United Nations Industrial Development Organization
Background Guide 2020

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Pearle Nwaezeigwe and Eedee-Bari Nuah Bawoh, Assistant Directors
Dear Delegates,

Welcome to the 2020 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 Akiko Teramoto (Conference A) and Gabrielle Sferra (Conference B), and Assistant Directors Pearle Nwaezeigwe (Conference A) and Eedee-Bari Nuah Bawoh (Conference B). Akiko received a BA in Foreign Studies from Kobe City University of Foreign Studies and is an MS Candidate in Global Affairs at New York University with a concentration on Transnational Security and a double-specialization in the United Nations and International Relations/Global Futures. Gabrielle is working as an Associate Producer on an English as a Second Language television show. She received her Bachelor of Arts in International Relations and Television, Radio, Film. Pearle is an Attorney and received her Law Degree at the University of Lagos and earned a Masters at the University of California, Berkeley in International Human Rights. Her interests are in technology policy; safeguarding human rights in the digital age. Eedee-Bari is a legal practitioner and a graduate student at the Erasmus Law School where she is running a masters in Commercial and Company Law.

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

1. Accelerating Industrial Development in Africa
2. Promoting Sustainable Rural Entrepreneurship and Businesses
3. Achieving Resource Efficient and Cleaner Production

UNIDO is a UN specialized agency tasked with promoting sustainable and inclusive industrial development. 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. Most recently, UNIDO held its 18th General Conference under the theme of ‘Industry 2030 – Innovate. Connect. Transform Our Future.’ The General Conference, held in November 2019, addressed the three topics outlined in this background guide, among others. It is strongly recommended that delegates take into account the 2019 General Conference’s outcome when conducting research.

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 2020 in accordance with the guidelines in the Position Paper Guide and the NMUN•NY Position Papers website.

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

1. NMUN Delegate Preparation Guide - explains each step in the delegate process, from pre-Conference research to the committee debate and resolution drafting processes. Please take note of the information on plagiarism, and the prohibition on pre-written working papers and resolutions. Delegates should not start discussion on the topics with other members of their committee until the first committee session.
2. NMUN Rules of Procedure - include the long and short form of the rules, as well as an explanatory narrative and example script of the flow of procedure.

In addition, please review the mandatory NMUN Conduct Expectations on the NMUN website. They include the Conference dress code and other expectations of all attendees. We want to emphasize that any instances of sexual harassment or discrimination based on race, gender, sexual orientation, national origin, religion, age, or disability will not be tolerated. If you have any questions concerning your preparation for the committee or the Conference itself, please contact the Under-Secretaries-General for the Development Department, Omar Torres-Vasquez (Conference A) and Maxwell Lacey (Conference B), at usg.development@nmun.org.

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

Sincerely,

Conference A
Akiko Teramoto, Director
Pearle Nwaezeigwe, Assistant Director

Conference B
Gabrielle Sferra, Director
Eedee-Bari Nuah Bawoh, 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.

General Assembly

Subsidiary Bodies

- GA First – Disarmament and International Security
- GA Second – Economic and Financial
- GA Third – Social, Humanitarian, and Cultural
- HLPE – High-Level Political Forum
- HRC – Human Rights Council

PBC – Peacebuilding Commission

Security Council

Funds and Programmes

- UNDP – UN Development Programme
- UNEA – UN Environment Assembly
- WFP – World Food Programme
- UNAIDS – Joint UN Programme on HIV/AIDS
- WFP – World Food Programme
- UNFPA – UN Population Fund

UNHCR – Office of the United Nations High Commissioner for Refugees

Economic and Social Council

Functional Commissions

- CCPCJ – Crime Prevention and Criminal Justice
- CPD – Population and Development
- CSW – Status of Women

UNECE – UN Economic Commission for Europe

Secretariat

Regional Commissions

International Court of Justice

Specialized Agencies

- UNESCO – UN Educational, Scientific and Cultural Organization
- UNIDO – UN Industrial Development Organization
- WHO – World Health Organization

NPT – Treaty on the Non-Proliferation of Nuclear Weapons Review Conference

Trusteeship Council

Conferences
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.”¹ In 1966, the UN General Assembly established UNIDO through resolution 2152.² 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.³ In March 1975, UNIDO held its second General Conference, which led to the adoption of the Lima Declaration and Plan of Action on Industrial Development and Cooperation.⁴ The Lima Declaration further defined a framework for the organization through the emphasis on industrial development among Member States in order to combat poverty.⁵ 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.⁶ With rapid industrialization causing an increase in the divide between developed Member States and developing Member States, the General Assembly’s September 1975 Seventh special session announced in resolution 3362 (S-VII) that UNIDO would become a UN specialized agency.⁷

On 8 April 1979, UNIDO adopted its Constitution, and in the same year, established its headquarters in Vienna, Austria.⁸ As a specialized agency, UNIDO became an independent organization working within the UN framework, with a separately funded budget and its own governing council.⁹ 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.¹⁰

Nearing the deadline for the Millennium Development Goals (MDGs), and reevaluating the need for a more sustainable, environmentally-friendly approach, UNIDO incorporated the promotion of Inclusive and Sustainable Industrial Development (ISID) into its mandate to accelerate industrial development among Member States.¹¹ In 2013, UNIDO welcomed the decision by the General Assembly to adopt the Post-2015 Development Agenda, and therefore incorporated ISID into the mandate of the organization to further the new global agenda.¹²

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).¹³ In order to meet this challenge, at the 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.¹⁴ This guide acts as a framework to

１UNIDO, UNIDO in brief, 2019.
３Ibid.
⁵Ibid.
⁷UN General Assembly, Development and international economic cooperation (A/RES/S-7/3362), 1975.
⁸UNIDO, A Brief History.
⁹UN DGC, Funds, Programmes, Specialized Agencies and Others.
¹⁰UNIDO, Lima Declaration: Towards inclusive and sustainable industrial development (GC.15/Res.1), 2013, p. 12.
¹¹UNIDO, Inclusive and Sustainable Industrial Development: Creating shared prosperity and safeguarding the environment, 2018.
¹³UNIDO, 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.
bring uniformity and consistency to the agency, and introduced four pillars that would make up the core functions of UNIDO.\textsuperscript{15}

**Governance, Structure and Membership**

The two policy-making organs of UNIDO are the General Conference and the Industrial Development Board (IDB).\textsuperscript{16} The General Conference brings together all 170 members of UNIDO to meet once every two years and serves as the organization’s highest policy-making organ.\textsuperscript{17} 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.\textsuperscript{18} The Conference is also responsible for electing members of the IDB and the Programme and Budget Committee.\textsuperscript{19}

The IDB meets annually and is comprised of 53 Member States elected on a rotational basis for four-year terms.\textsuperscript{20} 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.\textsuperscript{21} Within the IDB is a subsidiary body called the Programme and Budget Committee.\textsuperscript{22} The Programme and Budget Committee, consisting of 27 Member States, meets annually.\textsuperscript{23} 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.\textsuperscript{24}

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.\textsuperscript{25} Member States of UNIDO are also part of the General Conference.\textsuperscript{26} Parties acknowledged by the UN General Assembly as having observer status are eligible for observer status with UNIDO upon approval by the General Conference.\textsuperscript{27}

The UNIDO Secretariat is comprised of: the Director-General, the chief administrative officer held accountable by UNIDO’s policy-making 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.\textsuperscript{28}

**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

\begin{footnotesize}
\begin{enumerate}
\item[17] UNIDO, *The General Conference*.
\item[18] Ibid.
\item[19] Ibid.
\item[20] Ibid.
\item[21] Ibid.
\item[22] Ibid.
\item[23] Ibid.
\item[24] Ibid.
\item[25] Ibid.
\item[26] Ibid.
\item[27] Ibid.
\end{enumerate}
\end{footnotesize}
When the constitution entered into force in 1985, UNIDO was established to “play the central role in and be responsible for reviewing and promoting the coordination of all activities of the United Nations system in the field of industrial development.” 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 in order for the organization to better adapt to the changes in the global economy. The plan restructured UNIDO’s mandate to focus on cooperating with supporting institutions, integrating women in industrial development, and aiding small and medium enterprises.

Entering the new millennium, UNIDO altered programs to focus on meeting the MDGs. The MDGs were a collective framework that identified eight goals for the international community to work towards to create a better, more equal world by 2015. Alongside this, UNIDO began to incorporate sustainable and environmental measures into its programs and policy recommendations, recognizing the need for sustainable development and industrialization. This incorporation of new a new global outlook solidified in 2013 at the fifteenth session of the General Conference. UNIDO formally updated its mandate to incorporate sustainable development as a part of industrialization, resulting in the Lima Declaration: Towards Inclusive and Sustainable Industrial Development (2013). The document called attention to the need for ISID in order to achieve the goals of the organization, and formally defined ISID as the mandate of UNIDO.

The nature of ISID corresponds with the SDGs that were adopted at the Sustainable Development Summit on 25 September 2015. 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.” The seventeenth session of the General Conference was organized to reflect the theme of “Partnering for impact — achieving the Sustainable Development Goals,” as delegates and stakeholders linked ISID directly to the realization of the 2030 Agenda.

The four core pillars of the MTPF are creating shared prosperity, advancing economic competitiveness, safeguarding the environment, and strengthening knowledge and institutions. Each pillar focuses on different SDGs. For instance, the pillar on creating shared prosperity sets standards by which to achieve SDG 5 (gender equality) by increasing the participation of women in the development of industries and manufacturing. The pillar on advancing economic competitiveness is affiliated with several SDGs and focuses on investing for new technologies to streamline productivity, increase trade capacity-building, and

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30 Ibid.
31 UNIDO, A Brief History.
32 Ibid.
33 Ibid.
36 Ibid.
37 Ibid.
38 Ibid.
40 UNIDO, The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets, 2015.
42 UNIDO, UNIDO in brief, 2019.
44 UNIDO, Inclusive and Sustainable Industrial Development: Creating shared prosperity and safeguarding the environment, 2018.
help enterprises improve competitiveness.\textsuperscript{45} Safeguarding the environment pillar promotes clean and sustainable production by reducing waste and pollution and efficiently managing resources.\textsuperscript{46} Lastly, the final pillar, strengthening knowledge and institutions, enhances the effort of the first three pillars.\textsuperscript{47} 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.\textsuperscript{48} 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.\textsuperscript{49} However, the report recommended the organization to continue monitoring the four pillars through consistent monitoring of progress.\textsuperscript{50}

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.\textsuperscript{51} 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.\textsuperscript{52} 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.\textsuperscript{53}

Recent Sessions and Current Priorities

Since the Lima Declaration of 2013, UNIDO has actively included the new mandate of ISID in its endeavors.\textsuperscript{54} In efforts to achieve the various goals encompassed through ISID, UNIDO organized ISID forums occurring on a regular basis.\textsuperscript{55} The eighteenth session, which was the most recent session of UNIDO’s General Conference, was held from 3-7 November 2019 in Abu Dhabi.\textsuperscript{56} The agency’s top priority is to continue the work of the body through the four pillars as defined by the MTPF 2018-2021.\textsuperscript{57} 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.\textsuperscript{58}

Conclusion

UNIDO serves as the lead specialized agency of the UN promoting industrial development. Formed in 1966, and becoming an autonomous specialized agency in 1985, UNIDO has experienced much change throughout the years.\textsuperscript{59} Focusing on the promotion of industrial development in developing countries since its inception, UNIDO has adapted to the ever-changing environment and global economy by incorporating ISID and the 2030 Agenda for Sustainable Development into its mandate.\textsuperscript{60} 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.\textsuperscript{61}

\textsuperscript{45} UNIDO, \textit{The 2030 Agenda for Sustainable Development: Achieving the industry-related goals and targets}, 2015.
\textsuperscript{46} UNIDO, \textit{Inclusive and Sustainable Industrial Development: Creating shared prosperity and safeguarding the environment}, 2018.
\textsuperscript{47} UNIDO, \textit{Strengthening knowledge and institutions}, 2018.
\textsuperscript{50} Ibid.
\textsuperscript{52} UNIDO, General Conference, \textit{Decisions and Resolutions of the General Conference (GC.14/INF/4)}, 2011.
\textsuperscript{53} Ibid.
\textsuperscript{54} UNIDO, \textit{Annual Report 2014}, 2014.
\textsuperscript{55} UNIDO, \textit{Seventh ISID Forum}, 2019.
\textsuperscript{56} UNIDO, \textit{Provisional Agenda}, 2019.
\textsuperscript{57} Ibid.
\textsuperscript{58} Ibid.
\textsuperscript{59} UNIDO, \textit{A Brief History}.
\textsuperscript{60} UNIDO, \textit{Introduction to UNIDO inclusive and sustainable industrial development}, 2015.
Annotated Bibliography


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.


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 policy-making bodies of UNIDO. Delegates will find this to be a useful resource for learning how actual UNIDO sessions are conducted.


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.


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


The Lima Declaration of 2013 establishes UNIDO’s current mandate as ISID. This document explain 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 SDGs with ISID as the major driver towards that achievement.
Proposed by the Director-General to the Industrial Development Board, the Medium-term programme 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 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.

The various current programs within UNIDO can be found in this document. For instance, the program on meetings of the policy-making 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.

Bibliography


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.”

Introduction

The United Nations Industrial Development Organization’s (UNIDO) involvement with Africa’s industrialization has spanned decades, with 31 projects costing over $38 million. The African Development Bank (AfDB) recognizes Africa’s boundless potentials; its expanding demographic of 2 billion people and its growing urbanization makes a promising case for industrialization. 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. 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). This period was established because Africa has shown the potential for sustainable industrialization. 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.” As the leading entity for industrial development, UNIDO has been instrumental in accelerating industrialization in Africa.

Industrialization is said to be achieved in an economy where a Member State moves from primary agrarian production and import of goods to the manufacturing of commodities. Manufacturing is broadly defined as transforming and creating new products, irrespective of its means, location, and sales method. The unit to measure industrialization in an economy is Manufacture Added Value (MVA), and its calculation is generated by the International Standard Industrial Classification. 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). This was referenced in the UNIDO Road Map: Implementation of the Third Industrial Development Decade for Africa (2016–2025) (2016), which is a blueprint for implementing IDDA III. The goal of the Road Map is “to direct Africa on a path towards inclusive and sustainable industrial development (ISID).” In order to achieve this goal, the Road Map lists four issues that need to be addressed: government ownership, enabling business environment, sectoral focus, and strong financial and non-financial partnerships. Additionally, addressing these issues is anchored by six interlinked pillars: outreach and global forums, enhancing strategic support, technical cooperation, cooperation with the AU, resource mobilization, and communication and advocacy. 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. This leads to

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64 African Development Bank Group, Industrialize Africa, 2019, p. 3.
66 UN General Assembly, Third Industrial Development for Africa (A/RES/70/293), 2016, p. 3.
67 Ibid., p. 3.
68 Ibid., p. 3.
69 UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2016, p. 4.
70 Ross, How Can Industrialization Affect the National Economy of Less Developed Countries (LDCs)?, Investopedia, 2019.
72 Ibid.
73 Ibid.
75 Ibid., p. v.
76 Ibid., p. v.
77 Ibid., p. v.
a lack of innovation in manufacturing and technical advancement and other sectors, both of which are key to industrialization.\textsuperscript{79} UNIDO considers IDDA III as its primary goal to attain in order to accelerate industrial development in Africa.\textsuperscript{80}

**International and Regional Framework**

Before IDDA III, the General Assembly had proclaimed certain periods as the Industrial Development Decade for Africa (IDDA).\textsuperscript{81} The UN designates these decades as occasions to mark the economic growth of Africa, generating awareness and action by the international community.\textsuperscript{82} In 1980, the General Assembly adopted resolution 35/66 B on the “Industrial Development for Africa” (IDDA I) for the period of 1980-1990.\textsuperscript{83} 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.\textsuperscript{84} IDDA I was based on the 1980 *Lagos Plan of Action for the Economic Development of Africa*, which was created by African Member States for the continent's development from 1980-2000.\textsuperscript{85} IDDA I was designed and formulated at a centralized level by the Organisation of African Unity, United Nations Economic Commission for Africa (ECA), and UNIDO, and approved by the Conference of African Ministers of Industry.\textsuperscript{86}

The General Assembly adopted resolution 47/177 (1989) on the “Second Industrial Development Decade for Africa” (IDDA II) for 1993-2002 to strengthen the international community’s commitments towards industrial growth in Africa.\textsuperscript{87} IDDA II focused on the rehabilitation and expansion of the existing industries, such as food production and metallurgy.\textsuperscript{88} IDDA II’s implementation took a regional and national approach, considering the varying domestic situations of each African Member State.\textsuperscript{89} Most importantly, apart from UNIDO and the General Assembly, IDDA II did not involve the donor community and other UN agencies.\textsuperscript{90} This led to the absence of financial support, and the implementation efforts for IDDA II consequently diminished.\textsuperscript{91} The first two IDDAs’ objectives were to utilize Africa’s natural resources to promote self-reliance and sustainable industrialization in the continent.\textsuperscript{92} Both decades suffered challenges, which included widespread poverty, shortage of human capital, and the lack of technical expertise.\textsuperscript{93}

A noteworthy strategy is the 2008 *African Union Action Plan for the Accelerated Industrial Development of Africa (AIDA)*.\textsuperscript{94} AIDA was adopted at an AU summit to strengthen the commitments of African leaders to ensure the industrialization of the continent.\textsuperscript{95} AIDA’s financial and technical assistance are provided by UNIDO to carry out its 53 projects, which cover accelerating modernization and industrial policy and skill

\begin{itemize}
  \item \textsuperscript{80} Ibid., p. 1.
  \item \textsuperscript{81} UN DGC, \textit{International Decades}, 2019.
  \item \textsuperscript{82} Ibid.
  \item \textsuperscript{83} UN General Assembly, \textit{First Industrial Development for Africa (A/RES/35/66B)}, 1980.
  \item \textsuperscript{84} Ibid.
  \item \textsuperscript{86} Ibid., p. 12.
  \item \textsuperscript{87} UN General Assembly, \textit{Second Industrial Development for Africa (A/RES/44/237)}, 1989.
  \item \textsuperscript{88} Ibid.
  \item \textsuperscript{89} UNIDO, \textit{Industrial Development Decade for Africa (IDDA II): Report of Mid-Term Programme Evaluation}, 1997, p. 12.
  \item \textsuperscript{91} Ibid., pp. 14-15.
  \item \textsuperscript{92} UNIDO, \textit{UNIDO Roadmap: Implementation of the Third Industrial Development Decade for Africa (2016-2025)}, 2016, p. vi.
  \item \textsuperscript{94} UNIDO, \textit{Inclusive and Sustainable Industrial Development in Africa Region}, 2016, p. 5.
  \item \textsuperscript{95} African Union, \textit{AIDA – Accelerated Industrial Development for Africa}, 2019.
\end{itemize}
development.\textsuperscript{96} In 2013, AU established \textit{Agenda 2063} with the aim of utilizing African resources for the prosperity of the continent, enjoyed by its people.\textsuperscript{97} \textit{Agenda 2063} lists specific targets relevant to accelerating industrialization and affirms the need to implement continental strategies for industrialization.\textsuperscript{98}

IDDA II endorsed the Africa Industrialization Day (AID) to be celebrated annually on 20 November.\textsuperscript{99} The purpose of AID is to raise awareness among the international community on the challenges and progress Africa has made towards industrialization.\textsuperscript{100} In 2018, UNIDO celebrated its annual AID under the theme of Promoting Regional Value Chains in Africa: A Pathway for Accelerating Africa’s Structural Transformation, Industrialization and Pharmaceutical Production”.\textsuperscript{101} With a stable health sector, the mortality rate will decrease, ensuring human capital to further industrial development in Africa.\textsuperscript{102}

However, Africa’s health sector faces challenges with the growing rate of ailing diseases.\textsuperscript{103} For example, in 2018, 70% of the world’s HIV/AIDS cases and 93% of the global malaria transmission took place in Africa.\textsuperscript{104} AID 2018 identified the improvement of the health sector and the potential for job creation in the industry through the production of medicines in Africa as opposed to importation.\textsuperscript{105}

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.\textsuperscript{106} The SDGs incorporate industry-related aspects and targets.\textsuperscript{107} The SDG 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.”\textsuperscript{108} In relation to Africa, Member States at the 2015 High-Level Political Forum on Sustainable Development articulated the need for financial support for the industrialization of Africa as one of the strategies to implement the SDGs.\textsuperscript{109} 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.\textsuperscript{110}

In 2018, to boost industrialization in Africa, UNIDO signed a Memorandum of Understanding (MoU) with AfDB, which is the official financial institution that provides public and private capital for projects and programs that will accelerate industrial development in Africa.\textsuperscript{111} This MoU is part of the collaboration within the framework of UNIDO’s flagship Program for Country Partnership (PCP) model.\textsuperscript{112} PCPs are implemented in select Member States around the world to assist in accelerating ISID.\textsuperscript{113} The host government owns the program, and PCP interventions provide assistance to gain public and private

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\textsuperscript{96} UNIDO, \textit{Inclusive and Sustainable Industrial Development in Africa Region}, 2016, p. 8.
\textsuperscript{97} African Union Commission, \textit{Agenda 2063: The Africa We Want}, 2015, p. 1.
\textsuperscript{101} UN General Assembly, \textit{Agenda 2063: The Africa We Want}, 2015, p. 1.
\textsuperscript{102} African Union Commission, \textit{Agenda 2063: The Africa We Want}, 2015, p. 1.
\textsuperscript{105} UN General Assembly, \textit{Agenda 2063: The Africa We Want}, 2015, p. 1.
\textsuperscript{106} UN General Assembly, \textit{Agenda 2063: The Africa We Want}, 2015, p. 1.
\textsuperscript{107} Ibid.
\textsuperscript{108} Ibid.
\textsuperscript{109} UN Food and Agriculture Organization (FAO), \textit{Inclusive and Sustainable Industrial Development in Africa Region}, 2016, p. 5.
\textsuperscript{110} UN Food and Agriculture Organization (FAO), \textit{Inclusive and Sustainable Industrial Development in Africa Region}, 2016, p. 5.
\textsuperscript{111} UN General Assembly, \textit{Agenda 2063: The Africa We Want}, 2015, p. 1.
investments to fund large-scale projects.\textsuperscript{114} The program began in 2014 with Ethiopia and Senegal as its select countries from Africa.\textsuperscript{115} In 2019, PCP has expanded to other select African Member States including Côte d’Ivoire, Egypt, Rwanda, and Zambia.\textsuperscript{116} UNIDO has hosted and participated in global forum activities, which include the AU Conference of African Ministers of Industry (CAMI).\textsuperscript{117} The 20th edition of CAMI, held in Kenya, led to the creation of the Nairobi Declaration on Accelerating Industrialization in Africa within the Post-2015 Development Agenda (2013).\textsuperscript{118} The Declaration focuses on key areas for Africa’s industrial development including private sector, renewable energy, and partnership among African Member States.\textsuperscript{119}

\textbf{Role of the International System}

As stipulated in General Assembly resolution 70/293 (2016), the road to accelerated industrial development requires cooperation and multi-stakeholder partnerships.\textsuperscript{120} UNIDO partners with various UN bodies to achieve industrialization in Africa such as the United Nations Conference on Trade and Development (UNCTAD).\textsuperscript{121} 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.\textsuperscript{122} Additionally, during the 2018 African Forum Trade Facilitations, the UNCTAD Secretary-General stated that elaboration on policies to establish relations between the producers and consumers is instrumental for intraregional trade.\textsuperscript{123}

The Food and Agriculture Organization (FAO) partnered with UNIDO to create the 2010 African Agribusiness and Agro-industries Development Initiative (3ADI).\textsuperscript{124} 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.\textsuperscript{125} In attendance were Japan, UNIDO, FAO, and AU, which discussed the food demand in Africa and considered market opportunities to create jobs for youths in the agro-sector to accelerate industrial development.\textsuperscript{126} According to FAO Director-General, Qu Dongyu, African agribusinesses are expected to create a market worth $1 trillion by 2030, demonstrating an untapped potential to address youth unemployment and accelerate industrial development.\textsuperscript{127} All participants resolved to ensure African youths receive technical assistance and knowledge about agribusiness and agricultural value chains.\textsuperscript{128}

UNIDO is a member of UN-Energy, which promotes various multi-cluster energy programs.\textsuperscript{129} 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.\textsuperscript{130} This initiative aimed at

\begin{itemize}
\item \textsuperscript{114} Ibid., p. 2.
\item \textsuperscript{115} Ibid., p. 2.
\item \textsuperscript{116} Ibid., p. 2.
\item \textsuperscript{117} UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2015, p. 12.
\item \textsuperscript{118} African Union, Nairobi Cami-20 Declaration on Accelerating Industrialization in Africa within the Post 2015 Development Agenda, 2013.
\item \textsuperscript{119} African Union, Nairobi Cami-20 Declaration on Accelerating Industrialization in Africa within the Post 2015 Development Agenda, 2013.
\item \textsuperscript{120} UN General Assembly. Third Industrial Development for Africa (A/RES/70/293), 2016.
\item \textsuperscript{123} UN DGC, Africa Forum Aims to Boost Business, Reduce Costs, Help Countries Trade out of Poverty, 2018.
\item \textsuperscript{124} UNIDO, Inclusive and Sustainable Industrial Development in Africa Region, 2015, p. 8.
\item \textsuperscript{125} UNIDO, UNIDO-FAO Side Event: Launching the Flagship Initiative to Accelerate Youth Employment in Agriculture and Agribusiness in Africa, 2019.
\item \textsuperscript{126} Ibid.
\item \textsuperscript{127} Ibid.
\item \textsuperscript{128} Maema, AU Helps Launch Effort to Accelerate Youth Employment in Agribusiness in Africa, CGTN, 2019.
\item \textsuperscript{129} UN-Energy, Delivering on Energy: An Overview of Activities by UN-Energy and its Members, 2010, p. 52.
\item \textsuperscript{130} Ibid., p.102.
\end{itemize}
taking an integrated programmatic approach to promoting renewable energy and energy-efficiency projects at the national and regional levels in West Africa.\textsuperscript{131}

**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.\textsuperscript{132} AfCFTA was created to establish a free-trade continent with a commitment to remove tariffs on at least 90% of African-produced goods.\textsuperscript{133} 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.\textsuperscript{134} 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.\textsuperscript{135} In 2018, during the Extraordinary Meeting of the AU Heads of State and Government, UNIDO's Director-General, Li Yong, pledged to support the implementation of AfCFTA through technical and financial assistance.\textsuperscript{136} This is exemplified by the 2019 UNIDO event on Promoting Africa’s Structural Transformation and Economic Diversification in the Context of AfCFTA/IDDA III/TICAD7: Partnering for Africa’s Future.\textsuperscript{137} UNIDO, AfDB, and the AU sought inherent connection between the seventh Tokyo International Conference for Africa Development (TICAD7), IDDA III, and AfCFTA.\textsuperscript{138} During the event, UNIDO’s Director-General mentioned that accelerating Africa’s industrialization is based on successfully realizing the IDDA III with the assistance of AfCFTA.\textsuperscript{139} African Member States are in negotiations on the terms of the AfCFTA, which address the challenges of the continent’s trade system faced with high tariffs on imported goods from foreign countries.\textsuperscript{140} 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.\textsuperscript{141} Additionally, the AU established the African Industrialization Week; the 2019 theme is Positioning African Industry to Supply the Africa Continental Free Trade Area Market, which is aimed at promoting AfCFTA.\textsuperscript{142}

In order to accelerate industrialization, Member States have been negotiating on the implementation of the term Rules of Origin (RoO) to promote trade relationships.\textsuperscript{143} 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.\textsuperscript{144} RoO assigns the nationality of goods produced in Africa, reducing imported goods into the continent, thus, creating a good business environment and ensuring labor rights.\textsuperscript{145} The purpose of this rule 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.\textsuperscript{146} For example, the Barbie doll is made in China and sold in the United States for $9.99.\textsuperscript{147} The manufacturing country, China,
receives 35 cents for labor costs, whereas the United States makes $8 in profits. By attributing RoO to China, the country would be able to receive substantial gains for its production costs, thereby furthering industrial development in its economy. 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.

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. Other issues to consider include the legibility of the rules; considering the low level of financial literacy in Africa, the rules should be easily understood by traders. 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. Therefore, reforms in customs modernization and trade facilitation are essential to establish a functioning RoO system that will contribute to accelerating industrial development. Furthermore, it is integral that each Member State establish national customs policies to ensure impartial and transparent execution of RoO, creating AfCFTA and implementing RoO are part of the flagship projects of Agenda 2063 that represents a critical step in the development of Africa. Moreover, AfCFTA and RoO will contribute towards the operationalization of a unified market that is meant to accelerate industrialization in the continent.

Challenges to the Realization of Industrial Development in Africa

There are numerous challenges to realizing industrialization in Africa, such as energy insecurity and gender inequality. Energy insecurity is defined as the lack of constant access to affordable energy sources, and in Africa, the inability to use energy sources to power households and production factories is the most problematic. This is a challenge to accelerating industrialization because most African industries' work require constant electricity for optimization. UNIDO has maintained that energy insecurity is detrimental to traders who depend on electricity, especially in the manufacturing sector. Furthermore, providing electricity in the manufacturing sector would increase Africa’s MVA; however, in 2017, Sub-Saharan Africa’s MVA was approximately $145 billion, which is 90 times lower than that of developed regions. To tackle this issue, UNIDO supports the Centre for Renewable Energy and Energy Efficiency (ECREE) of the Economic Community of West African States (ECOWAS). The purpose of ECREE is to develop renewable energy and energy-efficient markets in West Africa in a bid to increase manufactured goods, thus accelerating industrialization. To this end, UNIDO has established a number of projects to implement renewable energy sources in Africa to promote industrial development, especially for smaller and rural enterprises. For instance, UNIDO provided the Gambia with technical

148 Ibid.
149 Ibid.
150 Ibid.
152 Ibid., p. 1.
153 Ibid., p. 67.
154 Ibid., p. 67.
155 Ibid., p. 16.
156 Ibid., p. 1.
157 Ibid., p. 1.
161 Ibid., p. 7.
162 Ibid., p. 7.
164 Ibid.
assistance for rural electrification to not only secure energy but also establish a renewable energy industry.\textsuperscript{166}

Another associated challenge is the evident gender gap in the industrial sector, which hinders the acceleration of industrialization.\textsuperscript{167} Gender equality is integral to Africa’s socioeconomic development, as the Organisation for Economic Co-operation and Development (OECD) projects a 12% increase in the GDP by 2030 if the gender gap is closed among African Member States.\textsuperscript{168} Currently, the gender gap in the labor force participation is 13%, which costs Africa a 9% reduction in the annual GDP.\textsuperscript{169} African women make up 43% of the informal sector, which includes petty trade, farming, and fishing, where they are subject to bias and discrimination.\textsuperscript{170} Additionally, Sub-Saharan African Member States have recorded 50% of adolescent pregnancies being a result of child-marriages.\textsuperscript{171} 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.\textsuperscript{172} 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.\textsuperscript{173} 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.\textsuperscript{174} Bridging the gap for women will stimulate economic growth and encourage shared prosperity, which are UNIDO’s key priorities in accelerating industrialization in Africa.\textsuperscript{175}

\textit{Conclusion}

The key to accelerating industrial development in Africa is to implement IDDA III successfully.\textsuperscript{176} UNIDO requires various stakeholders, from UN bodies to financial institutions, to commit to technical or financial assistance.\textsuperscript{177} Trade partnerships and an increase in manufacturing among African Member States is essential towards the structure and implementation of AICFTA.\textsuperscript{178} Additionally, RoO is vital to increase locally produced goods and foster better intra-trade relationships, which will contribute to the industrial development of the region.\textsuperscript{179} Further, multi-stakeholder cooperation is required to tackle the challenges impeding industrialization in Africa, such as energy insecurity and gender inequality.\textsuperscript{180} In conclusion, UNIDO’s goal to accelerate industrial development in Africa encompasses the realization of all SDGs in an inclusive and sustainable manner.\textsuperscript{181}

\textit{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

\textsuperscript{166} Ibid., p. 43.
\textsuperscript{167} Yong, \textit{Africa’s Industrialization: Leaving No Woman Behind}, 2017.
\textsuperscript{168} Wandia, \textit{Commitment without Implementations Widens the Gender Gap}, 2017, pp. 63-64; Yong, \textit{Africa’s Industrialization: Leaving No Woman Behind}, 2017.
\textsuperscript{169} Wandia, \textit{Commitment without Implementations Widens the Gender Gap}, 2017, pp. 63-64.
\textsuperscript{170} Mlambo-Ngcuka, \textit{Harnessing the Power of Youth for a More a Sustainable and Equal Africa}, 2017, p. 10.
\textsuperscript{171} Wandia, \textit{Commitment Without Implementations Widens the Gender Gap}, 2017, pp. 63-64.
\textsuperscript{172} Ibid., pp. 63-64.
\textsuperscript{173} Yong, \textit{Africa’s Industrialization: Leaving No Woman Behind}, 2017.
\textsuperscript{174} Ibid.
\textsuperscript{175} Ibid.
\textsuperscript{177} Ibid., p. 28.
\textsuperscript{179} Ibid., p. 1.
\textsuperscript{181} Ibid., p. 28.
UNIDO better cooperate with regional organizations, such as AU and ECOWAS, to implement IDDA III? How can African Member States promote intra-trade relations regarding AfCFTA? How can African Member States domesticate RoO in its respective countries? What lessons can be inferred from IDDA I and IDDA II to guarantee the effective execution of IDDA III? What initiatives can be built upon to include women and improve energy security to accelerate industrial development in Africa?

Annotated Bibliography


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.


This document provides a detailed explanation of the 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 RoO, 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.


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.


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.
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.

Bibliography


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.”

Introduction

The United Nations Industrial Development Organization (UNIDO) is dedicated to improving the opportunities of businesses and entrepreneurs to promote sustainable development. However, rural communities often face increased challenges in establishing businesses. Promoting agribusiness and rural entrepreneurship development leads to individual empowerment, while reinforcing sustainable livelihoods for rural communities in developing countries.

Entrepreneurship can be defined as an ability to create and build things from relatively limited resources, in a bid to create sustainable value that positively evolves the quality of life for the individual and the community. This can be achieved by pulling together a unique package of resources to exploit an opportunity, like starting, owning, or managing a small business. Entrepreneurship can provide a driving impact on countries’ economic growth, innovation, social, and environmental conditions. Rural entrepreneurship and businesses provide employment and income opportunities for rural communities. It serves as a solution for stimulating local entrepreneurial talent and subsequent growth of rural enterprise and the economy of developing countries.

Fittingly, the United Nations (UN) is committed to ensuring that appropriate consideration is given to the promotion of rural entrepreneurship. This is to be done by enhancing trade capacities and technological advancement in rural communities. UNIDO is dedicated to promoting the success of the Sustainable Development Goals (SDGs), which forms the basis for the 2030 Agenda for Sustainable Development. This is reflected in its aim to promote inclusiveness through building productive capacities of young people, men, and women in entrepreneurship and businesses.

Additionally, UNIDO has been very active in promoting investments in businesses in agriculture and value chain development in harvesting, processing, transporting, and final sale of farm produces. UNIDO specifically emphasizes the importance of development through its mandate of inclusive industrial sustainable development. UNIDO organizes global forums and expert group meetings for experts to promote empowerment in rural communities, connect with rural farmers, and publicize specialized training manuals, guides, and electronic media for easy access of entrepreneurs to re-emphasize UNIDO objectives.
International and Regional Framework

The Lima Declaration on Industrial Development and Cooperation was adopted by UNIDO at its second General Conference in Lima, Peru in 1975.\textsuperscript{198} It 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.\textsuperscript{199} In 1975, General Conference of the International Labour Organization adopted the Rural Workers’ Organisations Recommendation 1975.\textsuperscript{200} These recommendations recognized the importance of rural workers, especially those in rural and developing communities, as agents for economic and social development.\textsuperscript{201} It recommends that rural workers should be given support in terms of education, training, and financial and material assistance in order to develop free and viable organizations for rural workers, capable of protecting and ensuring a positive contribution to economic and social development.\textsuperscript{202}

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.\textsuperscript{203} The 2013 Lima Declaration focused on a three-pillared approach of economic, social, and environmental solutions for inclusive and sustainable development.\textsuperscript{204} 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.\textsuperscript{205} 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.\textsuperscript{206}

In 2015, the UN adopted the 2030 Agenda for Sustainable Development (2030 Agenda), comprised of the 17 SDGs.\textsuperscript{207} The 2030 Agenda recognizes that rural communities play an important role in developing the economy of Member States and emphasizes the importance of rural industries, including agricultural businesses and fisheries.\textsuperscript{208} It also suggests that women are critical agents for this enhancement of agriculture.\textsuperscript{209} 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).\textsuperscript{210} 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.\textsuperscript{211}

\begin{thebibliography}{99}
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\bibitem{202} Ibid.
\bibitem{204} Ibid.
\bibitem{205} Ibid.
\bibitem{206} Ibid.
\bibitem{207} UN General Assembly, Transforming Our World: the 2030 Agenda for Sustainable Development (A/RES/70/1), 2015, p. 7.
\bibitem{208} Ibid.
\bibitem{209} UNCSD, The Future We Want, 2012, p. 30.
\bibitem{210} UN General Assembly, Transforming Our World: the 2030 Agenda for Sustainable Development (A/RES/70/1), 2015, p. 2.
\end{thebibliography}
Role of the International System

The fundamental mandate of UNIDO is to promote inclusive and sustainable industrial development. Hence, UNIDO proposes that development in rural communities should focus on growth in agribusinesses and agro-industry. UNIDO has developed a focused program for achieving sustainable industrial development in its Medium-term Programme Framework 2018-2021. It describes the first goal of UNIDO as creating shared prosperity to make opportunities accessible to everyone through developing agro-industries, which will promote agricultural production and a chain through which these agricultural products are produced and marketed.

On a regional level, UNIDO has recognized that, with 65% of its employment being in the agricultural sector, Africa holds a particular importance in terms of developing rural business. 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. This is realized through the linking of African producers to local, regional, and global markets and exploitation of international, regional, and local demand. UNIDO has additionally developed projects to empower women through livelihood diversification in rural communities. UNIDO equally encourages country partnerships amongst Member States to achieve industrial development. A functional implementation of this is fostering investments amongst government and the private sector.

UNIDO, in partnership with United Nations Conference on Trade and Development (UNCTAD), sustains an important role in researching, developing policies, and collecting and presenting data through publications of policy guidelines. In 2012, UNCTAD developed an Entrepreneurship Policy Framework to assist legislators and policy makers in Member States in their policy making when it relates to entrepreneurship. This framework helps developing countries to identify the key elements in entrepreneurship policy and formulate actions towards achieving entrepreneurship activities. UNCTAD, in collaboration with the Commonwealth, 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. It also suggests ways for national and regional governments to optimize the regulatory environment, enhance entrepreneurship education, and skill development, technology exchange, and innovation, and ways to promote awareness and networking.

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. FAO emphasizes building partnerships between public and private sectors, while focusing on specific objectives, like the inclusion of farmers in

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212 UNIDO, UNIDO in Brief, 2019.
216 UNIDO, Agribusiness for Africa’s Prosperity, 2019, p.17.
217 Ibid.
218 Ibid.
221 UNIDO, Inclusive and Sustainable Industrial Development, 2019.
223 Ibid.
224 Ibid.
225 UNCTAD, Policy Guide on Youth Entrepreneurship, 2015.
226 Ibid., p. 29.
small and medium agricultural enterprises. FAO does this through public-private partnerships and public-private-producer partnerships. The United Nations Development Programme (UNDP), alongside UNIDO, seeks to provide support for institution building and policy formulation. 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. The International Labour Organization is actively working to support youth entrepreneurs through rural youth empowerment. United Nations Economic Commission for Africa focuses on social development, women empowerment, and providing policy-oriented research for Africa’s social development. 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. 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.

**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. The Least Developed Countries Report 2018 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. Women residing in rural communities experience higher unemployment, and or underemployment due to insufficient formal jobs. This has caused UNIDO to focus on the knowledge, skills, technologies, and support for rural women to have access to greater entrepreneurial opportunities and training. UNIDO forms partnership with governments and private donors to generate income subsidies to enable rural women to actualize their initiatives.

Additionally, UNIDO develops gender-mainstreaming approaches to address the needs of women in realizing their economic potential. UNIDO stresses a strong partnership with the UN, the private sector, and Member States for gender equality and women’s economic development. Through education, investment, and empowerment, UNIDO promotes development of gender equality and women’s economic empowerment. For example, 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. UNIDO’s Gender Equality and the Empowerment of Women (2015) outlines policies on gender equality that are available for governments to cite and adopt.

228 Ibid.  
229 Ibid.  
231 Ibid.  
235 Ibid.  
238 UNCTAD, Policy Guide on Youth Entrepreneurship, 2015, p. 15.  
239 UNIDO, Women and Youth in Productive Activities, 2019.  
240 Ibid.  
243 Ibid.  
244 Ibid.  
Empowering rural youths through entrepreneurship

With limited formal employment opportunities available to young people in rural communities, particularly in developing countries, fostering an environment where entrepreneurship can thrive is becoming increasingly important.246 Entrepreneurship opportunities have been threatened by a lack of financing, poor technological investments and innovation, and disengaged societal attitudes in rural and developing countries.247 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.248

UNIDO works towards upgrading small business industrial infrastructure and investing in technology and innovations.249 Positive private and public investments by UNIDO have helped to minimize the key challenges.250 This is achieved through capacity-building activities and policies to furnish youth with necessary knowledge and skills to affect economic opportunities.251 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.252 Broad-based curriculum development programs, such as the Entrepreneurship Curriculum Programme (ECP), promote competitive entrepreneurial activities in secondary and vocational training institutions.253 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.254 The ECP is successfully implemented using information and communication technologies trainings and practical experiences in schools and universities to teach entrepreneurial skills in young people.255

Technology and Innovation for Agribusiness

Technology and innovation have proven to be important to the economic development of every country.256 Investment in technology therefore plays a central role in increasing the productivity of agribusiness and rural entrepreneurship.257 UNIDO has recognized that rural businesses, including those in the forestry and leather textiles industries, often have to utilize outdated or unsuitable technologies and equipment, which thereby impacts economic productivity and competitiveness.258 Initiatives such as the Agro-Industry Technology Unit work with local rural businesses in developing countries to provide technical assistance and technology upgrade projects.259 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.260

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.261 Using thorough research and development

246 UNCTAD, Policy Guide on Youth Entrepreneurship, 2015.
247 Ibid., p. 15.
248 Ibid., p. 15.
249 UNIDO, Advancing Economic Competitiveness, 2019.
251 UNIDO, Women and Youth in Productive Activities, 2018.
252 Ibid.
253 UNIDO, Entrepreneurship Development, 2019, p. 43.
255 UNIDO, Entrepreneurship Development, 2019, p. 43.
256 UNCTAD, Policy Guide on Youth Entrepreneurship, 2015, p. 10
259 Ibid., pp. 1-7.
in sustainable agricultural technologies, Member States can develop a strong agricultural system in rural communities. Additionally, diffusion of technology in creating new opportunities by UNIDO for business and venturing into entrepreneurship and agribusinesses to improve their competitiveness serves as a means to encourage Member States to increase their cooperation. This supports technology exchange and transfer and capacity-building programs for promoting entrepreneurship. UNIDO also works towards strengthening partnership between the private sector to promote SMEs and technology financing and transfer.

**Conclusion**

UNIDO works collaboratively with local rural communities in creating shared prosperity through agribusiness and rural entrepreneurship development. 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. 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. 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.

**Further Research**

Delegates should consider the following pertinent questions: What is your assessment of the balance between UN policy and implementation strategies, especially as it applies to the rural entrepreneurial development in developing countries? In assessing the adequacy of the existing policies, how can the international system address the needs of the rural entrepreneurs in developing and under-developed countries? 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 are some effective measures to overcome the existing challenges of strategy implementation especially as pertains to local needs and relation of the host rural communities? What challenges are present when implementing policies to promote sustainable rural entrepreneurship and businesses?

**Annotated Bibliography**

This is part of FAO’s work on sustainable markets, agribusiness and rural transformation, published in 2017, which 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 the Food and Agriculture Organization role of making agriculture business possible and effective.

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264 Ibid.  
265 Ibid.  
266 UNIDO, *Creating Shared Prosperity*, 2019.  
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.

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.

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.

The 2013 Lima Declaration was made at the 15th 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 help 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.

The ECP 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.

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goals#targetText=The%20United%20Nations%20Industrial%20Development,sustainable%20industrial%20development%20(ISID)


III. Achieving Resource Efficient and Cleaner Production

Introduction

Achieving resource efficient and cleaner production (RECP) by 2030 has increasingly become the focal point of the work of the United Nations Industrial Development Organization (UNIDO). 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. The interdependence between economic and industrial development and the environment had become clearer and stronger, calling for a transition into a sustainable industrial system.

In 1990, the United Nations Environment Programme (UNEP) 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.” Following UNEP, UNIDO resolution GC.5/Res.6 (1993) addressed RECP and requested its Director-General to implement environmental aspects into their work. The concept of RECP stems from the idea that preventing industrial waste, emissions, and pollutants would be easier than recycling and recovering them later. In other words, RECP aims to use natural resources efficiently and effectively to improve productivity, thereby protecting the environment and people. 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. Therefore, RECP requires preventative environmental policies that will increase productivity while reducing the risks to people and the environment.

UNIDO and UNEP both recognize the three pillars of RECP as production efficiency, environmental management, and human development. RECP is an umbrella term and is a preventative approach that has neither a legal nor scientific definition. For instance, waste minimization, pollution prevention, and green productivity all fall under the definition of RECP. UNEP has stated that the difference between RECP and pollution control is that while the former is preventative, the latter is reactionary. Eco-efficiency is also very similar to RECP; however, eco-efficient policies start from considering the economic efficiency that positively impacts the environment. This is contrary to RECP, which starts from environmental efficiency that impacts the economy positively.

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273 Ibid.
276 Ibid.
278 Ibid.
281 Ibid.
282 Ibid.
283 Ibid.
284 Ibid.
The United Nations (UN) defines industry as the collective general business activity carried out by economic units with similar types of productive activity. 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. UNIDO further coined the ‘greening of industry’, which is a method to achieve sustainable economic growth through improved resource efficient production. RECP is categorized under green industry, along with other concepts such as water management.

Despite UNIDO and other relevant UN bodies’ work, toxic waste and pollution remain problematic. The amount of hazardous waste that is produced worldwide is rapidly increasing, with industries being responsible for most of the conventional hazardous wastes due to lack of regulation. Additionally, the uncontrolled burning of hazardous and non-hazardous waste can harm human health and the environment. 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.

**International and Regional Framework**

During UNIDO’s General Conference of 2013, Member States adopted the *Lima Declaration: Towards Inclusive and Sustainable Industrial Development*. 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). Regarding RECP, the declaration decided that UNIDO shall assist Member States in implementing sustainable industrial development policies. 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.

The *United Nations Millennium Declaration* (2000) included goals that fall under RECP, such as Millennium Development Goal (MDG) 7 on ‘Ensure Environmental Sustainability’. The 2015 progress report on MDG 7 revealed improvements, such as 98% of ozone-depleting substances having been eliminated. However, targets regarding water and sanitation showed a lack of progress, and 116 Member States had not met them. Following the MDGs, the Sustainable Development Goals (SDGs) were established in 2015, addressing sustainable industrialization with SDG 9 on industry, innovation and infrastructure. 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. As of December 2018, UNIDO

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288 Ibid.
294 Ibid.
295 Ibid.
296 Ibid.
299 Ibid.
has implemented over 700 projects directly related to the SDGs, which include UNIDO’s work with UNEP, regional organizations, and Member States on RECP.\(^{302}\)

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.\(^{303}\) According to UNIDO, industry is responsible for nearly a third of the total global greenhouse emission.\(^{304}\) However, industry is also an active provider and creator of climate technology solutions and green jobs.\(^{305}\)

Therefore, in response to the *Paris Agreement*, UNIDO has focused on making industries in developing countries a means to build low-emission, climate-resilient societies to achieve RECP.\(^{306}\)

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.\(^{307}\) UNIDO adopted its MTPF in the most recent General Conference, during which UNIDO repeatedly reaffirmed its commitment to achieving resource efficiency.\(^{308}\) Among the priorities that are established within the MTPF, RECP falls under ‘Safeguarding the Environment’.\(^{309}\) 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.\(^{310}\) For instance, in 2018, UNIDO affirmed to scale up its approach to implementing RECP through the eco-industrial parks, bringing enterprises under a common management system and allowing knowledge-sharing on RECP.\(^{311}\)

**Role of the International System**

The 2013 *Lima Declaration* established RECP as a means to achieve ISID.\(^{312}\) One aspect of this is seen and can be realized through UNIDO’s mandate to assist in the implementation of major Multilateral Environmental Agreements (MEAs).\(^{313}\) Regarding RECP, this part of UNIDO’s work is most prominent with those MEAs created in response to the degradation of human health and the environment due to unsustainable and harmful industrial practices.\(^{314}\) 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 state parties.\(^{315}\) The implementation of MEAs is also vital in UNIDO’s overall mandate as it contributes to safeguarding the environment and leads to achieving RECP.\(^{316}\) To this end, UNIDO works collaboratively with Member States in capacity-building initiatives to implement and develop MEA policies.\(^{317}\) 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.\(^{318}\)

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\(^{302}\) UNIDO, UNIDO at the UN Climate Change Conference (Katowice, 3-14 December 2018), 2019; UNIDO, *Resource Efficient and Cleaner Production (RECP)*, 2019.


\(^{304}\) UNIDO, UNIDO at the UN Climate Change Conference (Katowice, 3-14 December 2018), 2019.

\(^{305}\) Ibid.

\(^{306}\) Ibid.


\(^{308}\) UNIDO, General Conference, Seventeenth Session, *UNIDO Activities In Energy and the Environment (GC.17/Res.4)*, 2017.


\(^{310}\) Ibid.


\(^{314}\) Ibid.

\(^{315}\) Ibid.


In response to the *Rio Declaration* and *Agenda 21*, in 1994, UNIDO and UNEP established the International Project on the establishment of National Cleaner Production Centers/Programmes (NCPCs/NCPPs). NCPCs/NCPPs are implemented in developing and transitioning countries to build capacity in applying and providing services on cleaner production. However, a 2008 research showed that though NCPCs have contributed greatly to applying cleaner production, a more systematic effort was required to implement RECP further. Learning from this, the Joint UNIDO-UNEP Resource Efficient and Cleaner Production Programme for Developing and Transition Countries was launched from 2012-2017. 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. The programme ended with the final workshop held in October 2018, with UNEP having regarded it an overall success. To this end, UNEP noted that the positive outcome was a result of the Programme’s engagement with stakeholders by combining application and policy dimensions. However, the programme 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. Moving forward, to improve upon the Joint Programme, UNEP has recommended that RECP programs adapt to various business models through a case-by-case identification of the options and experimentation.

Corporate Social Responsibility (CSR) is a concept in which businesses are to take into consideration environmental concerns and human rights issues. In this regard, UNIDO assists small and medium enterprises (SMEs) in meeting the standards established in CSR and includes RECP aspects into their operations. UNIDO’s approach to furthering CSR is based on a Triple Bottom Line (TBL) approach.

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320 Ibid.
321 Ibid.
325 Ibid.
327 Ibid., p. 94.
329 Ibid.
334 Ibid.
where there is an even balance between economic, environmental, and social aspects. The TBL approach has been proven to be a successful model for SMEs to implement, as it does not impede competitiveness and growth. UNIDO views CSR as an integral concept in implementing RECP, as well as achieving ISID.

**Thematic Application to Resource Efficient and Cleaner Production**

UNIDO has taken note that businesses and industries tend to use more resources and energy for production than necessary. This is particularly prominent in SMEs and industries in developing and Transitioning countries, which often lack information and inadequate competencies and resources. Globally, SMEs form the majority of enterprises in the private sector, regardless of the country’s income level. 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. 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. 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. Furthermore, UNIDO and UNEP have developed the initiative Promoting Resource Efficiency in SMEs (PRE-SME) that will help SMEs achieve resource efficiency. 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. Moreover, UNIDO has developed the Transfer of Environmentally Sound Technologies (TEST), which serves as a tool that can assist SMEs to foster their operation’s sustainability. To this end, TEST assists SMEs to initiate a cycle of continuous improvements in RECP measures and economic competitiveness to establish sustainable production. The effectiveness of TEST in optimizing energy efficiency has been proven by businesses such as one textile company in Tunisia. The process of energy audits and analyses, for which the TEST toolkit was used, revealed flaws in the company’s infrastructure that wasted electricity. Having addressed these issues, the company transitioned into an energy-efficient operation and was able to save more than it had invested in the new infrastructure.

Regarding cleaner production, the MTPF recognized the need to implement Chemical Leasing, which contributes to SDG 9 (industry, innovation and infrastructure). Unlike conventional businesses, with the Chemical Leasing system, suppliers do not generate revenue depending on the quantity of the chemical sold. Instead, the sales will be measured on the chemical’s function and purpose, creating incentives for businesses to adopt an RECP approach. This allows for more efficient use of chemicals and

335 UNIDO, *What is CSR?*, 2019.
336 Ibid.
337 Ibid.
343 Ibid.
345 UNEP & UNIDO, *Joint UNIDO-UNEP Resource Efficient and Cleaner Production (RECP)*, p. 11.
347 Ibid.
349 Ibid.
350 Ibid.
353 Ibid.
reduces health risks while improving economic and environmental performances.\(^{354}\) Additionally, Chemical Leasing is seen as one of the best business models that contribute to the realization of RECP and benefits both the business partners and the environment.\(^ {355}\) 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.\(^{356}\) For instance, a Ugandan company that implemented the Chemical Leasing model was able to reduce its annual CO\(_2\) emissions to 150 ton, while saving $350,000 annually.\(^{357}\) Furthermore, currently, one of UNIDO’s main focuses in meeting SDG 9, is to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change (1997) and Clean Development Mechanisms (CDM).\(^ {358}\) Developing countries may utilize CDM to reduce emission by trading one ton of CO\(_2\) with certified emission reduction credits, which can be traded, sold, and used.\(^ {359}\) Moreover, CDM provides flexibility to industrialized countries in how they meet their emission reduction limitation targets, in line with the Kyoto Protocol.\(^ {360}\) UNIDO recognizes CDM as an effective way to reduce emissions and promote sustainable development.\(^ {361}\)

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.\(^ {362}\) Promoting and enhancing the greening of industries can lead to safe and responsible production, which would benefit societies as it contributes to reduced costs.\(^ {363}\) For example, minimizing water pollution benefits consumers while at the same time also reduces public investment costs.\(^ {364}\) Furthermore, a new green production method can lead to the creation of new types of employment and access to a new market, such as advanced biomass cooking technologies.\(^ {365}\) Regarding this, by 2025, India is estimated to create roughly 900,000 jobs as a result of its shift in production to biomass gasification.\(^ {366}\) These transitions are expected to lead to the community’s or country’s transition into a green economy.\(^ {367}\)

**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.\(^ {368}\) One instance of this is by curtailing harmful pollutants that end up in water sources, therefore allowing more people access to clean water.\(^ {369}\) For areas dependent on agriculture, safe and responsible production will lead to sustainability and build the community’s resilience toward the damages caused by harmful pollutants.\(^ {370}\) Furthermore, UNIDO has recognized the effectiveness in identifying actors that are harming the environment, quantifying the damage, and linking the actors and the damage.\(^ {371}\) This allows for the establishment of a liability scheme, which can incentivize industries to accelerate their RECP measure implementation process.\(^ {372}\) For

\(^{354}\) Ibid.
\(^{355}\) Ibid.
\(^{356}\) Ibid.
\(^{359}\) UNFCCC, *What is the CDM*, 2019.
\(^{360}\) Ibid.
\(^{361}\) Ibid.
\(^{364}\) Ibid., pp. 18-37.
\(^{365}\) Ibid., p. 18.
\(^{366}\) Ibid.
\(^{367}\) Ibid.
\(^{371}\) Ibid., p. 71.
\(^{372}\) Ibid.
instance, the Danish Agreements on Industrial Energy Efficiency aimed to reduce CO2 by allowing partner enterprises to deduct their CO2 payments. In this case, should a partner enterprise show noncompliance, their tax rebate would be repealed. However, it should be noted that, in general, liability is not suited in cases where the damage cannot be linked to a specific actor(s), such as widespread pollution.

According to the 2015 Report by the Director-General of UNIDO, women are more likely to be affected by environmental changes worldwide, as they often lack socioeconomic independence. In this report, the Director-General emphasized the need to implement policies to safeguard the environment. 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. Regarding RECP, UNIDO is fully aware of the significance of recognizing women as a link between gender equality and safeguarding the environment. The 2015 Report also reported that, worldwide, women are vulnerable to pollution and resource scarcity, especially during pregnancy. Therefore, UNIDO’s Gender Equality and Empowerment of Women Strategy, 2016-2019 (2015) established four focus areas regarding safeguarding the environment, such as enhancing women’s economic empowerment and participation in decision-making.

**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. RECP is a concept that has become increasingly important to UNIDO’s work and uses natural resources efficiently to improve productivity while protecting the environment. To assist Member States with the implementation of RECP, UNIDO has worked closely with UNEP, leading to the establishment of initiatives such as NCPCs/NCPPs, the Joint-Programme, and the RECPnet. SMEs, which form the majority of enterprises in the private sector, tend to use more resources and energy for production than necessary. Therefore, UNIDO, often with the cooperation of UNEP, has created many programs and initiatives specifically to assist SMEs with the implementation of RECP. Additionally, UNIDO’s main work on clean production includes Chemical Leasing and CDM, both of which aim to achieve RECP while promoting economic growth. Furthermore, the lack of RECP policies can harm not only the

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373 Ibid., pp. 73-74.
374 Ibid.
375 Ibid., p. 71.
379 UNIDO, Gender Equality and the Empowerment of Women, 2019.
381 Ibid.
387 UNIDO, Chemical Leasing, 2019; UNFCCC, What is the CDM, 2019.
environment but also people in various ways. To this end, UNIDO has noted that the implementation of safe and responsible production can further RECP and green industries while decreasing the negative impact of industrial development on people. Moreover, UNIDO has taken note of vulnerable populations such as women and, based on its mandate, strives to assist the implementation of CSR and women economic empowerment and participation.

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


UNIDO and UNEP have both focused their work regarding RECP on SMEs, which constitute the majority of the 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.


The Medium-term Programme Framework, 2018-2021 has laid the foundation for UNIDO’s post-2015 work. It listed safeguarding the environment through RECP capacity-building 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.


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In the most recent 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 the most recent UNIDO resolution regarding RECP, understanding the content will allow delegates to comprehend UNIDO’s most recent decisions on the topic.


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.


TEST is an integral aspect of achieving RECP and is one of the initiatives UNIDO has repeatedly emphasized its importance. This report assesses the implementation of TEST in eight Middle Eastern Member States and Observer State, analyzing how companies in the region have planned and executed the initiative. Additionally, this report introduces how concepts such as CSR are integrated into TEST to achieve RECP. This report will prove useful for all delegates as it outlines the detailed process of the initiative, providing insight as to how TEST and UNIDO work on the ground.


The most recent annual report of UNIDO covers global initiatives regarding ISID, the four priorities of MTPF, regional activities, and other areas that pertain to UNIDO’s work. Regarding RECP, this report introduces prioritized areas such as green economies, SMEs, and TEST. Additionally, delegates will be able to find case studies with successful outcomes and regional frameworks with which UNIDO is in collaboration. It is highly recommended that delegates read this report to understand UNIDO’s most recent work regarding the topic in depth.

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