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Outlook on UNIDO activities in different regions

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Report by the Director General

In its decision [IDB.51/Dec.11](#), the Industrial Development Board adopted as part of the provisional agenda for the twentieth session of the General Conference, an agenda item on the outlook on UNIDO activities in different regions.

The present document provides a report on UNIDO's response to common regional priorities, including activities at the regional level that capitalize on synergies between stakeholders to create greater developmental impact at the country level. The Organization's regional activities are undertaken based on streamlined approaches and strategies, rationalized resource usage and focused messaging on its support to Member States at the regional level.

I. Background

1. UNIDO's strategic direction for the period 2022–2025 is articulated in the latest update of the medium-term programme framework (MTPF) ([IDB 51/10](#)). It builds upon the twofold objective of integration and scale-up at the country, regional, and global levels.
2. UNIDO Annual Reports inform Member States on the Organization's work in the different regions. In the UNIDO Annual Report 2022 ([IDB.51/2](#)) provides a detailed overview, including a common set of indicators, of the Organization's activities in Africa, the Arab region, Asia and the Pacific, Europe and Central Asia and Latin America and the Caribbean (LAC).
3. To provide common guiding frameworks for the Organization's collective, integrated, and scaled-up interventions, UNIDO has designed both regional approaches and country grouping strategies for least-developed countries (LDCs), middle-income countries (MICs) and small island developing States (SIDS).

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4. These approaches and strategies serve to ensure enhanced cooperation and partnerships to promote and accelerate inclusive and sustainable industrial development (ISID) in the targeted groups of countries.
5. UNIDO updated its regional approach and country grouping strategies last year to respond to emerging common priorities and challenges of the different groups of Member States and to align with UNIDO's organizational reform and its 2022 organizational structure.

II. Regional strategies

6. This section provides an overview of the status of UNIDO's regional approach and strategies aimed at enhancing the efficiency of the Organization's work and to better articulate its response to common regional priorities to advance the achievement of sustainable industrialization and SDG 9 (on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation). The geographical distribution is based on the coverage allocated to each of the Organization's Regional Bureaus.

A. Africa

7. UNIDO envisions an industrialized Africa, driving inclusive and sustained economic growth and prosperity.
8. UNIDO's strategy for Africa is anchored in the African Union's (AU) Agenda 2063 and backed by AU flagship initiatives, sectoral frameworks, and visions and strategies of the eight AU-recognized regional economic communities.
9. The strategy is embedded in global frameworks including the 2030 Agenda for Sustainable Development, the Doha Programme of Action for LDCs 2022–2031, the Vienna Programme of Action for LLDCs 2014–2024, SIDS Accelerated Modalities of Action Pathway, and the Third Industrial Development Decade for Africa (IDDA III).
10. UNIDO's Strategy for Africa 2023–2025 has been developed and informed by inputs from consultations held with the African Group on 27 February 2023 and on 20 June 2023, and with all Member States on 24 July 2023.
11. The strategy is structured around six key areas: (a) investing in people and transforming communities for shared prosperity; (b) enhancing firm- and industry-level productivity and competitiveness for productive transformation; (c) supporting the African Continental Free Trade Area implementation for accelerated regional productive integration; (d) promoting sustainable energy and just transition; (e) promoting sustainable growth and climate action; and (f) strengthening cooperation, strategic partnerships and innovative financing for industrialization.

B. The Arab region

12. UNIDO foresees industry-driven economic growth in the region that ensures inclusive and sustainable development.
13. UNIDO's common regional priorities in the Arab region are structured around four key areas: (a) supporting economic diversification and the shift towards higher-value-added industries to nurture productive growth; (b) improving competitiveness and boosting trade capabilities; (c) supporting digital transformation and promoting innovation; and (d) mainstreaming sustainable practices, including reducing carbon footprint, enhancing resource efficiency, promoting renewable energy sources, and facilitating the adoption of climate-friendly and circular practices.

14. UNIDO's approach to the region is aligned with the regional strategies for Africa and Asia and the Pacific. It will be periodically refined and updated based on inputs from Member States.

C. Asia and the Pacific

15. UNIDO envisions a continued upgrading of industries across the region to power equitable, green and sustainable economic growth.

16. UNIDO's strategy for the region is structured around three key areas: (a) supporting a transition towards higher value-added industries, enhancing competitiveness and fostering sector-specific development; (b) harnessing digital technologies, promoting innovation and creating an enabling environment for digital entrepreneurship; (c) mainstreaming sustainable practices, including reducing carbon footprint, enhancing resource efficiency, promoting renewable energy sources and facilitating the adoption of climate-friendly and circular practices.

17. Underpinning the strategy are the following principles and imperatives: (a) exploring economic governance mechanisms; (b) South-South collaboration; (c) facilitating government self-funding; (d) regional efforts to address the impact of coronavirus disease (COVID-19); (e) Using regional institutions for knowledge-sharing, including beyond technology cooperation; (f) addressing ISID challenges; and (g) expanding Programmes for Country Partnerships (PCPs) to increase efficiencies.

18. UNIDO's regional strategy for Asia and the Pacific will be enriched in the future through consultations with the Asia and the Pacific regional group of Member States.

D. Europe and Central Asia

19. UNIDO envisions a region with stable and human-centred green growth based on strengthened industrial capacities, clean energy and innovation and technology for the progress and prosperity of future generations.

20. The strategy for the region focuses on the following three key impact areas: (a) supporting the development of human capital with a focus on vulnerable groups, including women, youth, people with disabilities and displaced people; (b) strengthening the export capacities and competitiveness of micro-, small and medium-sized enterprises (MSMEs) and linking them to supply chains; (c) fostering modern, green and digital economies based on the principles of circularity.

21. UNIDO seeks to create high-quality jobs in industry and generate income opportunities for the region's population, support industrial upgrading and value addition to help firms produce products with high export potential, enhance quality infrastructure development and conformity to international standards, foster transition to renewable energy and energy efficiency, mainstream resource-efficient and cleaner production, as well as develop innovation ecosystems, support the retention of the skilled workforce.

22. UNIDO will present the regional strategy to and seek feedback from Member States from the Europe and Central Asia region.

E. Latin America and the Caribbean

23. UNIDO envisions a region of green industries driving competitive economies.

24. The strategy for the region is organized around six priorities: (a) striving for the adoption of industrial policies grounded in empirical evidence and reliable statistics; (b) supporting the transition to a circular economy; (c) promoting industrial decarbonization; (d) supporting MSMEs and entrepreneurs for job creation; (e) harnessing renewable energy and energy efficiency for productive uses; and

(f) putting people and small and medium-sized enterprises at the centre of digital transformation. Cutting across all priorities, the strategy strives to promote gender equality and empowerment of women and to enhance the exchange of knowledge and good practices, putting an emphasis on South-South cooperation and exploring regional synergies.

25. LAC Member States discussed and agreed on UNIDO's regional priorities at the high-level regional conference "SDG 9: Progress by Innovation in Latin America and the Caribbean" held in Panama City, Panama, from 18 to 20 October 2022, and its related action plan discussed in Bogotá, Colombia, from 14 to 16 March 2023. The regional priorities discussions informed the preparation of UNIDO's regional strategy for 2023–2025, which was presented and discussed at the biannual meetings with the regional group of LAC countries held in Vienna, Austria, on 11 November 2022 and 22 June 2023. In alignment with the action plan, UNIDO held a regional meeting on eco-industrial parks in Cartagena de Indias, Colombia, from 28 to 30 June 2023. This meeting responded to a specific request from Member States to enhance their understanding of the circular economy approach, with a particular emphasis on eco-industrial parks.

III. Country grouping strategies

26. UNIDO responds to the leading common priorities and challenges to effectively operate the structural transformation of selected country groupings, namely LDCs, MICs and SIDS through dedicated strategies. This section presents a general account of such strategies that seek to contribute to the acceleration of SDG 9 through focused and streamlined technical support and advice.

A. Least-developed countries (LDCs)

27. Through the 2021 Vienna LDCs Ministerial Declaration adopted at the 19th session of the UNIDO General Conference (GC.19/Res.3), Member States called upon UNIDO to develop its Operational Strategy for the LDCs and to mainstream it into the overall work of the Organization.

28. The Operational Strategy for the LDCs 2022–2031 envisions structural transformation of LDCs, where low-emission and climate-resilient industries, thriving agribusinesses, strong institutions, a dynamic private sector and a skilled labour force drive resilient, diversified and competitive economies that are well integrated into regional and global value chains for fair and responsible resource use and long-lasting prosperity of the population. The strategy also aligns closely with the key principles of the Doha Programme of Action for the Least Developed Countries for the Decade 2022–2031 (DPoA). The strategy includes six focus areas: (a) investing in people; (b) leveraging the power of science, technology and innovation; (c) supporting structural transformation; (d) enhancing international trade of LDCs and regional integration; (e) addressing climate change, environmental degradation, recovering from the COVID-19 pandemic and building resilience for future shocks; and (f) mobilizing international solidarity, reinvigorated global partnerships and innovative tools and instruments.

29. The strategy formulation process has been informed by the Development Dialogue with Member States on 19 September 2022, and via written feedback and guidance provided by Member States throughout its development process.

30. The final draft Operational Strategy for the LDCs 2022–2031 will be presented for adoption at the 10th edition of the Ministerial Conference of the Least Developed Countries on 23 and 24 November 2023, and for endorsement by all Member States at the twentieth session of the General Conference, under agenda item 21, titled "UNIDO activities related to the 2021 Vienna Ministerial Declaration for the Least Developed Countries". UNIDO will develop its implementation plan in coordination

with relevant stakeholders and continue reporting to its Member States on the results and activities in the LDCs, in line with the DPoA targets.

B. Middle-income countries (MICs)

31. UNIDO's strategic framework for partnering with MICs was adopted by Member States at its nineteenth session of the General Conference through resolution GC.18/Res.9. Member States requested UNIDO through the same resolution to develop a workplan for the implementation of the strategic framework. Following decisions by the subsequent sessions of the Board (IDB.49/Dec.11 and IDB.50/Dec.6), the workplan prepared by UNIDO was adopted and updated accordingly. The objective of UNIDO's cooperation with MICs through its workplan is to accelerate ISID, as well as to attain SDG 9 and its targets in MICs during the Decade of Action to deliver the SDGs. Progress in UNIDO's cooperation with MICs was reported to the nineteenth session of the General Conference (GC.19/18) and the fifty-first session of the Board (IDB.51/20).

32. UNIDO continues to implement its workplan for partnering with MICs. UNIDO carried out consultations and based on the inputs provided by Member States, the workplan was updated and presented to the fifty-first session of the Board (IDB.51/CRP.4). In July 2023, UNIDO, together with the Like-minded Group of Countries Supporters of Middle-Income Countries, organized a side event on "SDG 9 in Middle-Income Countries: Accelerating the Achievement of the 2030 Agenda" on the margins of the High-level political forum 2023 in New York. The event explored strategies and initiatives that can drive progress in MICs, enabling them to effectively generate employment, boost income levels, drive socioeconomic development, and preserve the environment by decoupling economic growth from natural resource depletion and pollution.

33. UNIDO identified and began implementation of several emerging initiatives covering its policy advisory, normative and partnership functions to strengthen its engagement with MICs beyond traditional technical cooperation according to the updated UNIDO workplan for partnering with MICs 2023–2025. Progress on UNIDO activities related to cooperation with MICs will be reported to the twentieth session of the General Conference (GC.20/17) under agenda item 22, titled "UNIDO activities related to cooperation with middle-income countries".

C. Small Island Developing States (SIDS)

34. Taking into consideration UNIDO's commitment to the Samoa Pathway and the recommendations provided in the Joint Inspection Unit (JIU) report on the review of the United Nations system's support for SIDS,¹ UNIDO formulated the SIDS strategy 2019–2025 to streamline and strengthen its interventions to accelerate ISID in SIDS. The strategy was adopted at UNIDO's General Conference in 2019 in Abu Dhabi (GC.18/Res.3).

35. Since 2019, the strategy has guided the Organization's technical cooperation and programmatic support to SIDS across a variety of thematic areas, including: capacity-building efforts for education; food safety and nutrition; economic growth; climate change; energy; trade and investment; oceans and seas; and strengthening knowledge and institutions.

36. A major area of work supported by UNIDO, as part of its normative work, is strengthening quality infrastructure system in selected value chains relevant to SIDS to ensure sustainability, promote competitiveness, create branding and facilitate global market access. Against this backdrop, UNIDO launched, in 2022, the regional

¹ Comprehensive review of United Nations system support for small island developing States: final findings (JIU/REP/2016/7): www.unjiu.org/sites/www.unjiu.org/files/jiu_document_files/products/en/reports-notes/JIU%20Products/JIU_REP_2016_7_English.pdf.

component of its project “Supporting quality and regulatory infrastructure, value chain-specific quality infrastructure services and quality culture promotion in the African, Caribbean and Pacific Group of States (ACP)”.

37. UNIDO is also recognized as a strong technical assistance partner in promoting innovative renewable energy and energy efficiency business models and approaches in SIDS, in particular through the Global Network of Regional Sustainable Energy Centers (GN-SEC) network, active in the Caribbean (Barbados); in the ECOWAS region (Cabo Verde); and in the Pacific (Tonga).

38. UNIDO will actively contribute to the fourth International Conference on SIDS, to be held in Antigua and Barbuda in 2024. The conference will result in an intergovernmental action-oriented political outcome document, which will outline SIDS priorities for the next 10 years. UNIDO will highlight its expertise and insights into sustainable industrial development, renewable energy, climate resilience and blue economy initiatives, addressing the specific needs and challenges of SIDS. Leveraging the inputs and outcomes from the Conference, UNIDO will update its SIDS strategy, ensuring that it aligns with the evolving priorities and demands of the SIDS community.

IV. Action required of the Conference

39. The Conference may wish to take note of the information contained in the present document.
