sup>213</sup> UNIDO, Director General's message to Member States on the UNIDO response to COVID-19, 2020.

<sup>&</sup>lt;sup>214</sup> Ibid.

<sup>&</sup>lt;sup>215</sup> Ibid.

<sup>&</sup>lt;sup>216</sup> Ibid.

<sup>&</sup>lt;sup>217</sup> ILO, Global Employment Trends for Youth 2013, 2013. p. 10.

<sup>&</sup>lt;sup>218</sup> UNCTAD, The Least Developed Countries Report 2019, 2019.

<sup>&</sup>lt;sup>219</sup> UNCTAD, Policy Guide on Youth Entrepreneurship, 2015, p. 15.

<sup>&</sup>lt;sup>220</sup> UNIDO, Women and Youth in Productive Activities, 2019.



partnerships with governments and private donors to generate income subsidizations to enable rural women to actualize their initiatives.<sup>221</sup>

UNIDO also published the *Policy on Gender Equality and the Empowerment of Women Strategy, 2016-2019* which promotes inclusiveness of all genders and the empowerment of women in the promotion of sustainable rural entrepreneurship and businesses.<sup>222</sup> In this policy, UNIDO outlines its plan to strengthen its efforts to promote women empowerment through providing equal opportunities for men and women to participate in competitive agriculture-based value chain development as well as strengthening women's entrepreneurial and technical skills, access to technologies, business support services, advocacy, and self-help networks.<sup>223</sup>

Additionally, UNIDO develops gender-mainstreaming approaches to address the needs of women in realizing their economic potential.<sup>224</sup> UNIDO stresses a strong partnership with the UN, the private sector, and Member States is needed in order to achieve gender equality and promote women's economic development.<sup>225</sup> Education, investment, and empowerment, are important facets of UNIDO's work towards achieving these goal.<sup>226</sup> UNIDO's *Gender Equality and the Empowerment of Women* (2015) outlines policies on gender equality such as promoting female investors and entrepreneurial role models as well as increasing women's access to sustainable energy, which will lead to a cleaner and more efficient production chain.<sup>227</sup> Additionally, UNIDO develops programs that invest in women-owned ventures, form and maintain female networks to emphasize knowledge-sharing, and increase access to market effective trainings and technology.<sup>228</sup>

#### Empowering rural youth through entrepreneurship

With limited formal employment opportunities available to young people in rural communities, particularly in developing Member States, fostering an environment where entrepreneurship can thrive is increasingly important.<sup>229</sup> Entrepreneurship opportunities have been threatened by a lack of financing, poor technological investments and innovation, and disengaged societal attitudes in rural areas of developing countries.<sup>230</sup> The fear of failure, insufficient promotion of entrepreneurship opportunities, lack of platforms to foster young entrepreneurs' engagement, and lack of access to markets have become evident difficulties facing rural entrepreneurs.<sup>231</sup>

UNIDO works towards upgrading small business industrial infrastructure and investing in technology and innovations.<sup>232</sup> Private investment and public investments by UNIDO help to minimize the key challenges through capacity-building activities and development of policies to provide youth with necessary knowledge and skills to participate fully in the economy.<sup>233</sup> A viable example is UNIDO's activities in creating an enabling environment for and supporting youth entrepreneurs while promoting partnerships to facilitate access to information, technology, and markets.<sup>234</sup> Broad-based curriculum development programs, such as the Entrepreneurship Curriculum Programme (ECP), promote competitive

<sup>221</sup> Ibid.

<sup>&</sup>lt;sup>222</sup> UNIDO, General Conference, *Lima Declaration: Towards Inclusive and Sustainable Industrial Development*, 2013, p. 1.

<sup>&</sup>lt;sup>223</sup> UNIDO, Gender Equality and Empowerment of Women Strategy 2016-2019, 2015.

<sup>&</sup>lt;sup>224</sup> UNIDO, Women in Productive Activities, 2019.

<sup>&</sup>lt;sup>225</sup> UNIDO, Gender Equality and the Empowerment of Women: An Overview, 2016.

<sup>226</sup> Ibid.

<sup>&</sup>lt;sup>227</sup> Ibid.

<sup>228</sup> Ibid.

<sup>&</sup>lt;sup>229</sup> UNCTAD, Policy Guide on Youth Entrepreneurship, 2015.

<sup>&</sup>lt;sup>230</sup> Ibid., p. 15.

<sup>&</sup>lt;sup>231</sup> Ibid., p. 15.

<sup>&</sup>lt;sup>232</sup> UNIDO, Advancing Economic Competitiveness, 2019.

<sup>&</sup>lt;sup>233</sup> UNCTAD, World Investment Report 2014, Investing in the SDGs: An Action Plan, 2014; UNIDO, Women and Youth in Productive Activities, 2018.

<sup>&</sup>lt;sup>234</sup> UNIDO, Women and Youth in Productive Activities, 2018.



entrepreneurial activities in secondary and vocational training institutions.<sup>235</sup> With the introduction the ECP by UNIDO in Uganda in 1999, Namibia in 2006, Mozambique in 2007, Angola and Rwanda in 2009, and Cabo Verde in 2014, investments in entrepreneurial skills, creativity, and technology amongst youth is being developed.<sup>236</sup> The ECP is successfully implemented using ICT trainings and practical experiences in schools and universities to teach entrepreneurial skills in young people.<sup>237</sup>

In addition to UNIDO's efforts, the African Union Youth Envoy set up 12 virtual consultations during the COVID-19 pandemic with youth leaders from across Africa to focus on youth-led initiatives that will help guide young people through the recovery from the pandemic.<sup>238</sup> In addition to that, the African Youth Front on Coronavirus was launched as a framework to help the youth establish key decision-making skills during the recovery.<sup>239</sup> The aim of this framework is to bring forth young entrepreneurial solutions that will help lead Africa's response to the pandemic.<sup>240</sup> The framework includes steps such as organizing and uniting grassroots civil society actors as well as facilitating the Virtual African Union Consultation Series on COVID-19 to address the needs of marginalized youth during the pandemic.<sup>241</sup>

#### Technology and Innovation for Agribusiness

Technology and innovation have proven to be important to the economic development of every Member State.<sup>242</sup> Investment in technology plays a central role in increasing the productivity of agribusiness and rural entrepreneurship.<sup>243</sup> UNIDO recognizes that rural businesses, including those in the forestry and leather textiles industries, often have to utilize outdated or unsuitable technologies and equipment, which impacts economic productivity and competitiveness.<sup>244</sup> Initiatives such as the Agro-Industry Technology Unit work with local rural businesses in developing countries to provide technical assistance and technology upgrade projects.<sup>245</sup> UNIDO recognizes the diversity of agricultural conditions and systems and is resolved to increasing sustainable agricultural production and productivity through the strengthening of investments and multilateral cooperation amongst Member States.<sup>246</sup>

UNIDO collaborates with the Food and Agricultural Organization of the United Nations (FAO) to implement the Accelerator for Agriculture and Agroindustry Development and Innovation (3ADI+), an agricultural business development program meant to help encourage entrepreneurship.<sup>247</sup> The 3ADI+ is a market systems developmental program that aims to create sustainable value chains to attract further investments to local rural businesses and will have a positive social and economic impact.<sup>248</sup> The program works with development banks and agencies on a regional level while also working to create fruitful and successful links between value chain actors and service providers on a country level.<sup>249</sup> By doing so, the 3ADI+ plan highly encourages innovation and entrepreneurship by creating investment opportunities for many entrepreneurs in developing countries.

In recent years, UNIDO has worked to promote Advanced Digital Production (ADP) technologies such as artificial intelligence and cloud computing to help contribute to inclusive and sustainable industrial

<sup>&</sup>lt;sup>235</sup> UNIDO, Entrepreneurship Development, 2019, p. 43.

<sup>&</sup>lt;sup>236</sup> UNIDO, Entrepreneurship Curriculum Programme, 2019.

<sup>&</sup>lt;sup>237</sup> UNIDO, Entrepreneurship Development, 2019, p. 43.

<sup>&</sup>lt;sup>238</sup> Nkosi, The African Union launches the African Youth Front on Coronavirus, *ReliefWeb*, 2020.

<sup>&</sup>lt;sup>239</sup> OECD, Youth and COVID-19: Response, Recovery, and Resilience, 2020.

<sup>&</sup>lt;sup>240</sup> Ibid.

<sup>&</sup>lt;sup>241</sup> Nkosi, The African Union launches the African Youth Front on Coronavirus, *ReliefWeb*, 2020.

<sup>&</sup>lt;sup>242</sup> UNCTAD, Policy Guide on Youth Entrepreneurship, 2015, p. 10.

<sup>&</sup>lt;sup>243</sup> UNIDO, Investing in Technology and Innovation, 2019.

<sup>&</sup>lt;sup>244</sup> UNIDO, Agribusiness Development, 2013, pp. 1-7.

<sup>&</sup>lt;sup>245</sup> Ibid., pp. 1-7.

<sup>&</sup>lt;sup>246</sup> UNCSD, The Future We Want, 2012, p. 30.

<sup>&</sup>lt;sup>247</sup> UNIDO, 3ADI+: Accelerator for Agriculture and Agroindustry Development and Innovation, 2020.

<sup>&</sup>lt;sup>248</sup> Ibid.

<sup>249</sup> Ibid.



development.<sup>250</sup> While the implications on rural economies is not yet clear, UNIDO has outlined the potential of ADPs to bring gender inclusion by promoting women employment through increased employment opportunities.<sup>251</sup> It has also outlined that the ADPs will provide improved social inclusion as they will classify vulnerable individuals working within the agribusiness production units and provide them with innovative solutions.<sup>252</sup>

In furtherance of UNIDO's mandate to promote inclusive sustainable development, UNIDO suggests key areas of investments to relevant donors, cooperatives, and international organizations to include rural infrastructure, storage capacities, and related technologies.<sup>253</sup> Using thorough research and development in sustainable agricultural technologies, Member States can develop a strong agricultural system in rural communities.<sup>254</sup> Additionally, the use of technology by UNIDO in creating new opportunities for business and venturing into entrepreneurship and agribusinesses to improve their competitiveness serves as a means to encourage Member States to increase their cooperation.<sup>255</sup> This supports technology exchange and transfer, as well as capacity-building programs for promoting entrepreneurship.<sup>256</sup> UNIDO also works towards strengthening partnerships between the private sector to promote small and mid-size enterprises and technology financing and transfer.<sup>257</sup>

#### Conclusion

UNIDO works collaboratively with rural communities in creating shared prosperity through agribusiness and rural entrepreneurship development.<sup>258</sup> UNIDO has recognized that, given an environment where rural businesses can develop and succeed, they can play a crucial role in driving employment, productivity and the economic strength of rural communities.<sup>259</sup> This is supported through UNIDO's establishment of projects for rural technical assistance, skills training, entrepreneurship curriculum programs, the inclusion of women and youth in productive activities, and linking developing rural businesses to wider markets.<sup>260</sup> Empowering rural women and rural youths in agribusiness and agro-industry while embracing technology and innovation for agribusiness has emphasized the mandate of UNIDO in providing for an inclusive development for all.<sup>261</sup> Due to a sudden but deadly pandemic that has halted the progress and momentum of the agro-industry, UNIDO is implementing CIRP, with the intention of creating a more resilient and sustainable rural business sector.<sup>262</sup>

#### Further Research

Delegates should consider the following pertinent questions: How can UNIDO further engage other organizations, including private actors, civil-society organizations, and other UN entities, in adequately tackling agribusiness and entrepreneurship development in rural communities? What roles can technology and innovation play in developing rural entrepreneurship in rural communities? What challenges are present when implementing policies to promote sustainable rural entrepreneurships and businesses? How can UNIDO further improve upon its responses to the COVID-19 economic issues present in rural areas?

<sup>&</sup>lt;sup>250</sup> UNIDO, Absorbing Advanced Digital Production Technologies to Foster Industrialization, 2019.

<sup>&</sup>lt;sup>251</sup> Ibid.

<sup>&</sup>lt;sup>252</sup> Ibid.

<sup>&</sup>lt;sup>253</sup> UNIDO, Agribusiness Development, 2013.

<sup>&</sup>lt;sup>254</sup> UNCSD, *The Future We Want*, 2012, p. 30.

<sup>&</sup>lt;sup>255</sup> UNIDO, Investing in Technology and Innovation, 2019.

<sup>&</sup>lt;sup>256</sup> Ibid.

<sup>&</sup>lt;sup>257</sup> Ibid.

<sup>&</sup>lt;sup>258</sup> UNIDO, Creating Shared Prosperity, 2019.

<sup>&</sup>lt;sup>259</sup> UNIDO, Fostering Entrepreneurial Youth, 2014; UNIDO, Creating Shared Prosperity, 2019.

<sup>&</sup>lt;sup>260</sup> UNIDO, Creating Shared Prosperity, 2019; UNIDO, Agribusiness and Rural Entrepreneurship Development, 2019.

<sup>&</sup>lt;sup>261</sup> UNIDO, Creating Shared Prosperity, 2019.

<sup>&</sup>lt;sup>262</sup> UNIDO, COVID-19 Industrial Recovery Program, 2020.



# **Annotated Bibliography**

Food and Agriculture Organization of the United Nations. (2017). *Agribusiness and Value Chains*. Retrieved 20 September 2020 from: <u>http://www.fao.org/3/a-i6811e.pdf</u>

This is part of FAO's work on sustainable markets, agribusiness and rural transformation, published in 2017. FAO focuses on the optimization of agribusiness and the development of a viable agro-value chain through the culture of responsible farming, food chain development, public private partnership participation and encouragement of small and medium enterprise development among others. This work proffers extensive solutions to existing challenges facing agricultural practices in developing countries. This document will assist delegates in understanding how agribusiness and value chains work in contributing to FAO's role of making agriculture business possible and effective.

Organization for Economic Cooperation and Development. (2020). Youth and COVID-19: Response, Recovery, and Resilience. Retrieved 18 July 2020 from: <u>http://www.oecd.org/coronavirus/policy-</u>responses/youth-and-covid-19-response-recovery-and-resilience-c40e61c6/#section-d1e1472

The COVID-19 report by the OECD evaluates the impact of COVID-19 on the youth of the world and how their mental health and incomes have been affected as a result of the pandemic. Included in the report are also survey findings from numerous youth organizations that show how effective the recovery measures have been. It also outlines several solutions that governments could implement to help support the youth and youth-led initiatives. Delegates should pay attention to the "Governance responses to build back better and deliver for all generations" section for more information on how the youth is working with the government to implement these solutions.

United Nations Conference on Trade and Development. (2015). Policy Guide on Youth Entrepreneurship. Retrieved 17 October 2020 from: https://unctad.org/en/PublicationsLibrary/webdiaeed2015d1\_en.pdf The Policy Guide on Youth Entrepreneurship is an important contribution towards finding solutions in addressing problems faced by young people around entrepreneurship. It aims to assist policymakers in developing countries establish institutions to promote youth entrepreneurship, job creation and expansion of youth-led enterprises. It will guide delegates when proposing practical solutions to the problems of rural entrepreneurship. Solutions to assist policy makers in developing and rural communities in proscribing policies and programs that is aimed towards promoting youth entrepreneurship, job creation and growth of youth led enterprises.

United Nations Conference on Trade and Development. (2019). *The Least Developed Countries Report 2019*. Retrieved 20 September 2020 from: <u>https://unctad.org/en/PublicationsLibrary/ldcr2019\_en.pdf</u>

This is a reference text on global entrepreneurship research and discourse. The work aims to proffer an extensive structural transformation of entrepreneurship with specific emphasis on the least developed countries. This source provides a variety of valuable and insightful statistics and data sets that illustrate the variety of challenges faced by developing rural communities. It will help delegates in thinking towards a more transformative and wealth creation focused approach for youth development in rural communities, especially in proffering structural changes that should be put in place by each Member State.

United Nations General Assembly, Sixty-seventh session. (2013). *Entrepreneurship for development, (A/RES/67/202)*. Adopted on the report of the Second Committee (A/67/437). Retrieved 21 September 2020 from: <u>https://undocs.org/a/res/67/202</u>.

This resolution's central theme was entrepreneurship for development. This document acknowledges the significance of entrepreneurship towards the economic advancement of the less developed countries to the attainment of the SDGs. In particular, the UN emphasized the need to teach entrepreneurship skills at all levels and the establishment of dedicated institutions for the teaching to impact the corollary technology transfer and ensure that youth focus and invest their creativity in business opportunity. This document



will help delegates to conceptualize the development and steps the General Assembly has taken in developing entrepreneurship, as well as next possible steps that should be taken in the near future.

United Nations Industrial Development Organization. (2013). *Lima Declaration: Towards Inclusive and Sustainable Industrial development*. Retrieved 19 September 2020 from:

https://www.unido.org/sites/default/files/files/2018-12/UNIDO\_GC15\_Lima\_Declaration.pdf

The 2013 Lima Declaration was made at the 15<sup>th</sup> session of the UNIDO General Conference held in Lima, Peru in December 2013. The instrument identified inclusive and sustainable industrial development as a central ingredient of sustainable development. The Declaration identified poverty eradication as a common problem for developing countries and formulated a post 2015 development agenda based on the MDG as well as the proposed SDG goals. This document helps delegates to provide solutions that are inclusive and sustainable in the industrial development of developing and rural communities. It also helps delegate to understand how UNIDO should to industrial development within the UN system.

United Nations Industrial Development Organization. (2019). *Entrepreneurship Curriculum Programme*. Retrieved 10 September 2020

from: http://www.unido.org/agro/entrepreneurshipcurriculumprogramme.html

The Entrepreneurship Curriculum Programme is an initiative run by UNIDO that engages young people to develop their entrepreneurial capacities. Young people can, through this program, acquire relevant personal and entrepreneurial skills, as well as creativity and innovation to start up their businesses. This webpage provides a description of the complete program as developed and managed by UNIDO. With this, delegates can build upon other ideas and strategies to tackle the lack of innovation and SMEs in regions with high levels of poverty.

United Nations Industrial Development Organization. (2020). *Coronavirus: The Economic Impact – 10 July 2020*. Retrieved 19 July 2020 from: <u>https://www.unido.org/stories/coronavirus-economic-impact-10-july-2020</u>

This report gives a latest comprehensive view on how the COVID-19 pandemic has affected countries all over the world. In the report, economic impacts on firms are shown through diagrams and statistics and display a significant difference between the effect of the pandemic on small businesses and large businesses throughout several countries. The report also outlines several solutions that governments have tried to implement with their economies and firms to brace for future economic impact from the pandemic. Delegates should shift their attention to the sections of the report focusing on the impact of the pandemic on developing countries and their rural economies.

United Nations Industrial Development Organization. (2020). *Responding to the Crisis: Building a Better Future*. Retrieved 20 July 2020 from: <u>https://www.unido.org/sites/default/files/files/2020-05/UNIDO\_COVID19\_External\_Position\_Paper.pdf</u>

This document produced by UNIDO looks at the effect of COVID-19 on sustainable industrialization and the SDGs and outlines the UNIDO response framework. In this framework, UNIDO emphasizes three stages: preparation, response, and recovery. Within these stages are policies that include introducing renewable energy to rural areas and supporting governments with socio-economic diagnostics. With the plans mentioned in this framework, UNIDO will be able to encourage more rural entrepreneurship and ease the economic effects of the pandemic.

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# **III.** Achieving Resource Efficient and Cleaner Production

### Introduction

Achieving resource efficient and cleaner production (RECP) by 2030 has become the focal point of the United Nations Industrial Development Organization (UNIDO).<sup>263</sup> RECP gained global recognition with the 1987 World Commission on Environment and Development, which reported that the biggest challenge for the 1990s would be addressing ecological sustainability within economic policies.<sup>264</sup> The interdependence between economic and industrial development and the environment had become clearer and stronger, indicating a need for a transition into a sustainable industrial system.<sup>265</sup>

In 1990, the United Nations Environment Programme (UN Environment) defined "cleaner production" as "the continuous application of an integrated environmental strategy to processes, products and services to increase efficiency and reduce risks to humans and the environment."<sup>266</sup> Following UN Environment, UNIDO resolution GC.5/Res.6 (1993) addressed RECP and requested its Director-General to implement environmental aspects into their work.<sup>267</sup> The concept of RECP stems from the idea that the prevention of industrial waste, emissions, and pollutants would be more manageable than recycling and recovering them later.<sup>268</sup> In other words, RECP aims to use natural resources efficiently and effectively to improve productivity, thereby protecting the environment and people.<sup>269</sup> Additionally, RECP is based on the belief that protecting the well-being of workers, consumers, and the local community will then allow for further productive use of natural resources.<sup>270</sup> Therefore, RECP requires preventative environmental policies that will increase productivity while reducing the risks to people and the environment.<sup>271</sup>

UNIDO and UN Environment both recognize the three pillars of RECP as production efficiency, environmental management, and human development.<sup>272</sup> RECP is an umbrella term and is a preventative approach that has neither a definitive legal nor scientific definition.<sup>273</sup> For instance, waste minimization, pollution prevention, and green productivity all fall under the definition of RECP.<sup>274</sup> UN Environment has stated that the difference between RECP and pollution control is that while the former is preventative, the latter is reactionary.<sup>275</sup>

In 2009, to adapt to the emerging challenges regarding sustainable development, UNIDO coined the term 'green industry' as economies that implement environmentally friendly public investments and initiatives.<sup>276</sup> UNIDO further coined the 'greening of industry', which is a method to achieve sustainable economic growth through improved resource efficient production.<sup>277</sup> RECP is categorized under green industry, along with other concepts such as water management.<sup>278</sup>

<sup>266</sup> Ibid.

278 Ibid.

<sup>&</sup>lt;sup>263</sup> UNIDO, Annual Report 2018, 2019, p. 30.

<sup>&</sup>lt;sup>264</sup> World Commission on Environment and Development, *Report of the World Commission on Environment and Development: Our Common Future*, 1987, p. 257.

<sup>&</sup>lt;sup>265</sup> UNIDO, Enterprise-Level Indicators for Resource Productivity and Pollution Intensity, 2010.

<sup>&</sup>lt;sup>267</sup> UNIDO, General Conference, Environment, Energy and Sustainable Industrial Development, Including Follow-up to the United Nations Conference on Environment and Development (GC.5/Res.6), 1993.

<sup>&</sup>lt;sup>268</sup> UNIDO, Enterprise-Level Indicators for Resource Productivity and Pollution Intensity, 2010.

<sup>&</sup>lt;sup>269</sup> UNIDO, UNIDO's Environment Solution: Resource Efficient and Cleaner Production (RECP) Programme, 2017.

<sup>&</sup>lt;sup>270</sup> UNIDO, What is RECP?, 2020.

<sup>&</sup>lt;sup>271</sup> UNIDO, UNIDO's Environment Solution: Resource Efficient and Cleaner Production (RECP) Programme, 2017.

<sup>&</sup>lt;sup>272</sup> UNIDO, What is RECP?, 2020.

<sup>&</sup>lt;sup>273</sup> Ibid.

<sup>&</sup>lt;sup>274</sup> UNIDO, Green Industry Initiative, 2020.

<sup>&</sup>lt;sup>275</sup> UNIDO, UNIDO's Environment Solution: Resource Efficient and Cleaner Production (RECP) Programme, 2017.

<sup>&</sup>lt;sup>276</sup> UNIDO, Green Industry Initiative, 2020; UNIDO, Green Industry for a Low-Carbon Future, 2010, p. 20.

<sup>&</sup>lt;sup>277</sup> UNIDO, Green Industry Initiative, 2020.



Despite UNIDO and other relevant United Nations (UN) bodies' work, toxic waste and pollution remain problematic.<sup>279</sup> The amount of hazardous waste produced worldwide is rapidly increasing, with industries being responsible for most of the conventional hazardous wastes due to lack of regulation.<sup>280</sup> Additionally, the uncontrolled burning of hazardous and non-hazardous waste can harm human health and the environment.<sup>281</sup> While pollution can be controlled and prevented, governmental responses have been limited, partly due to the lack of legally binding agreements resulting in a reliance on voluntary actions.<sup>282</sup>

#### International and Regional Framework

During UNIDO's General Conference of 2013, Member States adopted the *Lima Declaration: Towards Inclusive and Sustainable Industrial Development.*<sup>283</sup> This declaration tasked UNIDO with assisting Member States in their efforts to reduce the industrial impact on the environment and achieve inclusive and sustainable industrial development (ISID).<sup>284</sup> Regarding RECP, the declaration determined that UNIDO shall assist Member States in implementing sustainable industrial development policies.<sup>285</sup> Specifically, capacity-building of productiveness and trade and "sustainable production and industrial resource efficiency," all of which are related to RECP, were listed as the three thematic priorities of UNIDO's work in achieving RECP.<sup>286</sup>

The Sustainable Development Goals (SDGs) were established in 2015, addressing sustainable industrialization with SDG 9 on industry, innovation and infrastructure.<sup>287</sup> Additionally, UNIDO recognized SDG 5 (gender equality), SDG 6 (clean water and sanitation), SDG 8 (decent work and economic growth), SDG 12 (responsible consumption and production), and SDG 13 (climate action) as SDGs related to RECP.<sup>288</sup> As of December 2018, UNIDO has implemented over 700 projects directly related to the SDGs, which include UNIDO's work with UN Environment, regional organizations, and Member States on RECP.<sup>289</sup> As SDG 12 stipulates, the thematic application of RECP also calls for safe and responsible production and disposal of waste and efficient management of natural resources.<sup>290</sup> Promoting and enhancing the greening of industries can lead to safe and responsible production, which would benefit societies as it contributes to reduced costs.<sup>291</sup>

The *Paris Agreement* (2015) is a landmark agreement that aims to strengthen global efforts to combat climate change by maintaining the rise of the global temperature below 2 degrees Celsius.<sup>292</sup> According to UNIDO, industry is responsible for nearly a third of the total global greenhouse emission.<sup>293</sup> However, industry is also an active provider and creator of climate technology solutions and green jobs.<sup>294</sup> Therefore, in response to the *Paris Agreement*, UNIDO has focused on making industries in developing countries a means for building low-emission, climate-resilient societies to achieve RECP.<sup>295</sup>

<sup>&</sup>lt;sup>279</sup> UN Environment, *Towards a Pollution-Free* Planet, 2017, pp. 6.

<sup>&</sup>lt;sup>280</sup> Ibid., p. 37.

<sup>&</sup>lt;sup>281</sup> Ibid., pp. 6-7.

<sup>&</sup>lt;sup>282</sup> Ibid., pp. 6-7.

<sup>&</sup>lt;sup>283</sup> UNIDO, General Conference, Lima Declaration: Towards Inclusive and Sustainable Industrial Development (GC.15/RES.1), 2013.

<sup>284</sup> Ibid.

<sup>&</sup>lt;sup>285</sup> Ibid.

<sup>&</sup>lt;sup>286</sup> Ibid.

<sup>&</sup>lt;sup>287</sup> UNIDO, UNIDO's Contribution to the Sustainable Development Goals, 2017.

<sup>&</sup>lt;sup>288</sup> Ibid.

<sup>&</sup>lt;sup>289</sup> UNIDO, UNIDO at the UN Climate Change Conference (Katowice, 3-14 December 2018), 2020; UNIDO, Resource Efficient and Cleaner Production (RECP), 2020.

<sup>&</sup>lt;sup>290</sup> UNIDO, UNIDO Green Industry: Policies for Supporting Green Industry, 2011, p. 18; Sustainable Development Goals Fund, Goal 12: Responsible Consumption, Production.

<sup>&</sup>lt;sup>291</sup> UNIDO, UNIDO Green Industry: Policies for Supporting Green Industry, 2011, p. 18.

<sup>&</sup>lt;sup>292</sup> United Nations Climate Change, *What is the Paris Agreement*?, 2020.

<sup>&</sup>lt;sup>293</sup> UNIDO, UNIDO at the UN Climate Change Conference (Katowice, 3-14 December 2018), 2020.

<sup>&</sup>lt;sup>294</sup> Ibid.

<sup>&</sup>lt;sup>295</sup> Ibid.



UNIDO's *Medium-term Programme Framework (MTPF) 2018-2021* (2017) is the foundation for UNIDO's current work, basing the realization of SDGs and ISID as its core goal.<sup>296</sup>The MTPF outlines RECP as one of UNIDO's core strategic priorities, outlining that the industrial sector must be supported in building its capacity for resource efficiency and cleaner production methods.<sup>297</sup>UNIDO's vision of ISID is centered on environmental sustainability, and this focus has contributed to the creation of many initiatives regarding RECP, in conjunction with governments and the private sector.<sup>298</sup>

#### Role of the International System

As the UN's primary body for empowering sustainable industrial development, UNIDO highlights RECP as one of its main strategic aims.<sup>299</sup> It seeks to support this through its four interlinked core functions that include technical cooperation projects, research and analysis assistance for national governments, standard-setting frameworks, and its role as convener of partnerships and collaboration.<sup>300</sup> One aspect of this is through its support for the implementation of major Multilateral Environmental Agreements (MEAs).<sup>301</sup> These include the *Montreal Protocol on Substances that Deplete the Ozone Layer* (1987) and the *Stockholm Convention on Persistent Organic Pollutants* (2001), with which UNIDO continues to assist States parties.<sup>302</sup> The implementation of MEAs is also vital in UNIDO's overall mandate as it contributes to safeguarding the environment and leads to achieving RECP.<sup>303</sup> To this end, UNIDO works collaboratively with Member States in capacity-building initiatives to implement and develop MEA policies.<sup>304</sup> Additionally, under MTPF and achieving ISID, UNIDO has supported green industries by working to build capacity on both institutional and industrial levels through RECP initiatives.<sup>305</sup>

In response to the *Rio Declaration* and *Agenda 21*, in 1994, UNIDO and UN Environment established the International Project on the establishment of National Cleaner Production Centers/Programmes (NCPCs/NCPPs).<sup>306</sup> NCPCs/NCPPs are implemented in developing and transitioning countries to build capacity in applying and providing services on cleaner production.<sup>307</sup> However, a 2008 research effort showed that though NCPCs have contributed greatly to applying cleaner production, a more systematic effort was required to implement RECP further.<sup>308</sup> Learning from this, the Joint UNIDO-UN Environment Resource Efficient and Cleaner Production Programme for Developing and Transition Countries was launched from 2012-2017.<sup>309</sup> The Joint Programme aimed to provide a framework and mainstream RECP, up-scale RECP initiatives in national development frameworks, and facilitate regional and international cooperation through sharing knowledge and experiences.<sup>310</sup> The program ended with the

<sup>299</sup> UNIDO, Medium-term Programme Framework 2018-2021, 2017, p. 3.

<sup>&</sup>lt;sup>296</sup> UNIDO, Medium-term Programme Framework 2018-2021, 2017.

<sup>&</sup>lt;sup>297</sup> Ibid., p. 3.

<sup>&</sup>lt;sup>298</sup> UNIDO, UNIDO's Medium-term Programme Framework 2018-2021: From Strategy to Action, 2017, p. 3.

<sup>&</sup>lt;sup>300</sup> Ibid., p. 4.

<sup>&</sup>lt;sup>301</sup> UNIDO, Implementation of Multilateral Environmental Agreements, 2020.

<sup>302</sup> Ibid.

<sup>&</sup>lt;sup>303</sup> UNIDO, UNIDO's Medium-term Programme Framework 2018-2021: From Strategy to Action, 2017, p. 3.

<sup>&</sup>lt;sup>304</sup> UNIDO, Implementation of Multilateral Environmental Agreements, 2020.

<sup>&</sup>lt;sup>305</sup> UNIDO, UNIDO's Medium-term Programme Framework 2018-2021: From Strategy to Action, 2017, p. 3.

<sup>&</sup>lt;sup>306</sup> UN Environment, Division of Technology, Industry, and Economics, Sustainable Consumption & Production Branch, *Resource Efficient and Cleaner Production - The Joint UNEP-UNIDO Programme*, 2019.

<sup>307</sup> Ibid.

<sup>&</sup>lt;sup>308</sup> Ibid.

<sup>&</sup>lt;sup>309</sup> UN Environment, PRE-SME – Promoting Resource Efficiency in Small & Medium Sized Enterprises, 2010, p. 7; UN Environment, Terminal Evaluation of the UN Environment Project "Resource Efficiency and Eco-Innovation in Developing and Transitioning Economies", 2017, p. 4.

<sup>&</sup>lt;sup>310</sup> UN Environment, Division of Technology, Industry, and Economics, Sustainable Consumption & Production Branch, Resource Efficient and Cleaner Production - The Joint UNEP-UNIDO Programme, 2019; UNEP, PRE-SME – Promoting Resource Efficiency in Small & Medium Sized Enterprises, 2010, p. 7.



final workshop held in October 2018, with UN Environment having regarded it an overall success.<sup>311</sup> To this end, UN Environment noted that the positive outcome was a result of the Joint Programme's engagement with stakeholders by combining application and policy dimensions.<sup>312</sup> However, the program often took more time than initially planned; therefore, the unrealistic time management put strains on partners and the management, leading to a general lack of efficiency.<sup>313</sup> Moving forward, to improve upon the Joint Programme, UN Environment has recommended that RECP programs adapt to various business models through a case-by-case identification of the options and experimentation.<sup>314</sup>

In 2010, UNIDO and UN Environment created the Global Network for Resource Efficient and Cleaner Production (RECPnet) to respond to Member States' needs to deliver RECP services.<sup>315</sup> The RECPnet functions under the 2009 UNIDO-UNEP Joint Programme and applies RECP in developing and transitioning countries.<sup>316</sup> The *RECPnet Charter* (2010) states that the RECPnet will facilitate North-South and South-South cooperation through transferring relevant knowledge, experience, and technologies.<sup>317</sup> During the 2018 Joint Programme Final Workshop, members of the RECPnet gathered to share knowledge and discussed the future implementation of RECP programs as conceptualized by UNIDO.<sup>318</sup> There, UNIDO's Division Chief and lead manager of the RECP Programme stated that UNIDO would continue to work closely with RECPnet to achieve the SDGs and ISID by supporting and facilitating its operations.<sup>319</sup>

Corporate Social Responsibility (CSR) is a concept in which businesses take into consideration environmental concerns and human rights issues in their corporate policymaking.<sup>320</sup> In this regard, UNIDO assists Small and Medium Enterprises (SMEs) in meeting the standards established in CSR and includes RECP aspects into their operations.<sup>321</sup> UNIDO's approach to furthering CSR is based on a Triple Bottom Line (TBL) approach, where there is an even balance between economic, environmental, and social aspects.<sup>322</sup> The TBL approach has been proven to be a successful model for SMEs to implement, as it does not impede competitiveness and growth.<sup>323</sup> UNIDO views CSR as an integral concept in implementing RECP, as well as in achieving ISID.<sup>324</sup>

UNIDO also engages with regional and national stakeholders in supporting RECP. An international collaboration, SwitchMed, partially supported by the European Union (EU), UNIDO, and UN Environment, was a four-year program which aimed to support region specific needs in RECP.<sup>325</sup> During its active period, SwitchMed saw a union of 125 firms in eight countries, all of which focused on implementing cost-effective and environmentally safe technologies.<sup>326</sup> There will be a follow-up of SwitchMed called SwitchMed II, which will be again supported by the EU, UNIDO, and UN Environment to support Algeria, Jordan, and Lebanon.<sup>327</sup>

<sup>&</sup>lt;sup>311</sup> Move Towards Green Economy in East Asia, ASEAN Member States Discussed at Jakarta Event, UNIDO, 2011; UNEP, Terminal Evaluation of the UN Environment Project "Resource Efficiency and Eco-Innovation in Developing and Transitioning Economies", 2017, pp. 88-92.

<sup>&</sup>lt;sup>312</sup> Ibid.

<sup>&</sup>lt;sup>313</sup> UN Environment, *Terminal Evaluation of the UN Environment Project "Resource Efficiency and Eco-Innovation in Developing and Transitioning Economies*", 2017, p. 91.

<sup>&</sup>lt;sup>314</sup> Ibid., p. 94.

<sup>&</sup>lt;sup>315</sup> UNIDO, The Global Network for Resource Efficient and Cleaner Production (RECPnet), 2020.

<sup>&</sup>lt;sup>316</sup> Ibid.

<sup>&</sup>lt;sup>317</sup> RECPnet, *RECPnet Charter*, 2010.

<sup>&</sup>lt;sup>318</sup> Final Workshop of the Joint Resource Efficient and Cleaner Production (RECP) Programme, RECPnet, 2018.

<sup>&</sup>lt;sup>319</sup> Ibid.; RECPnet, *Join RECPnet*, 2020.

<sup>&</sup>lt;sup>320</sup> UNIDO, Green Industry Initiative, 2020.

<sup>321</sup> Ibid.

<sup>&</sup>lt;sup>322</sup> UNIDO, What is CSR?, 2020.

<sup>&</sup>lt;sup>323</sup> Ibid.

<sup>&</sup>lt;sup>324</sup> Ibid.

<sup>&</sup>lt;sup>325</sup> UNIDO, Annual Report 2019, 2019, p. 36.

<sup>&</sup>lt;sup>326</sup> Ibid., p. 36.

<sup>&</sup>lt;sup>327</sup> Ibid., p. 37.



#### **RECP for SME's: challenges and opportunities**

UNIDO has taken note that businesses and industries tend to use excessive resources and energy for the purpose of production.<sup>328</sup> This is particularly prominent in SMEs and industries in developing and transitioning countries, which may lack information and the appropriate resources to enact RECP.<sup>329</sup> Globally, SMEs form the majority of enterprises in the private sector, regardless of the country's income level.<sup>330</sup> However, SMEs tend to fall behind in implementing RECP as they often lack expertise in environmental management, making their environmental policies based on a potentially short-term perspective.<sup>331</sup> In 2015, UNIDO, the International Trade Centre (ITC), and the International Organization for Standardization (ISO) published the ISO 50001 for SMEs to implement energy management systems.<sup>332</sup> Specifically, this guideline includes a checklist to assist SMEs with less expertise and resources, therefore allowing for a simpler implementation of RECP in line with international resource efficiency frameworks.<sup>333</sup> Furthermore, UNIDO and UN Environment have developed the initiative Promoting Resource Efficiency in SMEs (PRE-SME) that will help SMEs achieve resource efficiency.<sup>334</sup> The PRE-SME initiative builds national capacity to assist SMEs in developing and implementing RECP policies to reduce manufacturing costs, lower pollution, and reduce risks to health.<sup>335</sup> Moreover. UNIDO has developed the Transfer of Environmentally Sound Technologies (TEST), which serves as a tool that can assist SMEs to further their operation's sustainability.<sup>336</sup> To this end. TEST assists SMEs to initiate a cycle of continuous improvements in RECP measures and economic competitiveness to establish sustainable production.337

#### **Chemical Leasing**

UNIDO has recognized the important role that chemical leasing programs will play in the transition towards RECP, and the achievement of SDG 9 (industry, innovation and infrastructure).<sup>338</sup> Unlike the conventional business model of volume produced, with the chemical leasing system suppliers do not generate revenue depending on the quantity of the chemical sold, instead being measured on the chemical's function and purpose and added value, creating incentives for businesses to adopt an RECP approach.<sup>339</sup> This allows for more efficient use of chemicals and reduces health risks while improving economic and environmental performances.<sup>340</sup> UNIDO first launched the Global Chemical Leasing Programme in 2004 with the cooperation of the government of Austria and has continued to stress its effectiveness.<sup>341</sup> For instance, a Ugandan company that implemented the chemical leasing model was able to reduce its annual CO<sub>2</sub> emissions to 150 ton, while saving \$350,000 annually.<sup>342</sup> UNIDO is also a participatory member of the Strategic Approach to International Chemicals Management (SAICM), who serve as a collaborative mechanism for bodies and partners involved in Chemical Leasing.<sup>343</sup> Alongside its governmental and private partners, UNIDO hosts an annual Global Chemical Leasing Award, which aims to highlight innovative practices in the field of chemical leasing.<sup>344</sup>

<sup>336</sup> UNIDO, Transfer of Environmentally Sound Technologies (TEST), 2020.

<sup>337</sup> Ibid.

<sup>&</sup>lt;sup>328</sup> UN Environment, *PRE-SME – Promoting Resource Efficiency in Small & Medium Sized Enterprises*, 2010, p. 7. <sup>329</sup> Ibid.; *ITC, ISO, UNIDO Launch Guide to Help SMEs Upgrade Energy Efficiency*, ITC News, 2015.

<sup>&</sup>lt;sup>330</sup> UN Environment, Sustainable Industry/SMEs.

<sup>&</sup>lt;sup>331</sup> UNIDO, UNIDO Green Industry: Policies for Supporting Green Industry, 2011, p. 20.

<sup>&</sup>lt;sup>332</sup> ITC, ISO, UNIDO Launch Guide to Help SMEs Upgrade Energy Efficiency, ITC News, 2015.

<sup>&</sup>lt;sup>333</sup> Ibid.

<sup>&</sup>lt;sup>334</sup> UN Environment, *PRE-SME – Promoting Resource Efficiency in Small & Medium Sized Enterprises*, 2010, p. 7.

<sup>&</sup>lt;sup>335</sup> UN Environment & UNIDO, Joint UNIDO-UNEP Resource Efficient and Cleaner Production (RECP), p. 6.

<sup>&</sup>lt;sup>338</sup> UNIDO, General Conference, Seventeenth session, *Medium-term Programme Framework, 2018-2021* (*GC.17/Res.1*), 2017; UNIDO, *Chemical Leasing*, 2020.

<sup>&</sup>lt;sup>339</sup> UNIDO, Chemical Leasing, 2020.

<sup>&</sup>lt;sup>340</sup> Ibid.

<sup>&</sup>lt;sup>341</sup> Ibid.

<sup>&</sup>lt;sup>342</sup> UNIDO, Global Promotion and Implementation of Chemical Leasing Business Models in Industry, 2016, pp. 40-41.

<sup>&</sup>lt;sup>343</sup> IOMC, National Implementation of SAICM: A Guide to Resource, Guidance, and Training Materials of IOMC Participating Organizations, 2012.

<sup>&</sup>lt;sup>344</sup> UNIDO, Apply for the Global Chemical Leasing Award, 2020.



## Protecting People and Promoting Opportunities

RECP protects the health and safety of employees, consumers, and society, who will then, in turn, contribute to RECP, thus creating a sustainable cycle.<sup>345</sup> One instance of this is by curtailing harmful pollutants that end up in water sources, therefore allowing more people access to clean water.<sup>346</sup> For areas dependent on agriculture, safe and responsible production will build the community's resilience toward the damages caused by harmful pollutants.<sup>347</sup> Furthermore, UNIDO has recognized the effectiveness in identifying actors that are harming the environment, quantifying the damage, and linking the actors and the damage.<sup>348</sup> This allows for the establishment of a liability scheme, which can incentivize industries to accelerate their RECP measure implementation process.<sup>349</sup> For instance, the Danish Agreements on Industrial Energy Efficiency aimed to reduce CO<sub>2</sub> emissions by allowing partner enterprises to deduct their CO<sub>2</sub> payments.<sup>350</sup> In this case, should a partner enterprise show noncompliance, their tax rebate would be repealed.<sup>351</sup>

According to the 2015 Report by the Director-General of UNIDO, women are more likely to be affected by environmental changes worldwide, as they are at greater risk of lacking socioeconomic independence.<sup>352</sup> In this report, the Director-General emphasized the need to implement policies to safeguard the environment.<sup>353</sup> As stated in the MTPF, gender equality is integral to UNIDO's mandate not only from a rights perspective but also as it contributes to economic growth, relating to SDG 5.<sup>354</sup> Regarding RECP, UNIDO is fully aware of the significance of recognizing women as a link between gender equality and safeguarding the environment.<sup>355</sup> UNIDO's *Strategy for Gender Equality and the Empowerment of Women (2020-2023)* highlights the need for greater inter-agency coherence for gender equality in relation to sustainable industrial development.<sup>356</sup>

### Conclusion

Industries are responsible for most of the hazardous waste that is rapidly increasing in production worldwide, and the production-to-disposal process can harm human health and the environment.<sup>357</sup> UNIDO has identified RECP as a fundamental component of its green industries strategy as outlined in its MTPF and in the achievement of SDG 9.<sup>358</sup> RECP requires continuous application of preventative strategies around production through the interlinked strands of improving production efficiency, environmental protection, and social enhancement.<sup>359</sup> Although significant obstacles remain, including how smaller enterprises may be best supported in adapting to RECP, alongside partners such as UN Environment and collaborative bodies such as RECPNet, RECP has become a significant part of strategies towards more sustainable industrial development.<sup>360</sup>

<sup>&</sup>lt;sup>345</sup> UN Environment, Division of Technology, Industry, and Economics, Sustainable Consumption & Production Branch, Resource Efficient and Cleaner Production: What is RECP?, 2020; UNIDO, Joint UNIDO-UNEP Programme on Resource Efficient and Cleaner Production (RECP) in Developing and Transition Countries, 2017, p. 4.

<sup>&</sup>lt;sup>346</sup> UNIDO, Green Industry Initiative, 2020.

<sup>&</sup>lt;sup>347</sup> UNIDO, UNIDO Green Industry: Policies for Supporting Green Industry, 2011, p. 18.

<sup>&</sup>lt;sup>348</sup> Ibid., p. 71.

<sup>&</sup>lt;sup>349</sup> Ibid., p. 71.

<sup>&</sup>lt;sup>350</sup> Ibid., pp. 73-74.

<sup>&</sup>lt;sup>351</sup> Ibid., pp. 73-74.

<sup>&</sup>lt;sup>352</sup> Ibid., p. 71; Halton, Climate Change 'Impacts Women More Than Men', *BBC News*, 2018.

<sup>&</sup>lt;sup>353</sup> UNIDO, General Conference, Sixteenth session, *Gender Equality and Empowerment of Women Strategy, 2016-*2019 (GC. 16/8), 2015, p. 8.

<sup>&</sup>lt;sup>354</sup> UNIDO, Gender Equality and the Empowerment of Women, 2020; UNIDO, General Conference, Seventeenth session, Medium-term Programme Framework, 2018- 2021 (GC.17/Res.1), 2017.

<sup>&</sup>lt;sup>355</sup> UNIDO, Gender Equality and the Empowerment of Women, 2020.

<sup>&</sup>lt;sup>356</sup> UNIDO, Strategy for Gender Equality and the Empowerment of Women (2020-2023), 2019, p. 15.

<sup>&</sup>lt;sup>357</sup> UN Environment, *Towards a Pollution-Free* Planet, 2017.

<sup>&</sup>lt;sup>358</sup> UNIDO, UNIDO Green Industry: Policies for Supporting Green Industry, 2011.

<sup>&</sup>lt;sup>359</sup> UNIDO, Resource Efficient and Cleaner Production (RECP), 2020.

<sup>&</sup>lt;sup>360</sup> RECPNet, *Overview*, 2020.



## Further Research

Moving forward, delegates should consider questions such as: How can RECPnet be expanded to strengthen its influence? How can UNIDO further cooperate with regional organizations to address their specific needs? How can the efficiency gap between SMEs and larger enterprises be closed? Are there ways for Member States to offer expertise to SMEs? How can governments assist SMEs in implementing resource efficient policies? How can Chemical Leasing and CDM be implemented more widely and rapidly? How can UNIDO assist Member States in transitioning into a green economy? What effective ways are there to address the continuous harm brought on to the environment within UNIDO's mandate? How can UNIDO continue to address women's economic empowerment regarding RECP?

## **Annotated Bibliography**

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http://wedocs.unep.org/bitstream/handle/20.500.11822/7961/-

Promoting%20resource%20efficiency%20in%20small%20and%20medium%20sized%20enterprises\_%2 0industrial%20training%20handbook-2010PRE-SME\_handbook\_2010.pdf?sequence=3&isAllowed=y

UNIDO and UN Environment have both focused their work regarding RECP on SMEs, which constitute the majority of businesses worldwide. This industrial training handbook contains information on basic concepts and definitions of terms related to RECP and its application to SMEs. Therefore this is a recommended read for delegates who are unfamiliar with the area of natural resources and energy, as they will be able to find comprehensive information on the topic. Additionally, though the data can be outdated, delegates may find shifting global, regional, and national trends from this handbook.

United Nations Industrial Development Organization, General Conference, Seventeenth session. (2017). *Medium-term Programme Framework, 2018- 2021 (GC.17/Res.1)*. Retrieved 19 July 2019 from: <u>https://www.unido.org/api/opentext/documents/download/8674821/unido-file-8674821</u>

The Medium-term Programme Framework, 2018- 2021 has laid the foundation for UNIDO's post-2015 work. It listed safeguarding the environment through RECP capacitybuilding as one of UNIDO's goals. On cleaner production, UNIDO decided to include direct technical support in its work and implement Chemical Leasing. Though RECP can be a cross-cutting concept, within the four key strategic priorities of the MTPF, it applies under 'Safeguarding the Environment'. Delegates should be familiar with the content of the MTPF not only due to its historical significance but also to understand UNIDO's action plans on RECP.

United Nations Industrial Development Organization, General Conference, Seventeenth session. (2017). *UNIDO Activities In Energy and the Environment (GC.17/Res.4)*. Retrieved 21 July 2019 from: <u>https://www.unido.org/api/opentext/documents/download/8674821/unido-file-8674821</u>

In the 2017 General Conference under the theme of "Partnering for impact — achieving the Sustainable Development Goals", UNIDO adopted six resolutions. This resolution reaffirms the MTPF and UNIDO's commitment to achieving resource efficiency. Additionally, the resolution requests the Director-General of UNIDO to strengthen and further the implementation of its existing programs regarding RECP. Cooperation with other international and regional organizations and establish new networks are also listed in this resolution. As this is one of the more recent UNIDO resolutions regarding RECP, understanding the content will allow delegates to comprehend UNIDO's recent decisions on the topic.

United Nations Industrial Development Organization, General Conference. (2013). *Lima Declaration: Towards Inclusive and Sustainable Industrial Development (GC.15/RES.1)*. Retrieved 19 July 2019 from: https://www.unido.org/sites/default/files/2014-04/Lima\_Declaration\_EN\_web\_0.pdf

This Lima Declaration outlined UNIDO's priorities regarding its future work with an emphasis on sustainable industrial development. It recognizes that the 1975 Lima



Declaration and Plan of Action on Industrial Development and Cooperation remains relevant. However, changes and developments in areas such as technology and the global trade system have called for the adoption of this 2013 declaration. Regarding this topic, the 2013 Lima Declaration notes that UNIDO should assist Member States regarding sustainable production and industrial resource efficiency policies by providing knowledge. Delegates should find this useful in devising action plans, as the three thematic priorities in this declaration have become a foundation of UNIDO's current work regarding RECP.

United Nations Industrial Development Organization. (2020). *Annual Report 2019*. Retrieved 19 July 2020 from:

https://www.unido.org/sites/default/files/files/202005/Annual%20Report%202019%20%28Eng%29.pdf

The UNIDO Annual Report from 2019 covered topics crucial to UNIDO's mission to achieve the Sustainable Development Goals. The report covers global activities to achieve ISID, mentioning United Nations Development System reforms, and industrial policy advice and research. The report also covered areas such as shared prosperity, especially in agrarian societies through the enhancement of food security. The report also covers UNIDO's work in various global regions, and introduces the SwitchMed II programme which was done in collaboration with the European Union. This report goes in-depth with much of the work UNIDO has done over the past year, especially in areas that intersect with RECP.

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