



Industrial Development Board

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Inclusive and sustainable development in middle-income countries

Inclusive and sustainable industrial development in middle-income countries

Report by the Director General

This document reports on UNIDO's activities and strategic approach related to cooperation with middle-income countries (MICs) and outlines the scope and major initiatives for programmatic engagement between the Organization and MICs. It builds on the information provided in the last reports to General Conference (GC.20/16) and to the Board (IDB.51/20).

I. Background

1. According to the World Bank, 103 UNIDO Member States are currently classified as middle-income countries (MICs).¹
2. The UNIDO strategic framework for partnering with MICs was adopted by the General Conference at its eighteenth session in 2019, through resolution GC.18/Res.9. It aims to address the specific and diverse industrial development needs of MICs and therefore aligns with the Organization's strengths and expertise. UNIDO continues to operationalize the strategic framework through a workplan that supports the implementation of various programmes, projects and initiatives.

¹ Number as at 4 September 2024. The World Bank classification of countries by income is available at: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

For reasons of sustainability, this document has not been printed. Delegates are kindly requested to refer to electronic versions of all documents.



II. UNIDO workplan for partnering with middle-income countries

3. An updated workplan for partnering with MICs was submitted to and considered by the fifty-first session of the Board in conference room paper IDB.51/CRP.4. This updated workplan provides guidance for the formulation and implementation of various programmes, projects and initiatives implemented in MICs.

4. UNIDO's strategic framework and its implementation has been recognized by the United Nations system, including through a report of the Secretary-General on development cooperation with middle-income countries, which notes that UNIDO is the only entity with a specific strategic framework for partnering with MICs ([A/78/224](#)). The Rabat Declaration adopted at the High-Level Ministerial Conference on MICs, held in February 2024, in Rabat, also refers to UNIDO's strategic framework for partnering with MICs.

III. Emerging UNIDO initiatives

5. UNIDO's strategic framework for partnering with MICs and its workplan continue to guide the implementation of programmes and services for the benefit of MICs. In that regard, the Organization launched several new initiatives to strengthen its engagement with MICs beyond traditional technical cooperation.

A. Policy function

6. UNIDO effectively delivered policy advisory services to support MICs in addressing their development challenges. UNIDO launched the Global Clean Hydrogen Programme, which will initially provide country-specific support to eight middle-income countries in enhancing national institutional capacities, creating enabling policy frameworks, and improving technological readiness and financial mechanisms for the successful uptake of clean hydrogen.

7. UNIDO co-authored the policy report *Green hydrogen for Sustainable Industrial Development: A Policy Toolkit for Developing Countries*. At the country level, UNIDO laid the groundwork for the sustainable industrial recovery of Ukraine through the development of an industrial country diagnostics study. The Organization will also support Brazil in launching a new industrial decarbonization hub and a hydrogen hub by leading the implementation of the workplan. UNIDO will also host the secretariat of the industrial decarbonization hub.

8. Through the implementation of a regional e-waste project in Latin America, UNIDO assisted 13 countries in the region with tackling e-waste challenges. The project contributed to strengthening national e-waste management initiatives and upgrading e-waste dismantling and recycling facilities, as well as to enhancing regional cooperation and generating important data for decision-making in this area.

B. Normative role

9. UNIDO reinforced its normative work on standards and industrial policies to support Member States in achieving harmonious and balanced industrial development.

10. The Organization announced the establishment of the Global Alliance and Partnership for Responsible and Green Minerals in cooperation with international partners. The Global Alliance will work to set up international guidelines and benchmarks for sustainable critical minerals supply chains and will support countries with the implementation of standards and policies. UNIDO will coordinate two thematic pillars: (i) environmental, social and governance; and (ii) technical cooperation programmes.

11. Some of the country-level examples of normative activities include the formulation of norms for decarbonization. In Thailand, UNIDO announced a project to accelerate decarbonization opportunities in the cement and concrete sectors. A decarbonization road map for Morocco was also developed as a first step towards deep decarbonization of the cement and steel industry in the country.

12. UNIDO established the new Directorate of Strategic Planning, Programming and Policy, which is responsible for UNIDO's strategic planning and programming through the provision of coordinated and cohesive frameworks and policy advice. It also works to position UNIDO within the United Nations system to contribute to the implementation of strategies for the engagement of MICs.

13. UNIDO also developed approaches for each of the five operational regions to provide guiding frameworks for the Organization's strategic and programmatic engagements, including in MICs.

C. Convening and partnerships

14. UNIDO organized a side event during the twentieth session of the General Conference, on 28 November 2023, entitled "Industrialization in middle-income countries: A driving force for sustainable development". The event provided a platform for high-level representatives of MICs to discuss gaps hindering progress and to exchange experiences on innovative solutions for sustainable industrial development.

15. UNIDO contributed to the High-Level Ministerial Conference on MICs, which was held on the topic of "Solutions to Address Development Challenges of Middle-Income Countries in a Changing World", on 5 and 6 February 2024, in Rabat. Through the conference's Rabat Declaration, it was decided to work towards the elaboration of a Strategic Plan of Action for 2025–2030, in cooperation with the United Nations development system and relevant stakeholders. To support this process, the Declaration further welcomed the holding of an international conference in the Philippines. In this regard, UNIDO will provide support in collaboration with the Government of the Philippines.

16. UNIDO launched the new Global Alliance on Artificial Intelligence (AI) for Industry and Manufacturing Centre of Excellence together with China. Its aim is to promote best practices and technology transfer to the Global South to benefit from AI for accelerated development and to contribute to bridging the global digital divide.

17. A partnership agreement was signed between UNIDO and the Global Cement and Concrete Association to strengthen cooperation for decarbonizing the cement and concrete industry, with a strong focus on the Global South.

18. The second edition of the Multilateral Industrial Policy Forum (MIPF) will be hosted by the Government of Saudi Arabia in October 2024, in Riyadh. The MIPF aims to accelerate multilateral cooperation and coordination to advance industrial policy solutions and tools towards the achievement of the Sustainable Development Goal (SDGs). It will focus on the areas of AI, digitalization and automation in manufacturing; energy transition; and sustainable and resilient supply chains.

19. The World Without Hunger Conference is being co-organized by UNIDO, the African Union Commission and the Government of Ethiopia, with the technical assistance of the Food and Agriculture Organization of the United Nations, from 5 to 7 November 2024, in Addis Ababa. The event will consist of solution-oriented technical sessions, an investment forum and a high-level political forum that will result in the adoption of a declaration on achieving zero hunger.

D. Technical cooperation

20. Technical cooperation remains at the core of UNIDO's services for MICs. In 2023, the Organization was implementing over 300 national technical cooperation

projects in these countries. During this period, with the help of funding partners, UNIDO significantly increased mobilized funds. This, along with a strong organizational focus on responsiveness, has led to a higher level of technical cooperation service delivery.

E. Strengthening knowledge and coordination

21. UNIDO launched the newly revamped UNIDO Knowledge Hub,² a platform offering a unique set of resources designed to promote sustainable industrial development through the application of quality and standards.

22. UNIDO continued to implement the SDG 9 Accelerator³ for the Latin American and Caribbean region. Within the framework of the South-South and triangular cooperation mechanism of the SDG 9 Accelerator, eight knowledge exchange and technical cooperation initiatives were carried out in 2023 across eight countries in the region. These initiatives mobilized 10 experts and provided capacity-building to around 300 participants in regional priority areas, such as industrial policy, circular economy, digitalization, innovation, quality assurance and standards. The cooperation involved ministries of economy and industry of the participating countries, private companies, academia, civil society and other relevant stakeholders.

IV. Action required of the Board

23. The Board may wish to take note of the information contained in the present document.

² <https://hub.unido.org/>.

³ <https://sdg9accelerator.org/>.