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UNIDO Least Developed Countries MINISTERIAL CONFERENCE

VIENNA, AUSTRIA. 26-27 NOVEMBER 2015

Operationalizing ISID for LDCs THE PATH TO GRADUATION AND BEYOND





REPORT OF UNIDO SIXTH LEAST DEVELOPED COUNTRIES' MINISTERIAL **CONFERENCE**

Operationalizing ISID for LDCs: The path to graduation and beyond

26-27 NOVEMBER - 2015 VIENNA, AUSTRIA

Board Room D, Building C (4th floor)

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ACRONYMS:

CDP	Committee for Development Policy
ECCAS	Economic Communities of Central African States
EIF	Enhanced Integrated Framework
FAO	Food and Agriculture Organisation
G-77	Group of 77
GDP	Gross National Product
GIZ	Gesellschaft für Internationale Zusammenarbeit
GNI	Gross National Income
GVCs	Global Value Chains
HAI	Human Assets Index
ILO	International Labour Organization
IPoA	Istanbul Programme of Action
ISID	Inclusive Sustainable Industrial Development
ITC	International Trade Centre
LDCs	Least Developed Countries
Mol	Means of Implementation
MS	Member States
NSDP	National Strategic Development Plan
ODA	Official Development Assistance
OFID	OPEC Fund for International Development
OiER	Organisation for International Economic Relations
PCPs	Partnership Country Programs
PSE	Plan Senegal Emergent
RECs	Regional Economic Communities
SDGs	Sustainable Development Goals

SDGs	Sustainable Development Goals
SPS	Sanitary and Phytosanitary Standards
STDF	Standards and Trade Development Facility
TIKA	Turkish International Cooperation and Development Agency
UNDP	United Nation Development Programme
UNECA	United Nation Economic Commission for Africa
UNIDO	United Nation Industrial Development Organisation
UNODC	United Nations Office on Drugs and Crime
UN-OHRLLS	United Nation Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
WB	World Bank
WTO	World Trade Organization

BACKGROUND:

The Sixth UNIDO Least Developed Countries' (LDCs) Ministerial Conference entitled "Operationalizing ISID¹ for LDCs: the path to graduation and beyond" was held from 26 to 27 December 2015 in Vienna, Austria. The Conference took place at a defining moment in the history of global development cooperation, as the international community has adopted an ambitious and universal post-2015 development agenda at the United Nations Summit in September 2015. Consequently, the objective of the Conference was to create an opportunity for LDCs and their development partners to embark in an open dialogue to find a common understanding of how UNIDO's mandate of ISID can better integrate key priorities, goals and targets as set in the IPoA (Istanbul Programme of Action)² and the 2030 Agenda for Sustainable Development and ensures that it supports LDCs graduation endeavours.

The meeting served as a timely platform to assess and build upon UNIDO's contributions to the implementation of the IPoA and to underline how ISID constitutes a customized implementing instrument for SDG-9.

This conference was a sequel of great collective efforts, which began in 2007, and was further supported in 2011 by the adoption of the Istanbul Programme of Action (IPoA) at the Fourth UN Conference on LDCs in Istanbul, Turkey. The first LDC Ministerial Conference was held in Vienna, Austria, in 2007, in collaboration with the World Trade Organization (WTO) and the Group of 77 (G-77), under the theme "How Can Aid for Trade Transform LDCs?". The event showcased the key role of UNIDO in developing industrial productive capacity in least developed economies in order to ensure conformity of manufactured products with international norms. During this conference, UNIDO and the World Trade Organization (WTO) signed a framework agreement pertaining to the Standards and Trade Development Facility (STDF). UNIDO became an implementing and supervisory agency for the STDF, which is a WTO mechanism providing financing for technical assistance activities related to international sanitary and phytosanitary standards (SPS).

One year later, in November 2008, the second LDC Ministerial Conference was held in Siem Reap, Cambodia, and focused on the design of an industrial development agenda for LDCs. The Third Conference was organized in 2009 in collaboration with the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) under the theme "Impact of the Global Economic Crisis on the LDCs' Productive Capacities and Trade Prospects: Threats & Opportunities". As a result, Ministers in charge of industry endorsed a plan of action to help LDCs emerge from the global crisis and move towards a more

¹ The Lima Declaration, adopted by UNIDO's Member States in December 2013 in Lima, Peru, set the foundation for a new vision of inclusive and sustainable industrial development (ISID) and highlighted the role of industrialization as a driver for development.

² The Programme of Action for the Least Developed Countries for the Decade 2011-2020 that charts out the international community's vision and strategy for the sustainable development of LDCs for the next decade with a strong focus on developing their productive capacities, was adopted, along with the Istanbul Declaration, by the Fourth UN Conference on the Least Developed Countries, held in Istanbul, Turkey, on 9-13 May 2011.

sustainable industrial development. During the fourth United Nations Conference on LDCs (LDC IV) held in May 2011 in Istanbul, UNIDO, in cooperation with the Turkish International Cooperation and Development Agency (TIKA), hosted a side event entitled — "Enhancing the role of small and medium-sized enterprises (SMEs) in the agribusiness global value chains." The event contributed to shape the new development agenda for LDCs. LDC-IV resulted in the adoption of the action-oriented Istanbul Programme of Action (IPoA) for the decade 2011-2020.

Following the Istanbul conference, UNIDO organized its fourth ministerial conference in Vienna in December 2011 and adopted the UNIDO Operational Strategy 2012-2020. The strategy articulates concrete solutions leading to inclusive growth, industrial development and, ultimately, structural transformation of the LDCs' economies. UNIDO's operational strategy is based on three core pillars: (i) the conversion of commodities into products; (ii) the focus on vulnerable communities; and (iii) the regional dimension for value chain development. Youth and gender related policies are to be mainstreamed in all initiatives, as they constitute the largest and the weakest segment of LDCs populations.

The Fifth UNIDO Least Developed Countries' (LDCs) Ministerial Conference entitled "From the Istanbul Plan of Action to the world we want in 2015 and beyond: Implementing the UNIDO operational strategy" was held from 30 November to 1 December 2013 in Lima, Peru. The objective of the Conference was to leverage South-South cooperation as well as the BRICS (Brazil, Russian Federation, India, China and South Africa) and other emerging countries' support towards implementing the UNIDO LDCs Operational Strategy 2012-2020.

The Sixth Conference, held in Vienna, Austria, has been structured into six sessions over two days, each involving substantive presentations, panel discussions as well as Questions and Answers' sessions:

- Session 1: Ministerial debate on progress made by LDCs towards graduation;
- Session 2: SDG 9 and the path to graduation;
- Session 3: Mainstreaming ISID into national policies and programmes;
- Session 4: Making partnerships work: integration tools to foster private sector development in LDCs;
- Session 5: Means of implementation;
- Session 6: Sustainability and the way forward

PARTICIPATION:

The conference was attended by approximatively 300 participants, including Ministers, Ambassadors and Permanent Representatives, Heads and Deputies of International Organisations and Development Agencies, representatives from Regional Economic Communities, CEOs and Directors of various private sector entities, financial institutions and representatives from academia, from more than 70 Member States.

The following Least Developed Countries participated in the meeting:

Afghanistan, Angola, Bangladesh, Benin, Bhutan, Djibouti, Ethiopia, Eritrea, Guinea, Lao PDR, Liberia, Mozambique, Nepal, Niger, Uganda, United Republic of Tanzania, Yemen, DR Congo, Burkina Faso, Burundi, Cambodia, Chad, Comoros, Lesotho, Madagascar, Mali, São Tomé and Principe, Senegal, Sierra Leone, Sudan, Somalia, Togo, Timor-Leste, Zambia, Central African Republic, Mauritania, Equatorial Guinea, Gambia, Guinea Bissau, Haiti, Myanmar;

Algeria, Argentina, Austria, Belgium, Brazil, Bolivia, China, Chile, Czech Republic, Dominican Republic, Egypt, Ecuador, Guatemala, Jordan, Kuwait, Mexico, Morocco, Iran, Nigeria, Italy, Indonesia, India, Greece, Russian Federation, Turkey, Tunisia, Samoa, Saudi Arabia, Sri Lanka, Switzerland, Sweden also participated as observers.

Furthermore, the following international organisations and institutions also participated in the meeting: United Nation Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), Economic Community of Central African States (ECCAS), World Trade Organization (WTO), International Trade Centre (ITC), United Nation Development Program (UNDP), United Nations Organization for Drugs and Crime (UNODC), Food and Agriculture Organization (FAO), International Labour Organization (ILO), World BANK (WB), International Finance Corporation (IFC), Enhanced Integrated Framework (EIF), South Centre, Third World Network, OPEC Fund for International Development (OFID), Organisation for International Economic Relations (OiER).

In addition, more than 50 private sector entities from Austria, China, Cameroon, Germany, Italy Russian Federation, Poland, Turkey, Switzerland, Senegal, Sweden, USA, have participated in the sessions of the conference and the events on the side-lines of the conference.

AGENDA ITEM 1: OPENING OF THE MEETING

ELECTION OF THE BUREAU:

The 6th LDC Ministerial Conference opened with the remarks by H.E. Mr. Ahmed Abtew, Minister of Industry, Ethiopia, Mr. LI Yong, Director General UNIDO, Mr. Gyan Acharya, USG and High Representative of UN OHRLLS and H.E. Mr. Peter Launsky-Tieffenthal, Ambassador, Director General, Section for Development Cooperation, Ministry for Europe, Integration and Foreign Affairs, Austria.

The conference started with the election of the Bureau. Ms. Amita Misra, Director, Regional Programme and Field Representation Branch welcomed the guests to the conference after which H.E. Mr. Ahmed Abtew, Minister of Industry, Ethiopia, the Chair of the LDC Ministerial Conference 2015 was elected by acclamation.

OPENING SESSION:



Picture i.1. H.E. Mr. Peter Launsky-Tieffenthal on the right, Mr. LI Yong, H.E. Mr. Ahmed Abtew and H.E. Mr. Gyan Chandra Acharya on the right

In his induction speech, H.E. Mr. Ahmed Abtew thanked the participants for electing him and expressed the hope that the conference will provide an opportunity to clearly define the remaining barriers impeding LDCs' graduation, as well as identify possible ways to jointly overcome these challenges within the 2030 Agenda Sustainable Development, establishing linkages between Sustainable Development Goals (SDGs) and promoting the implementation and the mainstreaming of ISID into national development policies.

Mr. Li Yong, Director General of UNIDO, then took the floor to welcome all the guests to the Sixth LDCs Conference. He stated that the conference intended to showcase different experiences and lessons learnt and to ultimately and collectively attempt to coin a unique blend of both vision and action towards operationalizing Inclusive and Sustainable Industrial Development (ISID) to foster the socioeconomic transformation in LDCs.

Mr. LI Yong further noted that LDCs also need and should be part of the current transformative shift towards qualitative improvements to achieve economic efficiency, ecological compliance and social inclusion. Therefore, apart from infrastructure development (including renewable energy development),

special focus should be placed on critical elements such as: knowledge transfer, innovation and technology flows, inclusive and sustainable employment creation, environmental sustainability and partnerships for economic transformation. Mr. Yong stressed that UNIDO has consistently accompanied the LDC efforts towards structural change and economic growth and that the current UNIDO LDC Strategy 2011-2020 aims to fill the gap of inclusive and sustainable industrial development in LDCs. It contains UNIDO's commitments, which are articulated around the eight key development priorities of the Istanbul Programme of Action (IPoA). Emphasis is placed on equity at all levels through empowering the poor and marginalized and ensuring, inter alia, gender equality, inclusive and equitable economic growth and sustainable development for all.

In conclusion, Mr. LI Yong underlined that UNIDO remains committed to be a key strategic development partner to support LDCs sustainable graduation process.



Picture i.2. Opening Session. Audience

In his address, Mr. Gyan Chandra Acharya, Under-Secretary General and High Representative of the UN-OHRLSS expressed his appreciation to the UNIDO Director General Mr. LI Yong for organizing this important meeting and for the tireless support of UNIDO towards the industrialization goals and targets of the Istanbul Plan of Action. Mr. Acharya recalled the adoption of the Lima Declaration and ISID as crucial tools to foster structural transformation, economic

diversification, creation of jobs, together with environmental sustainability and partnerships building. He further highlighted that 2015 has been an extraordinary year for sustainable development, emphasising structural transformation and capacity building as key elements for poverty eradication and development in least developed countries.

Mr. Acharya further noted that economic diversification, while creating linkages within global value chains, particularly for commodity dependent LDCs, are critical. He then highlighted the need for entrepreneurship development and promotion of Small and Medium Enterprises (SMEs)³ and stressed that the comprehensive approach to the productive capacity building which was developed in Istanbul should be a top priority for the LDCs.

Insisting on the fact that LDCs have displayed strong leadership and that several of them have even moved towards graduation by developing a strategy with the support of development partners, Mr.

³ Small and medium-sized enterprises (SMEs) are non-subsidiary, independent firms which employ fewer than a given number of employees. (OECD, 2005, OECD SME and Entrepreneurship Outlook: 2005, OECD Paris, page 17)

Acharya stressed that graduation is not an end in itself. Rather it is a result of realizing that productive capacity building, as well as good governance and resilience have to be an integral part of it. He further highlighted the importance of strong international support, solidarity and mutual accountability as one of the crucial pillars of the rapid structural transformation and graduation of LDCs. Finally, he stressed that the LDCs have to use all necessary means to enable a smooth transition that will ensure consolidation of development gains and prevent them from sliding back from graduation.

In his opening remarks, H.E. Mr. Peter Launsky-Tieffenthal, Ambassador, Director General, Section for Development Cooperation, Ministry for Europe, Integration and Foreign Affairs, Austria focused on the Austrian contribution to sustainable industrial development in LDCs. He noted that access to finance and technology are crucial for industrialization. However, in order to make industrialization sustainable he highlighted three factors as essential: Good Governance, Human Capital and Infrastructure. He further noted that while the private sector is the main driver of industrialization and technological innovation, the role of government should be to create enabling environment for private sector development, to guarantee the rule of law, to formulate policies, and to create required incentives to make industrialization inclusive and sustainable.

In addition, Mr. Launsky-Tieffenthal underscored that vocational education and training programmes are particularly relevant, since they allow the necessary build-up of skills while the workers benefitting from the programmes remain an active part of the labour force. He stressed that Austria has implemented vocational education and training (VET) programmes in the framework of private-public partnerships as a cornerstone of its development cooperation and financed 147 business partnership programmes, benefitting 4.380 businesses and providing jobs to 880.000 employees around the world.

To conclude with, Mr. Launsky-Tieffenthal noted that infrastructure and energy, in particular, are crucial factors for sustainable industrialization and that the Government of Austria will continue to support LDCs on their path to graduation.

AGENDA ITEM 2: SESSIONS

Session 1: Ministerial debate on progress made by LDCs towards graduation

First session of the conference, entitled "Ministerial debate on progress made by LDCs towards graduation" was open to all participating Ministers. The role of the facilitators Mr. Yury Fedotov, Executive Director of the UN Office on Drugs and Crime, Mr. Magdy Martinez-Soliman, Assistant Administrator of the UN Development Programme and Mr. Yonov Frederick Agah, Deputy Director-General of the World Trade Organization, was to further ease and enhance the substance of the debates, from the perspectives of their respective organisations.

The session highlighted key factors, social and economic drivers that foster industrial development. Moreover, it enabled Ministers from LDCs and other stakeholders, including their development

partners, to discuss how ISID could better integrate the key priorities Istanbul Plan of Action (structural transformation, productive capacities and private sector development in particular), while ensuring that it reflects LDCs graduation endeavours. The debate also served as a basis for UNIDO's inputs in the upcoming comprehensive High-Level Midterm Review of the IPoA, to be held in June 2016, in Antalya, Turkey.



Picture 1.1. Mr. Taizo Nishikawa on the left and H.E. Mr. Ahmed Abtew

In his introductory presentation, UNIDO Deputy Nishikawa Director-General, Taizo Mr. highlighted that since the adoption of IPoA, UNIDO has been one of the first agencies to have mainstreamed the IPoA into its agenda. He further noted that with its operational strategy based on three pillars: i) Conversion of commodities into products (ii) empowerment of communities; and (iii) Regional industrial infrastructure for value chain development across border, UNIDO reiterated its full commitment to provide LDCs with the necessary enabling environment to overcome

the specific structural challenges they face, ensure smooth graduation and build up their economic capacities in line with its ISID mandate.

In addition, Mr. Nishikawa stressed that the lack of adequate and maintained infrastructure stands as a major impediment to the development of a wider and integrated economy, directly hampering the graduation aspirations of these countries. Therefore, tackling sporadic infrastructure and obsolete transportation systems should stand as a central priority to enhance the integration and participation of LDCs in the global economy.

Mr. Nishikawa further elaborated on the examples of how UNIDO supports LDCs in the areas of productive capacity building, agriculture, food security and rural development. He underlined that the organization intervenes indeed by developing entrepreneurship and productive activities for young people as well as promoting gender equity to ensure human and social development and encourage the development of entrepreneurial aptitude and skills. Mr. Nishikawa further highlighted the role of UNIDO in assisting LDC governments in building their policymaking strategies by providing tailored and timely advices, capacity building and facilitation services.

Conclusively, Mr. Nishikawa expressed his hope that the conference will foster joint responses and develop more partnerships to ensure graduation of LDCs, but also to pinpoint the correlation between industrialization, private sector development, and sustainable economic and social development in order to lay the basis of a prosperous inclusive growth for all.

The session was chaired by H.E. Mr. Gyan Archarya, USG and High Representative of UN OHRLLS, who invited the facilitators to share the perspectives of their respective organisations regarding the

implementation of the Istanbul Programme of Action and to elaborate on the different examples of how they support LDCs on their path to graduation.

Following the introductory presentation, Mr. Yury Fedotov, Executive Director of UNODC, welcomed all participants on behalf of The United Nations Office at Vienna (UNOV) and stressed that the Istanbul Programme was a major milestone in assisting countries in their transition towards greater development and greater prosperity for their population. He congratulated all the countries involved, as well as their international partners, including UNIDO, on the progresses already made.



Picture 1.2. H.E. Mr. Gyan Chandra Acharya on the right, Mr. Yury Fedotov, Mr. Yonov Frederick Agah and Mr. Magdy Martinez-Soliman on the left

He noted further that the 2030 Agenda for Sustainable Development specifically recognises that peace, security, the rule of law, human rights and development are silos, operating separate but interconnected and mutually reinforcing themselves. Mr. Fedotov elaborated on how effective and resilient institutions are crucial to achieve the Sustainable Development Goals and targets set by 2030 Agenda, including secure and peaceful societies that promote the

rule of law and seek to eradicate poverty. However, he noted that peaceful societies are also the foundation for sustainable industry and development.

Finally, he expressed his hope that by working together, both within and outside the UN, we can continue to make people's lives safe and secure, and by doing so, improve sustainable development within least developed countries.

Mr. Magdy Martinez-Soliman, Assistant Administrator of the UN Development Programme, stressed that UNDP, as an important partner to LDCs, is ready to work with all LDCs to facilitate sharing experiences among countries on strategic areas of the IPoA and the Agenda 2030, particularly on how to ensure that industrial development is inclusive and sustainable. UNDP's strategic plan identifies three core areas of work for the period 2014-2017: (i) the design and implementation of sustainable development pathways; (ii) inclusive and effective democratic governance; and (iii) building resilience. These work areas resonate closely with the priorities identified in the IPoA and are of crucial importance for achieving the IPoA's goals.

Mr. Magdy Martinez-Soliman further noted that with a growing portfolio in the renewable energy, energy efficiency, and energy access fields, UNDP is working with partners towards two interconnected objectives: 1) ensuring universal access to modern energy for the poor and 2) enhancing quality, security and affordability of modern energy which is critical for industry and manufacturing.

Agreeing with what has been already mentioned, Mr. Yonov Frederick Agah, Deputy Director-General of WTO, stressed that inclusive and sustainable industrial development and trade are complementary and do reinforce each other. He further highlighted the importance of improved market access and trade in

supporting industrial development. Just as the development of industry fosters trade, new firms expand their exports and that both exports, supporting industrial growth and diversification of the productive base due to new and larger markets, and imports, are being considered essential for competitiveness and integration into regional and global value chains, and crucial to achieving inclusive and sustainable industrial development.

Mr. Agah put the focus on the collaboration between WTO and UNIDO in helping LDCs on their path to graduation and stressed that mainstreaming inclusive and sustainable industrial development in national development strategies should go hand in hand with mainstreaming trade in national development strategies.

The Ministerial debate on 'progress made by LDCs towards graduation' discussed the synergies between the Sustainable Development Goals and the IPoA and underlined structural transformation, productive capacity building and private sector development as necessary to achieve the objectives set by IPoA and the Agenda 2030. In addition, the debate underscored the need for strong and resilient countries that will actively promote development through public investments, business-friendly regulatory frameworks, and smart coherent policies that will put people's concerns at the forefront of government action.

Session 2: SDG 9 and the path to graduation

The focus of this session was placed on Sustainable Development Goal Number 9, outlining its characteristics and implications within the ISID mandate -and beyond-. Following the highlights of the latter, discussions then aimed at studying more in detail the patterns of graduation of least developed countries. The session was moderated by Ms. Heidi Schroderus-Fox, Director of the Office of UN-OHRLLS and Ms. Amita Misra, Director of UNIDO's Regional Programme and Field Representation Branch.



Picture 2.1. Ms. Heidi Schroderus-Fox on the right and Ms. Amita Misra on the left

In his introductory presentation, Mr. Sarwar Hobohm, Director of UNIDO's Office for Strategic Planning, Coordination and Quality Monitoring, gave a comprehensive overview of the three main pillars of SDG 9, UNIDO's mandate and the IPOA and the linkages between those. Mr. Hobohm stated that UNIDO is indeed perceived as a reference institution for the implementation and monitoring of Goal 9, which acknowledges that industrialization is the main driver of sustained economic growth and a global objective that reaches to the

economic, social and environmental aspirations of all. Mr. Hobohm resumed UNIDO's vision, stressing its four overarching principles: no one is left behind in benefiting from industrial growth; every country achieves a higher level of industrialization; broader economic and social progress is supported within an

environmentally sustainable framework; new approaches are introduced to harness and share available knowledge, technology and innovation. Mr. Hobohm continued by presenting the eight priority areas of the IPoA: productive capacity building –including in infrastructure, energy, private sector development, agriculture - food security and rural development; trade, human and social development, including women's empowerment, mobilization of financial resources and good governance. The operationalization of ISID, in line with the focus on these priorities is then realized through the three main pillars: creating shared prosperity, advancing economic competitiveness and safeguarding the environment.

Ms. Schroderus-Fox, after briefly discussing the MDGs and the newly adopted SDGs as well as the status of the IPoA, underscored that the Comprehensive high-level midterm review in June 2016 represents a great opportunity to look further into their implementation. She opened then the floor to the panelists, starting with H.E. Mr. Francis Mokoto Hloale, Minister of Development Planning, Lesotho, who brought instructive insights from his country's perspective.

H.E. Mr. Francis Mokoto Hloale stated that unfortunately, Lesotho does not meet the criteria for graduation for the LDCs yet, as it is still weak on domestic infrastructure and highly dependent on Official Development Assistance (ODA). Mr. Hloale insisted that the country is nevertheless looking closely at SDG9, the IPoA, ISID and the global Agendas and willing to implement them through the National Strategic Development Plan (NSDP)⁴. H.E. Mr. Francis Mokoto Hloale highlighted the fact that Lesotho is now also aiming at implementing a national jobs creation strategy. In this context, four sectors as key components of sustainable development driven by private sector have been identified: agriculture, tourism, mining and manufacturing. Finally, Mr. Hloale underscored that there is still a tremendous need for strong political leadership and more partnerships between the private and public sector.

H.E. Ms. Elllen O. Pratt, Deputy Minister for Industry and Inspector General of Liberia, then continued by analyzing the main constraints to the private sector manufacture in LDCs. She stressed that SMEs are at the roots of economic "empowerment" and sustainable growth, as SMEs (small and medium-sized enterprises) account for 60 to 70 per cent of total global employment and for approximately 50 per cent of the global GDP. The challenge is that the majority of the LDCs operate on informal economies that impact mostly young people.

Another challenge that Ms. Pratt identified is that companies in Liberia are not provided access to finance and long term capital and that there is lack of proper financial instruments that could mitigate the risks associated with SMEs. Development of infrastructure for electricity, roads, telecommunication and water networks is also lacking in Liberia and the country's judicial system is dysfunctional. Ms. Pratt also mentioned low human capital, political instability and corruption as serious obstacles to achieving sustainable development. After proposing several solutions to various challenges, Ms. Pratt proposed that a focus should be placed on youth—one of Liberia's biggest strengths.

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⁴ National Strategic Development Plan (NSDP) is a manual of priority programs to be implemented by nine Ministries within their mandates.



Picture 2.2. H.E. Mr. Jean Francis R. Zinsou on the left and H.E. Ms. Elllen O. Pratt on the right

In his quality of Co-Facilitator for the Mid-term Review of the Istanbul Programme of Action, H.E. Mr. Jean Francis R. Zinsou, Ambassador and Permanent Representative of Benin to the UN in New York, shared his expertise on the IPOA and talked further about the challenges of integrating the SDGs. The SDGs, compared to MDGs, address global development policies, and not only the challenges developing countries are facing. In this perspective, H.E. Mr. Jean Francis R. Zinsou underscored that

productive capacity building should be a top priority, alongside with the industrialization and technology transfer which are identified as major game changers. Mr. Zinzou then explained more in detail the role of the Committee for Development Policy (CDP) mandated to review the category of LDCs every three years under the evaluation of the following three main criteria: the per capita Gross National Income (GNI), the Human Assets Index (HAI)⁵ and the economic vulnerability to external shocks (EVI).

Ambassador Zinsou underlined the importance of economic diversification and innovation on the path to graduation, as well as the access to finance, which was highlighted during the Addis Ababa Conference on Financing for Development to create a better framework for domestic resources mobilization. Mr. Zinsou stressed that development of physical infrastructure is also crucial for LDCs. Taking into account regional priorities, he showed that Asia and Pacific LDCs are in a favorable condition now, with the high diffusion of technology and the acceleration of their industrialization through the delocalization of labor intensive production. For African LDCs instead, he stated that graduation still requires a major focus on innovation and modernization of agriculture infrastructure.

Ms. Bhumika Muchhala, Senior Policy Researcher at the Third World Network, then shared her expertise related to Financing for Development (FfD). Stressing the outcomes of the Third International Conference on Financing for Development, she pointed out that the SDGs contain clear Means of Implementation (MoI) regarding the economic aspects of ISID, as they encompass financial resources, technological development and transfer as well as capacity building. Ms. Muchhala highlighted three key deliverables: the technology facilitation mechanism; the global infrastructure forum and illicit financial flows joint with tax evasion. Ms. Muchhala focused then more on the modalities of structural transformation as well as on the building process of productive capacities. Regarding those fields in the specific case of LDCs, she identified six areas where the relaxation of constraints is important: public investment and infrastructure; nurturing SMEs; financial inclusion and access to domestic credit; technology; jobs; and finally, gender equality. At the end of her presentation, Ms. Muchhala identified three paths to be taken to move forward: regional economic integration; social dialogue -seen as a form of accountability; and impact assessments.

⁵ Human Assets Index (HAI) is based on the indicators of nutrition, health, education and adult literacy rate.

Mr. Jan Wouters, from the Leuven Centre for Global Governance then analyzed the specific question on how LDCs benefit from experiences from other developing countries. According to Mr. Wouters, one of LDCs' main challenges is the lack of proper national institutional framework for technical assistance. Mr. Wouters illustrated this problem through the example of the emerging initiative on global climate financing, which infrastructure is completely fragmented and decentralized, as at the moment there is no common definition of global climate financing system. Adequate strategies in global governance for LDCs don't exist at the moment, as they are still marginalized. The results of the 'Network for Prosperity Report', produced by the Leuven Centre in collaboration with UNIDO, show that innovative governance mechanisms have not been successfully integrated by LDCs. Mr. Wouters ended his presentation by emphasizing gender issue as promoting education and work opportunities for women in LDCs are main drivers of growth and development.

The additional remarks of Ambassador Ms. Rebong, Chairperson from the G77 in Geneva, closed the session mentioning the importance of the Sustainable Development Agenda that recognizes the special conditions of the LDCs, as their specific growth patterns must indeed be taken into account for efficient structural transformation and sustainable development for all.

It was agreed that Inclusive and Sustainable Industrial Development (ISID) with its main pillars of creating shared prosperity, advancing economic competitiveness and safeguarding the environment, is one of the key tools for the implementation of the IPoA and SDG 9.

Session 3: Mainstreaming ISID into national policies and programmes

Session 3 focused more specifically on mainstreaming Inclusive and Sustainable Industrial Development (ISID) into national policies and programs. It was moderated by Mr. Augusto Luis Alcorta Silva Santisteban, Director, Industrial Policy, External Relations & Field Representation, Division, Research, Statistics and Industrial Policy Branch at UNIDO, who underlined that making ISID part of governments' economic and development policies is indeed under UNIDO's mandate and lies at the core of the Sustainable Development Goal number 9. Crystallized by the Lima Declaration of 2013, UNIDO aims at operationalizing this approach through the Partnership Country Programs (PCPs)⁶.

Mr. Alcorta identified ISID policy objectives for LDCs such as: economic diversification and investment – from agriculture to a more thriving manufacturing sector-, technology transfer, skills development and pollution abatement. To successfully implement ISID, he also highlighted the need to bundle technology, industrial and competitiveness policies as well as the need for a strong political leadership, long term commitment, the necessary strengthening of the government institutions as well as the need for innovation, learning by doing and evaluating. Mr. Alcorta then introduced the first panelist, H.E. Mr.

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⁶ In order to operationalize the partnership approach, UNIDO has developed a new type of assistance package for its Member States: the Programme for Country Partnership (PCP). The PCP is a custom-built partnership formula with each beneficiary country maintaining ownership of the complete process by defining its needs and required support, and finally ensuring the success of its delivery.

Amir Hossain, Minister of Industries of Bangladesh, who is this year's Chair of the LDC group of the UN-OHRLLS.

H.E. Mr. Amir Hossain initiated then the panelist's round of presentations, talking about his own country, Bangladesh, which recognizes ISID as the guiding principle of the industrial development in LDCs. Recalling the adoption of Bangladesh's most recent 7th Five Year Plan that set a target of an average industrial growth of 7.03 per cent, he underlined that there is a need for establishment of a private sector export led growth strategy, reinforced by a strong global partnership including South-South Cooperation in achieving a higher level of industrialization. This way, as H.E. Mr. Hossain underscored, Bangladesh could benefit from the globalization of markets for industrial goods and services and broaden national economic and social growth within an environmentally sustainable framework.

H.E. Mr. Cristian Breitenstein, Minister of Industry, Technology and Sciences from Argentina described then the situation in the Province of Buenos Aires more specifically. The province accounts for 132 new industrial clusters and illustrates the establishment of a successful social policy, with the local governments seen as engines of inclusive and sustainable industrial development. Mr. Breitenstein highlighted that the quantitative and qualitative growth of industrial parks in Buenos Aires has had very positive social impacts as it has initiated the creation of new employment opportunities. It has also been essential as it has shifted focus on vocational training. Mr. Breitenstein mentioned that 80% of industrial parks are inland, which promotes the development of federal land and is a major step in bringing development inland and strengthening regional economies with enhanced work with schools and universities.

H.E. Mr. Hippolyte Dah, Minister of Industry and Commerce of Burkina Faso then took the floor. He stressed that since 1991, Burkina Faso has indeed engaged in a process of liberalization of its economy, implementing then since 2011 a sustainable development strategy with the private sector as main driver of growth. In this perspective, Mr. Dah highlighted a number of measures that were taken in line with the 2030 Agenda for Sustainable Development in his country. He pointed out that there has also been a regain of interest for poles for development and growth that directly allowed the creation of new jobs and a huge increase in the agricultural production with the extension of new potential zones of industrial growth -including the Sahel Pole and a new focus on eco-tourism-. The challenges to be tackled in the future will be the limitation of the state's resources, including the poor offer in terms of energy availability, which is a common problem to many West African countries. In the future, Mr. Dah suggested that new policies should be adopted to invest more in renewable energies and mobilize the actual national resources.

Mr. Manuel Montes, Senior Advisor on Finance and Development at the South Centre, shared then his views on Sustainable and Industrial Development. Mr. Montes insisted on the fact that according to the Agenda 2020, without industrialization, there will be no solution to poverty and without poverty reduction, there will be no sustainable development. As the LDCs are dealing with highly unstable international economic system, it is important to expand their policy space. Therefore, Mr. Montes stressed that in order to reduce commodity dependence, the countries should build increased value

added both for exports and domestic consumption; process food products domestically more intensively; as well as reduce trade dependence through trade policies. He also recommended that financial booms and busts should be controlled through regulations of capital account, interest rate controls and the leadership of the private sector. According to Mr. Montes, within the policy sector, focus should then be on trade, control capital inflows/outflows, performance requirements on foreign investment and domestic resource mobilization and tax revenues. Mr. Montes also called for major attention to be devoted to employment and growth, as stated by SDG8, and technology and trade policy, using Middle Income Countries (MICs) as anchors to regional economies and key markets for LDCs.

Mr. Moazam Mahmood then gave his insight from the perspective of International Labor Organization (ILO), showing the trends of global growth and the vulnerability of LDCs' budgets to commodity price fluctuations. Mr. Mahmood proved by numbers and figures that even if progresses have been made, still much needs to be done, especially in Africa and Asia, as industry led GDP growth in LDCs did not result in concomitant employment growth in industry but rather in services. To improve employment and raise productivity, Mr. Mahmood stressed that export and sectoral diversification is needed from commodities to manufacturing, with an increase in investments. According to Mr.Mahmood levels of education should be dramatically raised as well as the institutional capabilities to provide training should be improved. Finally, Mr. Mahmood recommended that LDCs should step up their efforts to extend social protection to larger groups of the population, including a minimum level of income security and effective access to health.



Picture 3.1. H.E. Mr. Hippolyte Dah on the left and Mr. Boubaker Ben Belhassen on the right

Mr. Boubaker Ben Belhassen, Director of Trade and Markets Division from FAO, was the last panelist of the afternoon session. He has given an insight from the FAO standpoint, presenting five main strategic objectives of the field programs of the organization: the eradication of hunger; making agriculture more productive and sustainable; the reduction of poverty, the establishment of efficient agriculture and food systems and strengthening/building resilience of livelihoods to threats and crisis. As 75% of the poor live in rural areas and depend thus

directly on agriculture, Mr. Ben Belhassen insisted that international community should make sure that food and agriculture sector is fully part of the SDGs and make it more inclusive. In relation to ISID, he showcased the FAO approach of the 'three I': for 'Inclusiveness', 'Investment' and 'Implementation'.

During the session, as important factors to mainstream ISID into national policies and programs were carefully analyzed, the related challenges for most developing countries, particularly LDCs, were brought up, while participants aimed at proposing solutions to sustain the process of industrialization in LDCs. It was agreed that the conscious effort should be placed on the three main pillars of sustainable development: sustained economic growth, social inclusiveness and environmental sustainability – if the

international community is to embrace the full benefits of ISID on much more evidence-based, consensual and transparent interventions.

Session 4: Making partnerships work: integration tools to foster private sector development in LDCs

The second day of the conference was opened with the session on 'Making partnerships work: integration tools to foster private sector development in LDCs'. The session was moderated by Mr. Alieu Secka, Chief Executive Officer, Chamber of Commerce and Industry, Gambia.

In his introductory presentation, Mr. Gerardo Patacconi, Unit Chief of the Business, Investment and Technology Service Branch at UNIDO, highlighted some challenges related to the private sector development in LDCs and how partnerships with private sector institutions could foster the development of productive capacities. He compared African and Asian LDC' integration into global value chains and pointed out that African LDCs shall focus on agribusiness while Asian LDCs should focus on manufactured products (mainly textile).

Mr. Gerardo Patacconi pointed out that LDCs' companies that have a lack of productive capacities face challenges of how to efficiently attract investors and integrate into global value chains (GVCs). Moreover, he underlined that the gap between demand and constraints LDCs are facing, when being integrated into global value chains needs to be filled through Public Private Partnerships (PPPs). In this context, partnership building is to be considered the key success factor, if well managed. Accordingly, Mr. Patacconi stressed that Sustainable Suppliers Development Program enables UNIDO to create partnerships with key international businesses in order to provide SMEs with new opportunities, including access to new markets, trainings or technological transfer.

After Mr. Patacconi's presentation, H.E. Mr. Mohammed Yousif pointed out the central role SMEs have regardless how developed countries are as they always contribute to the advancements of different sectors and foster economic development by enhancing financial integration of capital industries. H.E. Mr. Mohammed Yousif underlined that SMEs have the ability to create jobs and address economic imbalance, influence socio-economic development, increase the total income of countries and create and reinvigorate economic sectors. However, as H.E. Mr. Yousif argued, LDCs still face challenges in terms of establishing SMEs: low financing due to unavailability of bank guarantees, weak management abilities, absence of trainings, inability to make use of scientific research as well as to cope with laws and regulations. H.E. Mr. Yousif noted that in order to solve the problem of low revenues in this sector, specific roles need to be divided, with regard to the actors of public and private sectors as well as civil society, by implementing strategies related to specific sectors while reducing obstacles in competing markets. To conclude with, he stressed that further steps need to be taken in order to overcome the above mentioned challenges, which requires setting of the appropriate laws and regulations, support for the national financial systems, provision of technical support through training organizations in the field of industrial development (infrastructure, research services, trainings, follow-ups to supports growth, national and international standards, etc.).



Picture 4.1. Ms. Helen Hai on the left, H.E. Mr. Mohammed Yousif in the middle and Mr. Gerardo Patacconi on the right

In her speech, Ms. Helen Hai, UNIDO Goodwill Ambassador and CEO of Made in Africa Initiative, reflected some success stories regarding industrial development achievements on the African continent. She gave the example of Ethiopia, where a local shoe-factory company has been able expand its production to internationally. As Ms. Hai pointed out, last year, the President of Senegal approached UNIDO to request help for

building Senegal's first industrial zone, which resulted in construction which will be partly finalized as of the next year. Ms. Helen Hai expressed her belief that with UNIDO's support, millions of jobs will be created in Senegal. Furthermore, she underlined that Africa is witnessing a strong industrial movement and that the secret of success lies in capturing the moment of opportunities to create jobs that allows countries to "jump-start" in the transformation of their economies which has the potential to create job opportunities for African young people, especially women.

H.E. Mr. Jerzy Drozdz, Ambassador, Director of the Department of Foreign Affairs of Poland and Representative of the Polish Chamber of Commerce, reflected on Polish development trends and underlined the GDP of Poland to have reached 3.2 percent and forecasts to reach 3.5 in 2016. He continued by saying that Poland is considered a medium-sized country with an active export market and that export products are mostly machines, chemicals, food products, car parts, furniture, pharmaceutics, cosmetics and others. H.E. Mr. Jerzy Drozdz highlighted cooperation agreements which are already signed by Afghanistan, Bangladesh, Nepal, among others, as the main tools for the Polish Chamber of Commerce to foster entrepreneurship and private sector development in LDCs. Finally, he expressed his hope to sign more cooperation agreements, mainly with national chambers of Angola, Benin, the Democratic Republic of Congo, Ethiopia, Gambia, Guinea, Madagascar, Mali, Mauritania, Mozambique, Senegal, Togo, and Zambia.



Picture 4.2. Ms. Cornelia Richter on the left and H.E. Mr. Jerzy Drozdz on the right

Ms. Cornelia Richter, Member of Managing Gesellschaft für Board of $(GIZ)^7$ Internationale Zusammenarbeit stressed at the beginning that GIZ is represented in 130 countries and that is to be seen as an implementation agency for all kinds of sectors. She continued by underlying that private sector development is a key engine for growth while being a very complex matter especially with regard to DFIs and

integrating LDCs in global value chains. Ms. Richter recommended evaluation of local contexts and defining suitable measures

which reflect one of the strengths of GIZ, working and bringing together a broad network of local and international expertise. She further stressed that GIZ is supporting its partners through a holistic approach with capacity development being at the core of its interventions. Ms. Richter highlighted the aim of GIZ at creating direct collaboration with governments to install an adequate policy framework and fostering thus a good business environment. She further noted that, generally, for business environment reforms to be successfully implemented, it is crucial to engage private sector actors in public private dialogue, which is the main focus of GIZ and UNIDO's collaboration. Agreeing with H.E. Mr. Mohammed Yousif, Ms. Richter highlighted the importance of building partnerships with civil society, stressing that GIZ has established public private dialogues in 30 different districts in Rwanda, involving different stakeholders down to the local level. In addition, Ms. Richter also highlighted, that helping domestic companies entering global value chains requires coherent and forward looking trade and investment policies.

Ms. Vaishali Misra, Business Leader of Next Generation Social Entrepreneur at IKEA, Sweden, underlined that IKEA is working closely with manufacturing partnerships globally – from the designing step. Therefore, she added that good working conditions are pre requirements for making these partnerships happen. Furthermore, Ms. Misra explained briefly the 2020 Strategy on sustainable production and social enterprises in the perspective of generating more business and employment.

The session discussed the different ways to support LDC private sector development approaches as well as integration within global value chains. While reflecting on successful partnership experiences including different tools used to integrate and foster the development of the private sector in least developed countries, the session took into account different national, regional and local contexts. The session also encouraged partnerships building and collaboration with governments, private sector entities, and civil society, which lies at the core of the 2030 Agenda.

⁷ The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) or 'German Corporation for International Cooperation' in English, is a company that specializes in international development. GIZ is owned by the German Federal Government and operates in more than 130 countries. Its headquarters are located in Bonn and Eschborn, Germany.

Session 5: Means of Implementation

The session on 'Means of Implementation' started with a presentation delivered by Mr. Tidiane Boye, Industrial Development Officer, from the Partnerships and Results Monitoring Branch of UNIDO. He pointed out that the discussions would focus on means of implementation for Inclusive and Sustainable Industrial Development (ISID) as part of Sustainable Development Goal 9 and their implementation in LDC countries. Mr. Boye underlined that the implementation approach should be based on strong national ownership, focusing on national industrial development priorities by fostering and strengthening partnership coordination mechanisms and creating synergies with all stakeholders involved. Mr. Boye then categorized the different means of implementation in: (i) Financing Means of Implantation, including: Direct National Public Funding, Capital Market Credit Funding, Development Bank and Commercial Credit Funding, Overseas Development Aid (ODA), Public Private Partnerships (PPPs), Private Sector Investments, Private Sector Promotion Schemes; and (ii) Non Financing Means of Implementation that include Industrial and Investment Policies, Institutional and Capacities Development, Investment, Technology and Trade Promotion and Local Private Sector Development (SME).

The session's moderator, Mr. Philippe Scholtes, Managing Director, from the Programme Development and Technical Cooperation Division highlighted UNIDO's development approach since the Istanbul Programme of Action.

Mr. Scholtes then introduced Mr. Admasu Nebebe, Director of the Ministry of Finance and Economic Development in Ethiopia who started his speech by presenting the national context of his country. He stressed that creating conditions for industrial development in the country was the first objective of the five year national plan of Ethiopia. This plan, as Mr. Nebebe argued, includes massive investments in education and it has now also reached public universities. Mr. Nebebe also mentioned the crucial dimension of investments. For example, he highlighted that within a timeframe of 2 years, Ethiopia will have the largest dam in Africa with a capacity to produce 6000 Megawatt as well as the existence of other renewable energy sources, such as the hydropower, wind energy, and solar energy sources. Mr. Nebebe underlined that these sources have the potential to prepare Ethiopia for inclusive and sustainable industrial development. Finally,

Mr. Victor Djemba, UNIDO Representative to Senegal, provided then the audience with the perspective of his own field office and the kind of proximity assistance that UNIDO can provide. He recalled that in February 2014, Senegal adopted the Senegal Emergent Plan which aims to turn the country into an emerging nation in terms of solidarity and the rule of law. Mr. Djemba explained that this plan contains three main pillars: structural transformation, human capital development, security and good governance. As Mr. Djemba argued, in 2014, an awareness campaign was launched to target the highest authorities including state and government, private sector, and others, which was then followed by a

technical mission and allowed the definition of the programme framework of the Partnership Country Programme (PCP) in Senegal. Mr. Djemba also mentioned that Senegal is working to promote investments in the private sector, trade, energy, and research in the context of sustainable industrialization.



Picture 5.1. Mr. Fuad Albassam on the left and Mr. Philippe Scholtes on the right

Mr. Fuad Albassam, Assistant to the Director General, from the Public Sector Operations Department of the OPEC Fund for International Development (OFID), then took the floor. He talked about the emerging development approaches beyond 2015 and highlighted the importance of developing an adequate means of implementation. Mr. Albassam also stressed that the global communities' solidarity with the poorest and most vulnerable should increase, alongside with a sharp increase in ODA when it comes to investments.

Mr. Robert Nowakowski, Director of International Market, from Elżanowski Cherka & Wąsowski (ECH&W), reflected the moral aspect of the industrialization process, stating that 'nobody can do it alone'. He also shared some experiences from the perspective of his own company. Mr. Nowakowski recognized the Plan Senegal Emergent8 as impressive, having the private sector as a key partner to realizing the vision of positioning the country by 2023, as a regional economic and infrastructure hub in various sectors. He underlined the importance of having reliable partners when talking about joint technical cooperation, as they are the key factor for successful trade of LDCs and the possibilities for win-win-situations.

Mr. Zülküf Oruç, Head of Department from the Turkish Cooperation and Development Agency (TIKA) then continued the round of presentations. He stressed that TIKA is now represented through 50 permanent coordination offices world-wide, with locations in Africa and LDCs, and that so far, it has been actively supporting the implementation of education projects and vocational trainings, related to agriculture, and capacity-building in LDCs. He underlined that strengthening cooperation between necessary actors will be critical for achieving the SDGs. In addition, he insisted on the importance of overcoming technology gaps to fight poverty by improving the state of science and technology in LDCs. Regarding new development approaches for after 2015, according to Mr. Oruç, international technical cooperation activities must play a more significant role since the SDGs apply to all countries and are not limited to LDCs only. In this regard, Mr. Oruç insisted on the fact that each nation should set their own national post-2015 development goals, guided by the aspirational global SDGs but taking national circumstances into account.

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⁸ The Plan Senegal Emergent (PSE) aims to position the country by 2023, as a regional economic and infrastructure hub in agro-industry, energy, construction, logistics, mining, road and rail-road transportation, tourism and Services, with the private sector as a key partner to realizing that vision.



Picture 5.2. Ms. Tara Sharafudheen on the right and Ms. Kari Aina Eik on the left

Ms. Tara Sharafudheen, Head of Partnerships, Policy and Communications at the United Nations Capital Development Fund (UNCDF) then began her presentation with a short briefing on resource mobilization for the implementation of the Agenda 2030 and the Istanbul Plan of Action. She stressed that the UNCDF is a special measure of the UN General Assembly to support capital development in LDCs and

address development challenges in local development and financial inclusion. In this perspective, it looks for sustainable business and financing models that

address market failures. Ms. Sharafudheen noted that UNCDF traditionally works with the private sector and that in the context of addressing SDG 17 and SDG 9, UNCDF's strategy focuses on innovative and catalytic financing models for public and private sectors that trigger scaling-up by Governments, International Financing Institutions (IFIs) and other investors. Ms. Sharafudheen explained further that this approach responds to the challenges faced by LDCs through (i) enhancing local infrastructure and basic services; (ii) promoting local economic development; and (iii) increasing local resilience to shocks.

Mr. Jonathan Werner, Coordinator at the Enhanced Integrated Framework (EIF) for the Executive Secretariat at the WTO, took the floor talk about the framework that his organization provides for merging these collaborative efforts between the different actors involved. He presented EIF as a multidonor trust fund with the objective to support LDCs in using trade as a vehicle for economic growth and poverty reduction. As Mr. Werner described, with a total of 136 projects, and with more than 100 of these projects supporting trade capacity development, EIF has successfully established donor and development partner coordination with the objective of integrating trade into national development plans. He further noted that the partnership approach is comprised of 23 donors, 48 LDCs, 3 graduated countries (Cabo Verde, Maldives, Samoa), and aims at building a platform for the delivery of services including collaboration with eight partner agencies (IMF, UNDP, ITC, World Bank, UNCTAD, WTO, UNWTO and UNIDO). Furthermore, Mr. Werner added that EIF is also supporting LDCs and graduated countries with analytical studies to enhance their participation in multilateral trading systems.

Ms. Kari Aina Eik, Secretary General of Organization for International Economic Relations (OiER), then presented experiences from her organization, saying that it was originally created as a business platform working to enhance investments but that it has changed its approach into business partnerships for development, targeting African and developing countries. She further noted that governments, private sector, and financing institutions are main cooperation partners. Ms. Eik reflected the current good-will attitudes of multiple development actors, raising the question on how to use the momentum of change to achieve diverse development approaches and underlying the crucial aspect of including the private sector. Regarding financing mechanisms, Ms. Kari Aina Eik stressed that they already exist but that the stakeholders involved have to choose the most adequate type of financing to better match their demands (public or private).

The session provided an useful insight in the specific means of implementation regarding ISID and discussed how the lessons learnt could be applied on the examples of LDCs. It was stressed that it is important to separate between (i) Financing and Non-Financing Means of Implementation, (ii) global, regional, and local context, and (iii) bilateral or multilateral cooperation. The necessary inclusion of all actors involved (governments, private sector, civil societies, financing, etc.) highlighted by the panelists since full engagements would lead to more efficient discussions and support adequate capacity development, using the momentum of the shift from MDGs to SDGs.

The session also provided more specific insights regarding recent development trends in Ethiopia and Senegal, that rely on national plans. To conclude, the panelists underlined the lack of information regarding development actors and the lack of awareness regarding the most adequate types of funding. They insisted that one major aspect of the means of implementation with regards to inclusive and sustainable industrial development lies in education. Bilateral development agencies, such as TIKA, highlighted their support for the implementation of the projects related to vocational trainings, agriculture and capacity-building in LDCs. Finally, the session underscored that in the context of education and development, technology gaps have to be urgently addressed in order to fight poverty and foster sustainable development in LDCs and to achieve the both the goals sent by IPoA and SDGs.

AGENDA ITEM 3: CLOSURE OF THE MEETING

Session 6: Sustainability and the way forward

The objective of the closing session of the conference, entitled "Sustainability and the way forward", was to define measures and detailed strategies identified as best practices to accelerate progress towards sustainable graduation of LDCs as well as reach the consensus on the main priorities for LDCs in 2030 Agenda for Sustainable Development. Specific focus was put on accelerated industrial and sustainable development towards graduation.

The session was moderated by H.E. Mr. Ahmed Abtew, Minister of Industry, Ethiopia, elected Chair of the conference, who introduced H.E. Mr. Selafi Joseph Purcell, Minister for Public Enterprises, Samoa, and invited him to share Samoa's experience with the audience, given that Samoa was the last country to officially graduate from the LDC's category in January 2014.

H.E. Mr. Selafi Joseph Purcell began his address by highlighting the importance of the presence of the LDC Delegations at the conferences such as UNIDO LDC Ministerial Conference, as it is crucial to remind international community that the challenges that the LDCs are facing are real. Among other things, in his statement, H.E. Mr. Selafi Joseph Purcell focused on the climate change challenge that many Pacific island countries are currently facing, raising awareness about the see-level rise which threaten to completely submerge those nations. In conclusion, Minister Purcell underscored that to ensure a successful socio-economic transformation of LDCs, graduation should not only be considered as the end point but rather the beginning of a new chapter and a new path, the outcome of local and global efforts that stimulate continuous cycles of sustainable growth and development.



Picture 6.1. Panelists of the closing session

In her address, Ms. Dorothy Ng'ambi Tembo, Deputy Executive Director of the International Trade Center (ITC) stated that these two days of discussions had demonstrated the multidimensional aspect of the SDGs in linking for example food security with cleaner technologies, innovative supply chains and ensuring that the private sector and SMEs in particular, could be a thriving force for sustainable development. She further noted that it had been clearly outlined that SDGs are not just the sum of

goals; rather they represent an integrated agenda which is relevant for all of us whatever the level of development of each economy and the individual mandate of each organization is. Agreeing with the

colleagues from UNDP and UNODC, she stressed that in order to be effective all of the participants had to partner and ensure that the United Nations organizations complement each other in line with their expertise.

Ms. Tembo further noted that the conference represents a precious opportunity to reflect on what is specifically at stake for LDCs and what does it take to ensure that sustainability is embedded in everything that is done, to ensure that no one is left behind and that Interventions have to support sustainability and be sustainable.

Mr. Gyan Chandra Acharya, Under-Secretary General and High Representative of the UN-OHRLSS, then took the floor. He recognized the challenge that ISID constitutes for many countries and even more for LDCs. Moreover, he underlined the great opportunities that it encloses. Lessons still have to be learnt from vulnerable economies, as Mr. Acharya argued, and a strong commitment is needed with international support for both LDCs and recently graduated countries. Mr. Acharya underlined that 2030 Agenda for Sustainable Development is indeed an inclusive agenda, based on an integrated approach that constitutes a global framework that has to be successful on the ground with a country owned and country driven approach.

Mr. Acharya stressed that mutual accountability and shared responsibility will be essential to ensure an enhanced level of coherence and support at the national level. According to him, the UN as a whole will then have to play a more cohesive role, ensuring coherence with other partners, international finance institutions, regional banks, world trade bodies and regional communities in particular.

To conclude with, Mr. Acharya stressed that integration should be considered within a larger framework, looking at how to better ensure coherence and synergies in the Global Development Agenda and constituently pursue it at all levels, while highlighting the many opportunities that lie within this Agenda which will allow better dealing with the challenges LDCs are facing.

Mr. Magdy Martinez-Soliman, Assistant Secretary-General and Director, of the Bureau for Policy and Programme Support, UNDP stressed that the efforts towards mainstreaming the IPoA and Agenda 2030 in national development strategies in LDCs will be critical for sustainability and accelerating progress towards graduation and concluded by reiterating UNDP's commitment in working with LDC partners through offices in all least developed countries towards a successful mid-term review of the IPoA next year. In conclusion, Mr. Martinez Soliman called on the donor community to sustain this effort, for the sake of a better future for the countries that we serve.

The session also considered and adopted the Ministerial Declaration (see Annex 2.) after brief closing remarks by Mr. Li Yong, Director General, UNIDO.

In his closing speech, H.E. Mr. Ahmed Abtew, Minister of Industry, Ethiopia, the elected Chair of the conference highlighted again, referring to his opening speech, that LDCs represent great reservoirs of untapped potential and have exceptionally been naturally endowed with petroleum, minerals, metals, etc. Mr. Abtew further noted that LDCs, strong and resilient nations, need to release that potential and effectively engage with the goals set by the new 2030 Agenda for Sustainable Development and the

IPoA. In this regard, he stressed, that it is in the interest of his country and other LDCs to partner with key stakeholders in order to develop the necessary tools to pursue such endeavours and foster prosperity.

In conclusion, H.E. Mr. Ahmed Abtew thanked all the participants for their valuable contributions and declared the conference officially closed.

ANNEXES:

Annex 1: B2B/B2G Events on the side-lines of the LDC Ministerial Conference

For the first time in the history, UNIDO facilitated a business-to-business (B2B) and business-to-government (B2G) exchange on the side-lines of the LDC Ministerial Conference in recognition of the imminent role of building partnerships with the private sector for the successful implementation of the 2030 Agenda for Sustainable Development and the IPoA. The Conference used this momentum of the presence of 30 LDCs and their high-level government representatives, business support institutions and private sector to liaise and build win-win collaborations with some 50 business peers from Austria, Cameroon, China, Germany, Italy, Poland, Rwanda, Sweden, Switzerland, Turkey, and the U.S. Among the main discussion topics figured how to leverage innovative partnership models to scale up investment for ISID in LCDs, and realize traditional and emerging donors' development cooperation goals as well as business interests.



Ms. Helen Hai, UNIDO Goodwill Ambassador

The exchanges were kick-started with a business cocktail reception, which gathered more than 200 stakeholders. The guests were welcomed by UNIDO's Director General LI Yong and addressed by Ms. Helen Hai, UNIDO Goodwill Ambassador, who stressed that she is a strong believer in UNIDO's ISID program, which will create quick successes for generating decent jobs and dynamic growth, providing aspiration and snowballing effects on poverty reduction and structural transformation in Africa. In his welcoming remarks, Mr. Marco Siebert, Director of External Relations from Hannover Messe, spoke about the importance of doing

business in Africa as well as the added value for private sector to partner with UNIDO in the context of public private development partnerships.

In parallel, the rotunda of the Vienna International Centre hosted a non-profit exhibition, which showcased services, products and best practices of various private sector companies, relevant to the topics discussed at the Conference. Seven companies from Austria, China, Germany, Italy, Rwanda, Poland and Switzerland participated at the exhibition.



In addition, UNIDO facilitated face-to-face B2B and

B2G meetings among the participants. More than 50 private sector entities companies from different sectors such as waste management, water treatment, engineering, environmental technologies and solutions, food processing, agricultural machinery, energy efficiency, renewable energy sources, eco

building materials, and transport together with representatives from the Chambers of Commerce and various business associations had meetings with high-level government representatives from LDCs.

Annex 2: Annotated Agenda

Day 1 26 November 2015

08:00-09:00 Registration (Gate 1, VIC)

Note: Early registration is also possible on Tuesday 24 and Wednesday 25 November 2015

09:30-10:30 Opening session

Opening Remarks and Statements by:

H.E. Mr. Ahmed Abtew, Minister of Industry, Ethiopia

Mr. LI Yong, Director General, United Nations Industrial Development Organization (UNIDO)

H.E. Mr. Gyan Acharya, USG and High Representative of United Nation Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS)

H.E. Mr. Peter Launsky-Tieffenthal, Ambassador, Director General, Section for Development Cooperation, Ministry for Europe, Integration and Foreign Affairs, Austria

10:35-12:30 Session 1: Ministerial debate on progress made by LDCs towards graduation

Introductory Presentation by Mr. Taizo Nishikawa, Deputy Director-General, United Nations Industrial Development Organization (UNIDO)

Moderator: H.E. Mr. Gyan Acharya, USG and High Representative of United Nation Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS)

Facilitators:

Mr. LI Yong, Director-General, United Nations Industrial Development Organization (UNIDO)

Mr. Yury Fedotov, Executive Director, United Nations Organization for Drugs and Crime (UNODC)

Mr. Magdy Martinez-Soliman, Assistant Secretary-General and Director, Bureau for Policy and

Programme Support, United Nation Development Program (UNDP)

Mr. Yonov Frederick Agah, Deputy Director-General, World Trade Organization (WTO)

12:30-14:30 Lunch offered by UNIDO Director General (limited to Ministers, Ambassadors and Heads of Delegations, Representatives of International Organizations and Panellists)

14:30-16:00 Session 2: SDG 9 and the path to graduation

UNIDO Presentation by: Mr. Sarwar Hobohm, Director, Office for Strategic Planning, Coordination and Quality Monitoring

Co- Moderators:

Ms. Heidi Schroderus-Fox, Director of the Office of UN-OHRLLS, New York

Ms. Amita Misra, Director, Regional Programme and Field Representation Branch

Panelists:

H.E. Mr. Francis Mokoto Hloale, Minister of Development Planning, Lesotho

H.E. Ms. Elllen O. Pratt, Deputy Minister for Industry and Inspector General of the Republic of Liberia

H.E. Mr. Jean-Francis R. Zinsou, Ambassador and Permanent Representative of Benin to the United

Nations, New York, Co- Facilitator of the High-level Midterm review of the implementation of the Istanbul Programme of Action (IPoA)

Ms. Bhumika Muchhala, Senior Policy Researcher, Finance and Development Programme, Third World Network (TWN)

Mr. Jan Wouters, Professor of International Law and International Organizations, founding Director of the Institute for International Law and Leuven Centre for Global Governance Studies

16:00-16:10 Coffee Break

16:10-17:30 Session 3: Mainstreaming ISID into national policies and programmes

UNIDO Presentation by: Mr. Augusto Luis Alcorta Silva Santisteban, Director, Industrial Policy, External Relations & Field Representation, Division, Research, Statistics and Industrial Policy Branch

Moderator: Mr. Augusto Luis Alcorta Silva Santisteban, Director, Industrial Policy, External Relations & Field Representation, Division, Research, Statistics and Industrial Policy Branch

Panellists:

H.E. Mr. Amir Hossain, Minister of Industries, Bangladesh

H.E. Mr. Cristian Breitenstein, Minister of Industry, Technology and Science, Argentina

H.E. Mr. Hippolyte Dah, Minister of Industry and Commerce, Burkina Faso

Mr. Manuel Montes, Senior Advisor on Finance and Development, South Centre

Mr. Moazam Mahmood, Deputy Director, Research Department, International Labour Organization (ILO)

Mr. Boubaker Ben Belhassen, Director, Trade and Markets Division, Food and Agriculture Organization (FAO)

18:00-20:00 B2B/B2G Cocktail Reception (offered to Heads of Delegations plus one Delegation Member, private sector representatives and Panellists)

Day 2 27 November 2015

09:00-10:30 Session 4: Making partnerships work: integration tools to foster private sector development in LDCs

➤ UNIDO Presentation by: Mr. Gerardo Patacconi, Unit Chief, Business, Investment and Technology Services Branch

Moderator: Mr. Alieu Secka, Chief Executive Officer, Chamber of Commerce and Industry, Gambia

Panelists:

H.E. Mr. Mohammed Yousif Ali Yousif, Minister of Industry, Sudan

Ms. Helen Hai, UNIDO Goodwill Ambassador, CEO, Made in Africa Initiative

H.E. Mr. Jerzy Drożdż, Ambassador, Director of the Department of Foreign Affairs, Poland,

Representative of the Polish Chamber of Commerce

Ms. Cornelia Richter, Member of the Managing Board, Gesellschaft für Internationale Zusammenarbeit (GIZ)

Ms. Vaishali Misra, Business Leader, Next Generation Social Entrepreneurs, IKEA

10:30-10:40 Coffee Break

10:40-12:00 Session 5: Means of implementation (part I)

➤ UNIDO Presentation by: Mr. Tidiane Boye, Industrial Development Officer, Partnerships and Results Monitoring Branch

Moderator: Mr. Philippe Scholtes, Managing Director, Programme Development and Technical Cooperation Division

Panelists:

Mr. Admasu Nebebe, Director, Ministry of Finance and Economic Development, Ethiopia

Mr. Victor Djemba, UNIDO Representative to Senegal

Mr. Fuad Albassam, Assistant to the Director General ADG, Public Sector Operations Department, OPEC Fund for International Development (OFID)

Mr. Zülküf Oruc, Head of Department, Turkish Cooperation and Development Agency (TIKA)

Mr. Robert Nowakowski, Director of International Market, Elżanowski Cherka & Wąsowski (ECH&W)

Ms. Tara Sharafudheen, Head of Partnerships, Policy and Communications United Nations Development Capital Fund (UNCDF)

Mr. Jonathan Werner, Coordinator, EIF Executive Secretariat at the WTO

Ms. Kari Aina Eik, Secretary General, Organisation for International Economic Relations (OiER)

12:00-14:00 Lunch

14:00-15:00 Session 5: Means of implementation (part II)

15:00-15:10 Coffee Break

15:10-16:30 Session 6: Sustainability and the way forward (closing session)

Moderator: H.E. Mr. Ahmed Abtew, Minister of Industry, Ethiopia

Panellists:

H.E. Mr. Selafi Joseph Purcell, Minister for Public Enterprises, Samoa

Ms. Dorothy Ng'ambi Tembo, Deputy Executive Director, International Trade Center (ITC)

H.E. Mr. Gyan Chandra Acharya, USG and High Representative of United Nation Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN OHRLLS)

Mr. Magdy Martinez-Soliman, Assistant Secretary-General and Director, Bureau for Policy and Programme Support, United Nation Development Program (UNDP)

Mr. LI Yong, Director General, United Nations Industrial Development Organization (UNIDO)

Annex 3: Outcome document: Ministerial Declaration

Distr.: General



United Nations Industrial Development Organization

6th UNIDO LDC Ministerial 2015 Vienna, 26 Nov - 27Nov 2015

Ministerial Declaration:

27 November 2015 Original: English

Operationalizing ISID for LDCs: "the path to graduation and beyond"

Vienna, 27 November 2015

We, the Ministers of Industry, Ministers of Economy and/or Finance and Heads of Delegation, participating in the sixth UNIDO Ministerial Conference on the Least Developed Countries,

Gathered here in Vienna, Austria, from 26 November to 27 November 2015, in order to provide strategic guidance for the effective implementation of inclusive and sustainable industrial development (ISID) for the least developed countries within the framework of the Istanbul Programme of Action (IPoA), the 2030 Agenda for Sustainable Development, and the African Union Agenda 2063 "The Africa we want",

Guided by the Charter of the United Nations and the principles set out in resolution 70/1 adopted by the United Nations General Assembly at its seventieth session entitled "Transforming our world: the 2030 Agenda for Sustainable Development", and its recognition of the shared responsibility for people, planet, prosperity, peace and partnership,

Emphasizing the importance of the outcomes of all recent major United Nations conferences and summits in the economic, social, environment and related fields, including the Third International Conference on Financing for Development, the Fourth United Nations Conference on the Least Developed Countries, and the five previous LDC Ministerial conferences organized by UNIDO and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS), as well as ministerial meetings organized by LDCs with the support of OHRLLS in Cotonou, Kathmandu and Milan,

Emphasizing also the importance of the expected outcome of the 21st session of the conference of parties to the United Nations Framework Convention on Climate Change to be held in Paris on 30 November 2015 as outlined in the decision 1 CP.17, especially in enhancing the adaptive capacity of the LDCs to climate change impacts,

Recalling the overarching goal of the Istanbul Programme of Action to overcome the structural constraints and challenges faced by the Least Developed Countries in order to eradicate poverty, achieve the recently internationally agreed Sustainable Development Goals (SDGs) and enable graduation from the status of least developed countries.

Recognizing that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and that manufacturing is a dynamic force in fostering sustainable development.

Reiterating that the development potential of LDCs can be unlocked by an effective operational strategy to foster ISID, with an emphasis on creating income and employment opportunities for all and enhancing earnings from manufacturing both for domestic and export markets;

Acknowledging the interlinkages between inclusive and sustainable industrial development and trade; and the need for industrial and trade policies to be aligned to help LDCs diversify their production and export base;

Reaffirming that all countries and all stakeholders, acting in collaborative partnership, should take the bold steps that are urgently needed to accelerate the path to graduation of LDCs and pledge that no one will be left behind in this process as reiterated in the Lima Declaration;

Taking note of UNIDO's major achievements in support of LDCs following four years of implementation of its LDC Operational Strategy and two years after the endorsement of the UNIDO Lima Declaration;

Taking note also of the work achieved by OHRLLS in facilitating a coordinated implementation and coherence in the follow-up and monitoring of the IPoA as well as the work of all related United Nations bodies in this regard;

Declare that:

- 1. The LDC path to graduation requires an enhanced focus on inclusive and sustainable industrial development through manufacturing, serving as a dynamic force for structural transformation and economic diversification within the framework of the SDG targets in general and Goal-9 in particular;
- 2. The envisaged GDP growth rate of 7 per cent per annum in LDCs, as stated in SDG target 8.1, should be led by productive sector-driven growth, as opposed to dependence on

- commodity-led growth, converting resource-based comparative advantages into competiveness and commodities into value added products;
- 3. Building resilient infrastructure, energy for productive purposes and fostering innovation through the effective transfer of technology including technology banks are critical for accelerating the pace of industrial expansion on the path to graduation; In this regard, the role of agencies, such as UNCDF, should be stressed and supported by all stakeholders.
- 4. In light of the new industrial realities triggered partly by technological change, the path to graduation will entail an enhanced focus on value addition, investments in human capital through knowledge, skills development, innovation, commercializing new knowledge and the identification of viable approaches for the adoption of best practices;
- 5. That particular challenges faced by some least developed countries in post conflict situations and their human, economic and social implications need to be recognized and their stability enhanced to achieve sustainable development.
- 6. As emphasized in the Kathmandu and Milan Declaration, graduation should be regarded as a means to achieve structural change, poverty eradication and economic diversification in the country and thereby contribute to the Sustainable Development Goals;
- 7. Incorporating ISID into national economic policies, development plans and programmes will assist in the achievement of both the IPoA and Goal-9, and add to national ownership and leadership through the creation of the required industrial policy space and institutional direction;
- 8. And request UNIDO to expand its pilot Partnership Country Programmes initiated in Senegal and Ethiopia to other LDCs in all regions taking into account lessons learnt and best practices.
- 9. National development efforts need to be supported by a Global Partnership for Sustainable Development in a mutually beneficial win-win scenario at the global and regional levels to achieve the priorities cited in the IPoA, and through the forging of viable partnerships, including North-South, South-South and triangular cooperation;
- 10. The Addis Ababa Action Agenda on Financing for Development, duly endorsed by the General Assembly, is an integral part of the 2030 Agenda for Sustainable Development, and is critical for the realization of the Sustainable Development Goals and targets;
- 11. In the spirit of shared responsibility and mutual accountability, Official Development Assistance (ODA) is essential for achieving the aspirations of the LDCs and in this regard, we pledge to initiate the necessary measures to facilitate the implementation of concrete inclusive and sustainable industrial development activities;
- 12. The collaboration between UNIDO and the WTO as well as other trade-related agencies towards helping LDCs on their path to graduation should be strengthened, particularly by

intensifying trade-related technical assistance and capacity building activities that will facilitate the implementation of the trade-related objectives and actions of the IPoA and the SDGs through mechanisms under the Aid For Trade Initiative including the Enhanced Integrated Framework (EIF);

- 13. The high-level midterm review of the implementation of the Istanbul Programme of Action will be comprehensive and highlight best practices and lessons learned. The midterm review will also identify obstacles and constraints encountered and propose actions and initiatives needed to overcome them building on the decisions contained, the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. In this regard, we call upon all Member States and invite the organizations of the United Nations system and other international and regional finance institutions to actively participate in the midterm review, at the highest level possible, as well as in its preparatory processes;
- 14. As a follow-up to the UNIDO Ministerial Conference on Least Developed Countries 2015, we call upon all partners to ensure adequate financing for the development and implementation of country-specific and regional operational strategies and policy interventions, aimed at unlocking the potential of LDCs to graduate.

[Adopted in Vienna, Austria, on 27 November 2015]