



General Conference

Twentieth session

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Item 9 of the provisional agenda

Forum on industrial development issues

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Issues paper by the Secretariat

The present document provides information on the events planned as part of the forum on industrial development issues, to be held in the plenary of the twentieth session of the General Conference, taking place from 27 November to 1 December 2023. It also provides information on additional topical side events to be organized as part of the programme of the Conference.

I. Introduction

1. GC.9/Res.1 introduced the forum on industrial development issues into the proceedings of the sessions of the General Conference, to share a common understanding of development issues by highlighting and discussing the fields relevant to UNIDO's technical cooperation activities.
2. This year's General Conference will take place under the overarching theme "Fair globalization: Innovative solutions for the industry of tomorrow". In this context, the forum on industrial development issues will build on the previous sessions to strengthen its role as a high-level platform for a stronger, more networked and inclusive forward-looking dialogue to forge new pathways to sustainability, digital inclusivity and economic resilience. Particular emphasis will be placed on the role of inclusive and sustainable industrial development to support sustainable supply chains, limit the climate breakdown and contribute to ending hunger towards the achievement of the 2030 Agenda for Sustainable Development in a post-COVID-19 world.
3. The twentieth session of the General Conference will continue to offer a single, streamlined schedule throughout the Conference, minimizing the amount of events taking place in parallel. Participants will thus be able to take part in all the Conference's events without having to miss any of the proceedings.

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4. Complementing the forum on industrial development issues, a number of topical side events will focus on matters related to the mandate of UNIDO and the theme of the Conference. These additional events are designed to allow stakeholders to jointly explore how problems of a global scale can be addressed through innovative cross-border and cross-sectoral solutions. Topics to be explored include clean hydrogen; critical minerals, metals production and a fair future for all; resilient supply chains for the energy transition; and inclusive artificial intelligence.
5. The events will be held in a hybrid format involving both in-person and virtual participation to allow the broadest possible participation and engagement of Member States and other stakeholders.
6. The events of the General Conference will provide a unique platform for an exchange of ideas and information between Member States and high-level development policy experts, private sector representatives, members of academia and development finance representatives.
7. Information on the timing and location of the events will be made available to all participants, inter alia, through the official UNIDO Conference website at www.unido.org/general-conference-20.

II. Events of the forum on industrial development issues

(a) Industrial Innovation Forum

Background

8. UNIDO will organize an Industrial Innovation Forum to allow its Member States and other partners to engage in a strategic dialogue on key aspects of industrial development with a view to identify solutions to pressing global challenges. The Forum is designed to present to UNIDO's Member States how the new strategic priorities set under Director General Mr. Gerd Müller, guided by his vision of progress by innovation, enable impactful multi-stakeholder partnerships for holistic industrial development and economic transformation. The new priorities of ending hunger, promoting sustainable supply chains and climate action lie at the heart of the multi-stakeholder dialogue of the Forum, since achieving an inclusive and sustainable industrial development, and by extension the Sustainable Development Goals (SDGs), calls for a broader range of resources than any single development partner can individually provide.

Issues to be addressed

9. **Food security and ending hunger:** The session titled "Ending hunger is possible – UNIDO's contribution" will highlight the importance of innovation for food systems transformation and its contribution to food security. In addition, the event will explore the linkages between innovation, investments and partnerships as prerequisites to address the global food security situation. The event will call for a global dialogue among governments, industry stakeholders and academia to further discuss and follow up on the key elements and needs of countries on the path to a food secure and sustainable future.
10. **Sustainable supply chains:** The session titled "Sustainable supply chains: Achieving fair globalization" will convene high-level speakers representing the public, private and development sectors from both industrializing and industrialized countries, to debate the roles and responsibilities of sustainability along supply chains. The dialogue will aim to address key related issues, such as the responsibility of actors to improve the environmental, social and good governance aspects of supply chains; the role of governments and the private sector; the root causes to be addressed; and global governance for sustainable supply chains.
11. **Climate action:** The session titled "Climate action: Accelerating net-zero and climate resilient industrial development" will convene high-level speakers to discuss

how to accelerate net-zero action and industrial decarbonization. The focus will be placed on cross-cutting and systemic solutions as well as the importance of coordination between key actors, including policymakers, industries, entrepreneurs and investors. The event will underscore the importance of applying holistic approaches to promoting net-zero industrial development, cutting across different industrial sectors through the engagement of various actors. This includes not only inventing new technologies, but also new ways of using existing ones, as well as creating new business models, novel consumer offerings, and new policies and regulation.

(b) Making gender equality a lived reality in industry

Background

12. The 2030 Agenda includes a gender-specific goal (SDG 5) as well as gender equality and the empowerment of women as a universal principle mainstreamed throughout all the SDGs, including SDG 9 on industry, innovation and infrastructure. Gender equality and the empowerment of women constitutes a high-level priority for the Organization as reflected in its key strategic documents, including the medium-term programme framework, 2022–2025 and the programme and budgets, 2024–2025, mirroring the twin-track approach of gender-specific actions and gender mainstreaming.

Issues to be addressed

13. To ensure fair globalization and industrialization, women’s full potential as agents of change needs to be harnessed. Efforts to actively counter harmful gender norms, roles and practices are also needed. This includes strengthening industrial norms and policy frameworks that contribute to gender equality. It also requires supporting the public and private sectors towards ensuring equal opportunities for women and men in decision-making, access to productive resources, and obtaining decent jobs in industry.

14. Halfway through the implementation of the 2030 Agenda, aiming to realize the SDGs, the objective of Goal 5 to achieve gender equality and the empowerment of women by 2030 is far off track. The industrial sector is a particularly male-dominated field that has the unique potential to become a catalyst for gender equality, thereby benefiting women and girls as well as economies and societies as a whole.

15. This high-level event will explore the roles of governments, the private sector and other stakeholders in ensuring that women and men equally lead and benefit from the double transition that is currently redefining industrial production: decarbonization and digitalization. The session will showcase how gender equality enables and constitutes an integral part of inclusive and sustainable industrial development. It will explore the potential of women as agents of change and it will highlight approaches to overcome structural gender norms and stereotypes that hold women back, thereby negatively affecting industries, economies and societies.

16. The event will also feature the presentation of UNIDO’s Gender Equality Mobilization Award.

(c) Industrialization in middle-income countries: A driving force for sustainable development

Background

17. Middle-income countries (MICs) are major drivers of global development and are critical to the achievement of the 2030 Agenda. They are a large, diversified group accounting for 30 per cent of global gross domestic product and 75 per cent of the world’s population, but also 60 per cent of the world’s poor. While the challenges faced by MICs vary by country, there are common issues that need urgent action and support from the international development community.

18. Many MICs remain in the “middle-income trap” and face issues of poverty and inequality, access to finance, especially concessional finance, human capacity-building, and limited infrastructure and technology. Recent global shocks have further amplified the vulnerabilities of MICs, constraining their progress towards sustained development. Over the past 50 years, MICs have become the source of almost 50 per cent of global industrial production. However, to further their structural transformation and sustainable development agendas, MICs also need support in moving forward with the green transition.

19. According to the World Bank country classification by income level, 105 UNIDO Member States are MICs.¹ They constitute the largest grouping of countries the Organization assists to accelerate sustainable industrial development.

20. The session will build on the outcomes of a side event jointly organized by UNIDO and the Like-Minded Group for Middle-Income Countries on the occasion of the in-depth review of SDG 9 during the 2023 high-level political forum on sustainable development, held in New York. It will also build on the momentum of the recent global discussions on development cooperation with MICs held at the SDG Summit, as well as the Eighth Ministerial Meeting of the Like-Minded Group for Middle-Income Countries held on the margins of the seventy-eighth session of the United Nations General Assembly.

Issues to be addressed

21. The event will provide a platform for high-level representatives of MICs to discuss gaps hindering progress and to exchange experiences applying innovative solutions for sustainable industrial development. Industrialization is essential for MICs to transition to high-income status, eliminate poverty and reduce inequalities, advance sustainable development and to increase their resilience to future external shocks.

22. The session will discuss the main challenges faced by MICs in advancing sustainable industrialization, showcase examples of effective national policies and practices, including access to financial means and investments needed for inclusive and sustained growth, new approaches to measure countries’ progress beyond gross domestic product, and opportunities for interregional and South-South cooperation.

23. The event is part of UNIDO’s continuous engagement with MICs in line with its “Strategic framework for partnering with middle-income countries”. It will contribute to the planning of the next set of actions to accelerate industrialization in MICs as a driver of sustainable development.

(d) Industrial policy for a fair globalization: Insights from the Industrial Development Report 2024

Background

24. The Industrial Development Report (IDR) is a biannual flagship publication and the major research output of UNIDO. The report covers the latest developments and trends in the area of industrial development in a global context, while each issue also focuses on different relevant aspects of industrial development.

25. The IDR 2024 addresses the theme of “Turning Challenges into Sustainable Solutions – The New Era of Industrial Policy”. Increasing global awareness on industry’s fundamental role in tackling key challenges of our time goes hand in hand with a strong resurgence of industrial policy. A resurgence that is primarily driven by the most industrialized countries of the world, which are taking the lead in the implementation of ambitious industrial policy packages and strategies to tackle development challenges. To achieve fair globalization, developing countries should

¹ Number as at 1 April 2023. The World Bank classification of countries by income is available at: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-andlending-groups>.

match these efforts to avoid being sidelined in the global industrial landscape, deepening an already alarming global divide. Solidarity and political will are needed to make fair globalization happen.

26. The IDR 2024 assesses the progress made so far by different developing regions in the achievement of selected SDGs and highlights the role that industry can play in supporting this process. The report also portrays the current industrial policy landscape of each region and identifies areas of opportunity for future industrial policy actions to further accelerate progress. Through this comprehensive approach, the report provides valuable insights and actionable recommendations to catalyse progress toward the SDGs and to harness the transformative power of industrial development in shaping inclusive, resilient and sustainable societies.

27. During the event, the main findings and messages of the report will be presented and discussed with a panel of prominent global experts and regional leaders. This discussion is expected to contribute to international efforts to accelerate the achievement of the SDGs by advocating for SDG-driven industrial policies.

Issues to be addressed

28. Industry can bring solutions to current global challenges and help rescue the SDGs. To ignite the power of industry, it is critical to have forward-looking and innovative industrial policies. It is also necessary to recognize the key opportunities and industrial policy solutions that takes into consideration specific local and regional circumstances of developing countries. The session will provide a platform for high-level policymakers to discuss the future of industrial policy and the support needed from the international community to accelerate industrialization in developing countries.

29. It will expound on the key findings of the IDR 2024. The event is expected to inform recent global discussions on the industrial policy space for developing countries and the reform of the international financial system.

III. Additional thematic events

(a) Driving a just hydrogen transition: Key enablers for clean hydrogen uptake and de-risking of investments

Background

30. Clean hydrogen² is being promoted as the fuel of the future for being clean, storable and portable. While it can serve as a clean energy carrier and storage option for renewable energy, clean hydrogen also has the potential to substitute fossil fuel to decarbonize hard-to-abate economic activities and creates unique opportunities for a net-zero industrial development for developing countries that have abundant renewable power potential. Achieving the 1.5°C scenario will require reaching 518 million tons of clean hydrogen production and usage annually by 2050. A ramp-up in the deployment of financing and technical assistance across the clean hydrogen supply chain is needed for developing countries to attain the full potential of socioeconomic and sustainable industrial development.

31. UNIDO's Global Programme for Hydrogen in Industry supports developing countries and transition economies to fully benefit from the new opportunities that clean hydrogen can contribute to net-zero industrial development and local value addition. It paves the way for job creation, skills upgrading and investment mobilization, and helps drive the development of a diversified and knowledge-based economy.

² Clean hydrogen refers to both hydrogen produced through electrolysis powered from renewable sources (i.e. green hydrogen) and hydrogen produced from natural gas reforming with carbon capture and storage (i.e. blue hydrogen).

Issues to be addressed

32. Transitioning industrial processes with clean hydrogen and enabling net-zero industrial development is crucial. However, the investment committed to hydrogen projects in developing countries remains low due to a number of persisting barriers and uncertainties in regulatory, economic and financing aspects. To overcome such barriers, countries require adequate policy and regulatory frameworks, investments, technical assistance, knowledge and skills development, and increased capacity to support their hydrogen industry.

33. There is a need to raise awareness and inform Member States on the potential of clean hydrogen to power a net-zero industrial development that is just and sustainable, leaving no country behind.

(b) Accelerating the green transition: Critical minerals, metals production and a fair future for all**Background**

34. Climate action and the transition to a net-zero economy will be metal-intensive: the production of minerals such as cobalt, graphite and lithium could increase by 500 per cent by 2050 in response to a growing demand for clean energy technologies. Ensuring responsible metal and mineral supply chains is a major priority in the international agenda and UNIDO has the technical expertise to assume a thought leadership and convening role.

35. During a Ministerial Roundtable at the second edition of the Future Minerals Forum in 2023, a key initiative for critical mineral and mining organized by the Ministry of Industry and Mineral Resources of Saudi Arabia, the Director General of UNIDO called for the establishment of a Global Alliance for Responsible Minerals. By forging such a multi-stakeholder global alliance, UNIDO would contribute to the advancement of responsible mining for the green transition and a fair future for all.

36. Responsible mining is aligned with the core objectives of integration and scale-up of UNIDO's medium-term programme framework, 2022–2025. It combines two interconnected focus areas: (a) climate-neutral industry and circular economy, and (b) digital transformation and innovation. Minerals are the critical resource required for green transition and digitalization. On the production side, minerals are the key inputs. With regard to technology adoption, minerals are essential for the production and procurement of chips required for the deployment of technologies.

Issued to be addressed

37. A transition towards a net-zero economy requires immediate and tangible actions taken by the private and public sectors. Future innovations for this transition will require a continuous supply of various metals and minerals. UNIDO can be a neutral broker and a global facilitator of an innovation platform for developing countries in these efforts. UNIDO could facilitate new innovative partnerships to contribute to safer, cleaner, more environmentally friendly, and diversified operations across the mineral value chain. Such a platform could further facilitate the green transition of the mining industry and ensure a fair future for all by supporting international standards; accelerating innovation in the sector, particularly in critical minerals; and promoting industrial development policies and capacities for downstream value additions. The aim of this side event is to foster responsible mining and to attain the first steps required for the establishment of the Global Alliance.

(c) Building resilient supply chains for the energy transition**Background**

38. Promoting green industrialization and establishing sustainable value chains for low-carbon technologies is pivotal in the effort to decarbonize the energy and transportation sectors to advance towards the global net-zero target. The adoption of technologies like solar and storage batteries has surged over the last decade, yet supply chains for these technologies remain largely concentrated in a handful of countries. This concentration is particularly pronounced among lower-middle-income countries and will present a bottleneck to accelerate energy transition.

39. The participation of developing countries in global supply chains remains relatively limited. For instance, in the solar industry, the International Solar Alliance noted that solar manufacturing in the middle- and low-income countries remains limited and is primarily concentrated in South-East Asia. Data from the Global Wind Energy Council also reveals analogous trends in other critical value chains, such as wind turbine and battery manufacturing, with China and the United States of America leading the production capacities, followed by the European Union member countries, Japan and the Republic of Korea.

Issues to be addressed

40. The energy transition presents an opportunity for developing countries to drive green industrialization especially given the resource endowment across the African continent. Key minerals are essential in the production of clean energy technologies, yet many nations export them without benefiting from the value addition created by the mineral processing and refining sectors. Middle- and low-income countries can increase their domestic value addition by localizing mineral processing and refining. These countries can also leverage their labour cost advantage to significantly reduce the manufacturing expenses of clean energy technologies. The goal to increase manufacturing value addition is in line with the Agenda 2063 of the African Union, which calls for a strong push for higher value addition and local manufacturing. The African Continental Free Trade Area is expected to be a key enabler, boosting intra-African trade by about 33 per cent and cutting trade deficit by 51 per cent. Improved investments in local manufacturing of clean energy technologies in Africa will accelerate the transformation of the energy sector, help achieve the energy access agenda, reduce trade deficit and create new decent jobs.

41. Achieving these goals will require a conducive policy and enabling environment, including investments in workforce upskilling to enable the production of clean technology.

(d) AIM Global: Inclusive artificial intelligence – Bridging the digital divide in industry and manufacturing**Background**

42. UNIDO's Global Alliance on Artificial Intelligence for Industry and Manufacturing (AIM Global) was launched on 6 July 2023 at the World Artificial Intelligence Conference held in Shanghai, China. This pioneering initiative aims to foster the responsible, sustainable and inclusive application of artificial intelligence (AI) in the industrial sector, in accordance with the United Nations Secretary-General's call to establish a Global Digital Compact that upholds shared principles for an open, free and secured digital future for all. AIM Global is a strategic initiative emphasizing the need for collaborative action towards responsible deployment of AI in addressing global challenges, making it a cornerstone to achieve inclusive and sustainable industrial growth in an era of fair globalization.

Issues to be addressed

43. Delivering direct impact on industrial competitiveness, productivity and efficiency enhancement, and job creation, frontier technologies, such as AI, are confronting the world with novel challenges associated with privacy, security, ethics and the equitable distribution of benefits among different nations and social strata. AIM Global recognizes the importance of bridging the digital divide between countries and industries, ensuring that no one is left behind in the AI revolution.

44. The event will seek to highlight AIM Global’s objectives to unlock the full potential of AI and create a global ecosystem that drives innovation, enhances productivity, and addresses manifold challenges associated with such technologies, facilitating digital transitions that reinforce resilience while establishing intersectoral linkages and new cooperation modalities.

IV. Action required of the Conference

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