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**Sixty-ninth session** Agenda item 23 (b)

# **Eradication of poverty and other development issues:** industrial development cooperation

### **Report of the Second Committee\***

Rapporteur: Mr. Borg Tsien Tham (Singapore)

## I. Introduction

1. The Second Committee held a substantive debate on agenda item 23 (a) (see A/69/472, para. 2). Action on sub-item (b) was taken at the 30th and 36th meetings, on 5 November and 3 December 2014. An account of the Committee's consideration of the sub-item is contained in the relevant summary record (A/C.2/69/SR.30 and 36).

## II. Consideration of draft resolutions A/C.2/69/L.29 and A/C.2/69/L.58

2. At the 30th meeting, on 5 November, the representative of Bolivia, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Industrial development cooperation" (A/C.2/69/L.29), which read:

#### "The General Assembly,

"*Recalling* its resolutions 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002, 59/249 of 22 December 2004, 61/215 of 20 December 2006, 63/231 of 19 December 2008, 65/175 of 20 December 2010 and 67/225 of 21 December 2012,

"*Recalling also* the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, and its outcome document, entitled 'The future we want',

<sup>\*</sup> The report of the Committee on this item is being issued in four parts, under the symbol A/69/472 and Add.1-3.





*"Recalling further* the fifteenth session of the General Conference of the United Nations Industrial Development Organization, held in Lima from 2 to 6 December 2013, and the Lima Declaration: towards inclusive and sustainable industrial development, in which the General Conference reaffirmed the unique mandate of the Organization to support Member States in achieving inclusive and sustainable industrial development,

*"Recalling* the statement made by the Secretary-General at the fifteenth session of the General Conference, in which he affirmed that the Lima Declaration of 2013 would create the foundation for the important work of the United Nations Industrial Development Organization, in the coming decades, as the central agency in the United Nations for all matters related to industrialization, and that it was necessary for the world to seize the moment and ensure that inclusive and sustainable industrial development does its part in contributing to the common good,

"*Recalling also* the third International Conference on Small Island Developing States, held in Apia from 1 to 4 September 2014, and its outcome document, entitled 'SIDS Accelerated Modalities of Action (SAMOA) Pathway',

*"Recalling further* its resolution 68/309 of 10 September 2014, in which it welcomed the report of the Open Working Group on Sustainable Development Goals and decided that the proposal of the Open Working Group contained in the report shall be the main basis for integrating sustainable development goals into the post-2015 development agenda,

"Considering that the United Nations post-2015 development agenda provides a unique opportunity to secure renewed political commitment for sustainable development at all levels, and bearing in mind that inclusive and sustainable industrial development offers an indispensable modality for effectively achieving a transformative development outcome through its strong positive linkages with the long-term economic, social and environmental development objectives identified for the post-2015 era,

"Acknowledging the value of the industrial development cooperation reports prepared by the United Nations Industrial Development Organization, which examine structural change and policies in industrial development to improve the contribution of industry to sustainable development, social inclusion, productivity growth and energy efficiency,

"Emphasizing the essential role of inclusive and sustainable industrial development in eradicating poverty and supporting sustained economic growth, and thus in achieving sustainable development in the post-2015 era, in developing countries, including the most vulnerable countries and, in particular, African countries, least developed countries, landlocked developing countries and small island developing States, while recognizing the specific challenges facing the middle-income countries, and emphasizing also that countries in situations of conflict also need special attention,

*"Recognizing* the diversity of ways to achieve inclusive and sustainable industrial development and, in this connection, that each country has the primary responsibility for its own development and the right to determine its own development paths and appropriate strategies,

"Stressing the importance of international industrial cooperation to promote equitable and sustainable patterns of industrialization and to address major challenges such as poverty eradication, growth and jobs, resource efficiency, energy, pollution and climate change, shifting demographics, knowledge creation and transfer and the narrowing of growing inequalities,

"Underscoring the importance of resilient industrial infrastructure, technological innovation and the transfer of technology and knowledge networking towards the successful implementation of the post-2015 development agenda,

*"Recognizing* that the United Nations Industrial Development Organization has a special role in ensuring progress towards the achievement of inclusive and sustainable industrial development at the global, regional and national levels,

"1. *Takes note with appreciation* of the report of the Director General of the United Nations Industrial Development Organization;

"2. *Welcomes* the adoption, on 2 December 2013, of the Lima Declaration: towards inclusive and sustainable industrial development, which constitutes a new milestone for the United Nations Industrial Development Organization;

"3. *Recognizes* the unique mandate of the United Nations Industrial Development Organization to promote industrial development, within the United Nations system, and the critical contribution made by the Organization;

"4. *Also recognizes* that the mobilization of national and international resources and an enabling national and international environment are key drivers for development;

"5. Underlines the potential benefits, for developing countries, of stepping up their efforts to finance their own development by improving domestic resource mobilization and promoting financing, spurred by a robust and vibrant industrial sector, in order to achieve a long-term impact through local, national and regional ownership;

"6. *Emphasizes* that each country must take the primary responsibility for its own industrial development and that national ownership and leadership are indispensable in the development process;

"7. *Recognizes* that ensuring sustained and inclusive industrial development requires consistent industrial policies and institutional frameworks that are duly supported by the necessary investment in industrial infrastructure, innovation, environmental technologies and skills development;

"8. Also recognizes that inclusive and sustainable industrialization plays a crucial role in the realization of other major development objectives as, through inclusive and sustainable approaches to industrial development, countries achieve self-sustaining economic and social development in an environmentally sustainable framework;

"9. *Emphasizes* the need to promote, in the context of industrial development, gender equality and the empowerment of women at all levels and in decision-making processes;

"10. Also emphasizes that national efforts should be supported by development partners, as appropriate, and need to be complemented by a rules-based multilateral trading system that facilitates trade and provides opportunities for developing countries to broaden their competitive export base by strengthening their capacities and facilitating the structural transformation and diversification of their economies, which can help to promote economic growth and development;

"11. Further emphasizes that, in order to create the right environment for sustainable industrial development, the international community and the private sector, as appropriate, should accelerate measures to facilitate the development, transfer and diffusion of environmentally sound technologies, on mutually agreed terms, to developing countries;

"12. Underlines the importance of strengthening existing and forging new partnerships and networks at the global, regional and subregional levels, including South-South cooperation and triangular cooperation, and the full involvement of all relevant stakeholders towards achieving inclusive and sustainable industrial development in order to overcome the prevailing development challenges and achieving prosperity;

"13. *Stresses* that the lack of a dynamic industrial and manufacturing sector is one of the factors that can lead to a widening of the income gap between rich and poor and to the erosion of social protection systems;

"14. *Encourages* the United Nations Industrial Development Organization to promote dialogue and multi-stakeholder partnerships in order to monitor and foster progress towards the achievement of inclusive and sustainable industrial development;

"15. Appreciates the leadership of the United Nations Industrial Development Organization in leveraging the role of the private sector as a partner for development, in particular through the successful organization of global dialogues on engaging with the private sector, under the auspices of the United Nations Development Group, in the context of the second round of consultations on the post-2015 development agenda;

"16. *Notes* the continued cooperation of the United Nations Industrial Development Organization with the entities of the United Nations system, including the specialized agencies, funds and programmes;

"17. Underscores the value of the United Nations Industrial Development Organization as a global forum for the dissemination of knowledge and the provision of advice on industrial policies and strategies, successful industrialization experiences and best practices, in accordance with the differentiated needs and national priorities of Member States;

"18. *Recognizes* the key role of the United Nations Industrial Development Organization in promoting sustainable industrial development and industrial innovation and mainstreaming science and technology into national productive systems;

"19. *Encourages* regional, subregional and interregional cooperation as a platform for international industrial cooperation aiming to promote investments and technology transfer on mutually agreed terms to disseminate good policies and practices as well as to foster job creation, including for youth and women;

"20. *Calls upon* the United Nations Industrial Development Organization to continue to play an active role in implementing the quadrennial comprehensive policy review of operational activities for development and General Assembly resolution 64/289 of 2 July 2010 on system-wide coherence;

"21. Also calls upon the United Nations Industrial Development Organization, when requested, to continue to support developing countries in achieving enhanced levels of inclusive and sustainable industrial development, building on the thematic priorities in which it has a comparative advantage and expertise, namely, building productive capacities in an inclusive manner, building trade capacities in industries and building institutional capacities for making industries sustainable through cleaner production technologies and resource efficiency methodologies;

"22. Encourages the United Nations Industrial Development Organization to continue to assist developing countries, including the least developed countries and African countries, in participating in productive activities through, inter alia, the development of agro-industry and agribusiness, the promotion of South-South cooperation and the transfer, diffusion and adoption of technology, building to engage in international trade through micro, small and medium-sized enterprise development and support, as appropriate, in meeting international product and process standards, and the integration of women and youth into the development process;

"23. Also encourages the United Nations Industrial Development Organization to support developing countries, upon request, in achieving sustainable development, including through support for policies in the context of sustainable development and poverty eradication, and to promote environmentally sound and sustainable production, including through programmes on cleaner production, industrial water management, industrial energy efficiency and the utilization of efficient, modern and affordable forms of energy for productive use, especially in rural areas, through continued cooperation with United Nations organizations and other organizations in order to support the achievement of multilateral environmental agreements and promote global goals on access to modern forms of energy, on energy efficiency and on renewable energy;

"24. Further encourages the United Nations Industrial Development Organization to strengthen its role in assisting developing countries to create and disseminate knowledge by, inter alia, making use of its global network of centres for investment and technology promotion, resource-efficient and cleaner production and South-South cooperation, as well as through its Institute for Capacity Development and Networks for Prosperity Initiative;

"25. *Reiterates* the importance of promoting the creation and development of micro, small and medium-sized enterprises as a strategy for achieving industrial development, economic dynamism and poverty and hunger eradication, including through the mobilization of resources and measures to foster sustainable and inclusive development;

"26. Acknowledges the importance of reporting on corporate sustainability, and encourages companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle, and encourages industry, interested Governments and relevant stakeholders, with the support of the United Nations system, as appropriate, to develop models for best practices and to facilitate action for the integration of sustainability reporting, taking into account experiences from already existing frameworks and paying particular attention to the needs of developing countries, including for capacity-building;

"27. Welcomes the ongoing support of the United Nations Industrial Development Organization for the New Partnership for Africa's Development, the African Agribusiness and Agro-industries Development Initiative, the Pharmaceutical Manufacturing Plan for Africa and other programmes of the African Union aimed at further strengthening the industrialization process in Africa;

"28. *Stresses* the importance of the activities of the United Nations Industrial Development Organization, within its mandate, to support the efforts of middle-income countries to eradicate poverty, reduce inequalities and achieve their development goals;

"29. Encourages the United Nations Industrial Development Organization to continue to develop its effectiveness in each of its four capacities of technical cooperation, research and analysis, normative assistance and global forum activities, with the aim of enhancing the quality of the services it provides to developing countries and countries with economies in transition;

"30. *Encourages* giving appropriate consideration to the issue of industrial development cooperation in the elaboration of the post-2015 development agenda;

"31. *Requests* the Director General to submit an annual report on the activities conducted on industrial development cooperation, including the implementation of the present resolution, to the General Assembly, beginning at its seventieth session, under the agenda item on sustainable development."

3. Also at its 36th meeting, on 3 December, the Committee had before it a draft resolution entitled "International development cooperation" (A/C.2/69/L.58), submitted by the Rapporteur of the Committee on the basis of informal consultations held on draft resolution A/C.2/69/L.29.

4. Upon the proposal of the Chair, the Committee agreed to waive rule 120 of the rules of procedure and to proceed to take action on the draft resolutions before it.

5. At the same meeting, the Committee was informed that draft resolution A/C.2/69/L.58 had no programme budget implications.

6. A statement was made by a representative of Viet Nam on behalf of the facilitator (see A/C.2/69/SR.36).

7. Also at the same meeting, the Committee adopted draft resolution A/C.2/69/L.58 (see para. 9).

8. In the light of the adoption of draft resolution A/C.2/68/L.58, draft resolution A/C.2/69/L.29 was withdrawn by its sponsors.

### **III.** Recommendation of the Second Committee

9. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

#### **Industrial development cooperation**

The General Assembly,

*Recalling* its resolutions 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002, 59/249 of 22 December 2004, 61/215 of 20 December 2006, 63/231 of 19 December 2008, 65/175 of 20 December 2010 and 67/225 of 21 December 2012,

*Recalling also* the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, and its outcome document, entitled "The future we want",<sup>1</sup> and the outcome document of the special event to follow up efforts made towards achieving the Millennium Development Goals,<sup>2</sup>

*Recalling further* the fifteenth session of the General Conference of the United Nations Industrial Development Organization, held in Lima from 2 to 6 December 2013, and the Lima Declaration: towards inclusive and sustainable industrial development,<sup>3</sup> in which the General Conference notably reaffirmed the unique mandate of the Organization and laid the foundation for its upcoming work to support Member States in achieving inclusive and sustainable industrial development,

*Recalling* the third International Conference on Small Island Developing States, held in Apia from 1 to 4 September 2014, and its outcome document, entitled "SIDS Accelerated Modalities of Action (SAMOA) Pathway",<sup>4</sup>

*Recalling also* its resolution 68/309 of 10 September 2014, in which it welcomed the report of the Open Working Group on Sustainable Development Goals<sup>5</sup> and decided that the proposal of the Open Working Group contained in the report shall be the main basis for integrating sustainable development goals into the post-2015 development agenda, while recognizing that other inputs will also be considered in the intergovernmental negotiation process at the sixty-ninth session of the General Assembly,

*Noting* that inclusive and sustainable industrial development can effectively contribute to the achievement of a transformative agenda integrating in a balanced manner the three dimensions of sustainable development,

Acknowledging the industrial development reports prepared by the United Nations Industrial Development Organization, which examine structural change and policies in relation to industrial development to improve the contribution of industry to sustainable development, social inclusion, decent work, productivity growth and energy efficiency,

<sup>&</sup>lt;sup>1</sup> Resolution 66/288, annex.

<sup>&</sup>lt;sup>2</sup> Resolution 68/6.

<sup>&</sup>lt;sup>3</sup> Resolution GC.15/Res.1.

<sup>&</sup>lt;sup>4</sup> Resolution 69/15, annex.

<sup>&</sup>lt;sup>5</sup> A/68/970 and Corr.1.

*Emphasizing* the essential role of inclusive and sustainable industrial development as part of a comprehensive strategy of structural economic transformation in eradicating poverty and supporting sustained economic growth, and thus in contributing to achieving sustainable development in developing countries, including the most vulnerable countries, and, in particular, African countries, least developed countries, landlocked developing countries and small island developing States, while recognizing the specific challenges facing middle-income countries, and emphasizing also that countries in situations of conflict also need special attention,

*Recognizing* the diversity of ways to achieve inclusive and sustainable industrial development and, in this connection, that each country has the primary responsibility for its own development and the right to determine its own development paths and appropriate strategies,

*Stressing* the importance of international industrial cooperation to promote inclusive and sustainable industrialization and to address major challenges and issues such as poverty eradication, growth and decent jobs, resource efficiency, energy, pollution and climate change, shifting demographics, knowledge networking and the narrowing of growing inequalities,

Underscoring the importance of using science, technology and innovation to build and maintain resilient industrial infrastructure and achieve inclusive and sustainable industrial development,

*Recognizing* the role of the business community, including the private sector, in enhancing the dynamic process of the development of the industrial sector, underlining the importance of the benefits of foreign direct investment in that process, and recognizing also in this regard that an enabling national environment is vital for mobilizing national resources, increasing productivity, reducing capital flight, encouraging the private sector and making effective use of international investment and assistance, and that efforts to create such an environment should be supported by the international community,

1. *Takes note with appreciation* of the report of the Director General of the United Nations Industrial Development Organization;<sup>6</sup>

2. *Notes with appreciation* the adoption, on 2 December 2013, of the Lima Declaration: towards inclusive and sustainable industrial development;<sup>3</sup>

3. *Encourages* giving due consideration to the issue of inclusive and sustainable industrial development in the elaboration of the post-2015 development agenda;

4. *Recognizes* the unique mandate of the United Nations Industrial Development Organization to promote inclusive and sustainable industrial development, within the United Nations system, and the critical contribution made by the Organization;

5. *Also recognizes* that the mobilization of national and international resources and an enabling national and international environment are key drivers for sustainable development;

<sup>&</sup>lt;sup>6</sup> See A/69/331.

6. Underlines the potential benefits, for developing countries, of stepping up their efforts to finance their own development by improving domestic resource mobilization and promoting financing, spurred by a robust and vibrant industrial sector, in order to achieve a long-term impact through local, national and regional ownership;

7. *Emphasizes* that each country must take the primary responsibility for its own industrial development and that national ownership and leadership are indispensable in the development process, and that the role of national policies, resources and development strategies cannot be overemphasized;

8. *Recognizes* that ensuring inclusive and sustainable industrial development requires consistent industrial policies and institutional frameworks that are duly supported by the necessary investment in industrial infrastructure, innovation, environmental technologies and skills development;

9. Also recognizes that inclusive and sustainable industrial development can play a crucial role in the realization of other major development objectives as, through inclusive and sustainable approaches to industrial development, countries can achieve self-sustaining economic and social development in an environmentally sustainable framework;

10. *Emphasizes* the need to promote, in the context of industrial development, gender equality and the empowerment of women at all levels and in decision-making processes;

11. Also emphasizes that national efforts should be supported by development partners, as appropriate, and need to be complemented by a rulesbased multilateral trading system that facilitates trade and provides opportunities for developing countries to broaden their competitive export base by strengthening their capacities and facilitating the structural transformation and diversification of their economies, which can help to promote economic growth and development;

12. *Further emphasizes* the need for the international community and the private sector, as appropriate, to contribute to creating an enabling environment for sustainable industrial development;

13. Underlines the importance of strengthening existing and forging new partnerships and networks at the global, regional and subregional levels, including South-South cooperation and triangular cooperation, and the full involvement of all relevant stakeholders towards achieving inclusive and sustainable industrial development;

14. *Stresses* that the lack of a dynamic industrial and manufacturing sector is one of the factors that can lead to a widening of the income gap between rich and poor and to the erosion of social protection systems;

15. *Encourages* the United Nations Industrial Development Organization to promote dialogue and multi-stakeholder partnerships in order to monitor and foster progress towards the achievement of inclusive and sustainable industrial development;

16. *Notes with appreciation* the role of the United Nations Industrial Development Organization in leveraging the private sector as a partner for development, including through the organization of global dialogues;

17. *Notes* the continuing cooperation of the United Nations Industrial Development Organization with the entities of the United Nations system, including the specialized agencies, funds and programmes;

18. Underscores the continuing work of the United Nations Industrial Development Organization as a global forum to disseminate knowledge and provide advice on industrial policies and strategies, successful industrialization experiences and best practices;

19. *Recognizes* the key role of the United Nations Industrial Development Organization in promoting sustainable industrial development and industrial innovation and mainstreaming science and technology into national productive systems;

20. *Encourages* regional, subregional and interregional cooperation as a platform for international industrial cooperation aiming to promote investments and technology transfer on mutually agreed terms, to disseminate good policies and practices as well as to foster decent work, including for youth and women;

21. *Calls upon* the United Nations Industrial Development Organization to continue to play an active role in implementing the quadrennial comprehensive policy review of operational activities for development and General Assembly resolution 64/289 of 2 July 2010 on system-wide coherence;

22. Also calls upon the United Nations Industrial Development Organization to continue, upon request, to support developing countries in achieving enhanced levels of inclusive and sustainable industrial development, notably in building productive capacities in an inclusive manner, building trade capacities in industries and building institutional capacities for making industries sustainable through cleaner production technologies and resource efficiency methodologies;

23. Encourages the United Nations Industrial Development Organization to continue to assist developing countries, including the least developed countries and African countries, in participating in productive activities through, inter alia, the development of sustainable agro-industry and agribusiness that improves food security, eradicates hunger and is economically viable, the promotion of South-South cooperation and the transfer, diffusion and adoption of technology on mutually agreed terms, building to engage in international trade through micro, small and medium-sized enterprise development and support, as appropriate, in meeting international product and process standards, and the integration of women and youth into the development process;

24. Also encourages the United Nations Industrial Development Organization to support developing countries, upon request, in achieving sustainable development, including through support for policies in the context of sustainable development and poverty eradication, and to promote environmentally sound and sustainable production, including through programmes on cleaner production, industrial water management, industrial energy efficiency and the utilization of efficient, modern and affordable forms of energy for productive use, especially in rural areas, through continued cooperation with United Nations organizations and other organizations in order to support the achievement of multilateral environmental agreements and promote global goals on access to modern forms of energy, on energy efficiency and on renewable energy; 25. Further encourages the United Nations Industrial Development Organization to strengthen its role in assisting developing countries to create and disseminate knowledge, inter alia, by making use of its global network of centres for investment and technology promotion, resource-efficient and cleaner production and South-South cooperation, as well as through its Institute for Capacity Development and Networks for Prosperity Initiative;

26. *Reiterates* the importance of promoting the creation and development of micro, small and medium-sized enterprises as a strategy for achieving industrial development, economic dynamism and poverty and hunger eradication, including through the mobilization of resources and measures to foster sustainable and inclusive development, and in this regard recalls International Labour Organization recommendation No. 189 concerning job creation in small and medium-sized enterprises;

27. Acknowledges the importance of reporting on corporate sustainability, encourages companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle, and encourages industry, interested Governments and relevant stakeholders, with the support of the United Nations system, as appropriate, to develop models for best practices and to facilitate action for the integration of sustainability reporting, taking into account experiences gained from already existing frameworks and paying particular attention to the needs of developing countries, including for capacity-building;

28. Welcomes the ongoing support of the United Nations Industrial Development Organization for the New Partnership for Africa's Development,<sup>7</sup> the African Agribusiness and Agro-industries Development Initiative, the Pharmaceutical Manufacturing Plan for Africa and other programmes of the African Union aimed at further strengthening the industrialization process in Africa;

29. *Stresses* the importance of the activities of the United Nations Industrial Development Organization, within its mandate, to support the efforts of middle-income countries to eradicate poverty, reduce inequalities and achieve sustainable development;

30. *Encourages* the United Nations Industrial Development Organization to continue to develop its effectiveness in each of its four capacities of technical cooperation, research and analysis, normative assistance and global forum activities, with the aim of enhancing the quality of the services it provides to developing countries and countries with economies in transition;

31. *Requests* the Secretary-General to submit to the General Assembly at its seventy-first session a report on the implementation of the present resolution.

<sup>7</sup> A/67/294, annex.