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## **Industrial Development Board**

### **Fiftieth session**

Vienna, 21–23 November 2022

Item 13 of the provisional agenda

### **UNIDO's operational strategy and implementation plan for LDCs 2022–2031**

## **Update on the preparation process of the UNIDO operational strategy for the least developed countries 2022–2031**

### **Report by the Director General**

In resolution GC.19/Res.3, Member States requested UNIDO to develop an operational strategy and implementation plan for the least developed countries (LDCs) 2022–2031, while ensuring alignment with the Doha Programme of Action for LDCs for 2022–2031 and relevant UNIDO strategic frameworks and policies, and to mainstream the new strategy into the Organization's overall work. The present report provides updates on the preparation process of the UNIDO operational strategy for LDCs 2022–2031.

## **I. Background**

1. In resolution GC.19/Res.3, Member States requested UNIDO to develop an operational strategy and implementation plan for the least developed countries (LDCs) 2022–2031. In response to this request, the Organization prepared a draft operational strategy for the LDCs 2022–2031 to be mainstreamed into the Organization's overall work through an implementation plan to be developed to cover the same period.
2. The Doha Programme of Action (DPoA) for LDCs 2022–2031 provides for renewed and strengthened commitments between the least developed countries and their development partners, including the private sector, civil society and governments at all levels. The DPoA was adopted at the first part of the Fifth United Nations Conference on the Least Developed Countries (UN LDC5) held on 17 March 2022 in New York and endorsed by the United Nations General Assembly on 1 April 2022 through resolution [A/RES/76/258](#). The second part of the conference will take place in Doha, Qatar, from 5 to 9 March 2023.

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3. UNIDO's mandate of inclusive and sustainable industrial development (ISID) is a crucial component of the 2030 Agenda for Sustainable Development, in particular for the LDCs. The Organization has a track record of successful experiences in a range of technical services that improve competitiveness, promote shared prosperity from industrialization and ensure environmentally sustainable industrial development. With its experience and expertise, UNIDO can play an important role in the implementation of the DPoA.
4. UNIDO is a key agency to support the implementation of the DPoA's third focus area on supporting structural transformation as a driver of prosperity, among others to: "promote inclusive and sustainable industrialization and, by 2030, double industry's share of employment and GDP in LDCs".
5. The UNIDO operational strategy for the LDCs 2022–2031 is expected to enhance the implementation of the DPoA through the delivery of UNIDO's tailored technical, normative and advisory services designed to accelerate sustainable industrialization in the LDCs leading towards their irreversible graduation.

## II. Formulation and consultation processes

6. The draft operational strategy for the LDCs 2022–2031 builds on the experience of the previous UNIDO Operational Strategy for the LDCs 2012–2021 and identifies potential areas of work based on past UNIDO work experience and Ministerial Declarations for the LDCs. The proposed areas of work are in line with the four core functions of the UNIDO medium-term programme framework 2022–2025: (i) technical cooperation, (ii) analytical and research and policy advisory services, (iii) normative functions and standards-related activities, and (iv) convening function and partnerships.
7. The draft operational strategy for the LDCs 2022–2031 was also developed in alignment with the DPoA for the LDCs 2022–2031 and relevant UNIDO strategic frameworks and policies, including the Organization's initiatives in support of global recovery efforts from the coronavirus disease (COVID-19) pandemic, as well as its strategies for country groups and cross-cutting issues.
8. The format of the draft operational strategy for the LDCs 2022–2031 consists of eight sections, as follows: (1) background, (2) mandate, (3) vision, (4) mission, (5) scope, (6) implementation of the operational strategy, (7) guiding principles aligned with the focus areas of the DPoA and 8) areas of work.
9. The focus areas of the DPoA form the basis for UNIDO's work to assist the LDCs for the decade 2022–2031. For each of the six DPoA focus areas, the draft operational strategy sets out a brief context using aggregated data from the LDC group, based on which it provides pathways deriving from the Organization's ISID mandate to support the LDCs in achieving the relevant DPoA targets.
10. UNIDO formulated the draft operational strategy through an internal consultation process with the technical cooperation departments, the Gender Equality and Empowerment of Women Unit and the Office of Strategic Planning and United Nations Engagement. In the formulation process of the draft document, UNIDO also consulted with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS).
11. On 19 September 2022, UNIDO convened a Development Dialogue to engage with Member States to inform the development of the operational strategy for the LDCs 2022–2031, including by collecting feedback on desired UNIDO areas of work and the overall vision and structure of the strategy. During the event, statements were delivered by representatives of the Permanent Mission of Malawi to the United Nations in Geneva on behalf of the LDC Chair, UN-OHRLLS and the Organization of African, Caribbean and Pacific States (OACPS). The feedback received from Member States during and following the event served to revise the draft operational

strategy, which will be presented for consideration by the fiftieth session of the Board through conference room paper IDB.50/CRP.8. The collected feedback will also support the formulation of an implementation plan for the operational strategy for the LDCs 2022–2031.

### **III. Implementation plan for the operational strategy for the LDCs 2022–2031**

12. Taking note of UNIDO’s technical and advisory services and as requested by Member States through resolution GC.19/Res.3, the Organization will develop an implementation plan to expedite the operational strategy for the LDCs 2022–2031 through the integration and scale up of UNIDO’s best practices and activities related to the sustainable industrialization of the LDCs.

13. The implementation plan will link the identified UNIDO actions areas to potential partners that could support the execution of the operational strategy with UNIDO. A resource mobilization plan targeting traditional and non-traditional donors, as well as a communication plan serving to attract public-private partnerships will be developed.

14. The review and consolidation of outcomes of the UNIDO Operational Strategy for the LDCs 2012–2021 have also informed the decision to build a monitoring, reporting and evaluation mechanism for the implementation of the UNIDO operational strategy for the LDCs 2022–2031. Therefore, all UNIDO technical, normative and advisory projects and programmes in LDCs to be developed under the operational strategy for the LDCs 2022–2031 shall be reported through pre-established sex-disaggregated indicators within the integrated results performance framework.

15. Currently, UNIDO has field offices located in 17 LDCs while the remaining LDCs are covered indirectly via other field offices. At the country level, the UNIDO field network will support strategic and programmatic consistency of the operational strategy with national development plans and will assist in the mobilization of partners and development finance institutions.

16. Lack of required capacity, instability and weak economic development performance in the LDCs pose significant challenges in realizing the full potential of the operational strategy’s proposed interventions. These challenges are further exacerbated by the highly volatile global environment. There are therefore several risks to fully realizing the objectives set out in the draft operational strategy for the LDCs 2022–2031 and mitigation measures will be proposed in the implementation plan accordingly.

### **IV. Timeline**

17. UNIDO will continue its engagements on the draft operational strategy for the LDCs 2022–2031 at the bilateral, regional and thematic level, as recommended by the Member States.

18. The draft UNIDO operational strategy for the LDCs 2022–2031 will be further presented at the UN LDC5 in Doha, Qatar, in March 2023. The conference will conclude the consultation process through direct feedback expected to be received on the strategy from a multitude of partners, including from the private sector.

19. As appropriate, and based on the guidance received from Member States, the final draft operational strategy for the least developed countries 2022–2031 will be presented for consideration by the fifty-first session of the Industrial Development Board with the objective to have it endorsed by the General Conference at its twentieth session in 2023.

## **V. Action required of the Board**

20. The Board may wish to take note of the information provided in the present document and to provide further guidance on the ongoing consultation process for the development of UNIDO's operational strategy and implementation plan for the LDCs 2022–2031, as applicable.

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