



TOGETHER
for a sustainable future

FOSTERING TRADE, INVESTMENT AND INNOVATION: AN HOLISTIC APPROACH

Victor DIWANDJA DJEMBA

UNIDO Representative

Senegal, Cabo Verde, Gambia, Guinea-Bissau and Mauritania



**TRADE
INVESTMENT
INNOVATION**

Outline



INTRODUCING UNIDO

INVESTMENT AND THE SUSTAINABLE DEVELOPMENT AGENDA

UNIDO HOLISTIC APPROACH TO TRADE, INVESTMENT AND INNOVATION

UNIDO PROGRAMME FOR COUNTRY PARTNERSHIPS



TOGETHER
for a sustainable future

1966 - 2016

INTRODUCING UNIDO



UNIDO Facts & Figures

170 Member States

663 Staff Members

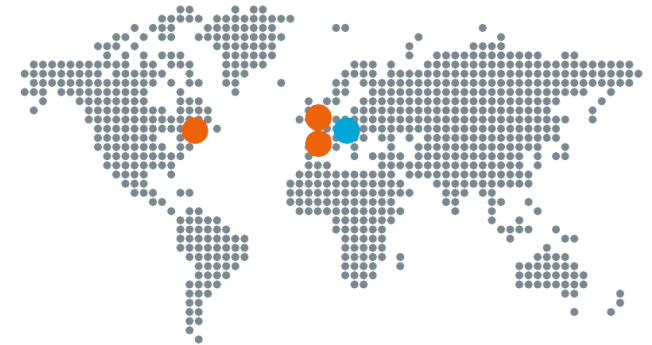
30 regional and country offices

17 UNIDO desks

116 countries with UNIDO field representation

\$ 174.7 million technical cooperation delivery in 2015

\$ 476 million funds available for future implementation



● Headquarters in Vienna

● Liaison offices in Brussels, Geneva and New York

A little bit of History

- ▶ **1966** UNIDO was established as an autonomous body within the UN
- ▶ **1979** UNIDO was established as a specialized agency, new constitution adopted
- ▶ **1997** Member States adopt Business Plan for Future Role and Functions
- ▶ **2000** United Nations adopt Millennium Development Goals
- ▶ **2013** Adoption of the Lima Declaration towards **Inclusive and Sustainable Industrial Development**
- ▶ **2015** 2030 Sustainable Development Agenda approved

A little bit of History



- 1966** UNIDO was established as an autonomous body within the UN
 - 1970** WAITRO formally founded as non-governmental organization
- 1979** UNIDO was established as a specialized agency, new constitution adopted
- 1997** Member States adopt Business Plan for Future Role and Functions
- 2000** United Nations adopt Millennium Development Goals
 - 2008** UNIDO and WAITRO sign MoU to foster cooperation
- 2013** Adoption of the Lima Declaration towards **Inclusive and Sustainable Industrial Development**
- 2015** 2030 Sustainable Development Agenda approved

Industrial Development

Implementing inclusive and sustainable industrial development, ISID means to us that:

- ▶ Every country achieves a higher level of industrialization, and benefits from the globalization of markets for industrial goods and services.
- ▶ No one is left behind in benefiting from industrial growth, and prosperity is shared among women and men in all countries.
- ▶ Broader economic and social growth is supported within an environmentally sustainable framework.
- ▶ New approaches are introduced to harness and share available knowledge, technology and innovation.
- ▶ All of the above are supported through multi-stakeholder partnerships.

Inclusive and Sustainable Industrial Development

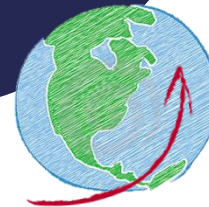


SHARED PROSPERITY

Advancing poverty eradication and inclusiveness, building productive capacities, providing more opportunities for all women and men across social groups

ECONOMIC COMPETITIVENESS

Advancing economic and industrial growth, building trade capacities, ensuring that all countries can benefit from international trade and technological progress, applying modern industrial policies and complying with global standards



SAFEGUARDING THE ENVIRONMENT

Advancing environmentally sustainable growth, greening industries through cleaner production technologies and resource efficiency methodologies



TOGETHER
for a sustainable future

1966 - 2016

INVESTMENT AND THE SUSTAINABLE DEVELOPMENT AGENDA



SUSTAINABLE DEVELOPMENT GOALS



Investment and the SDGs



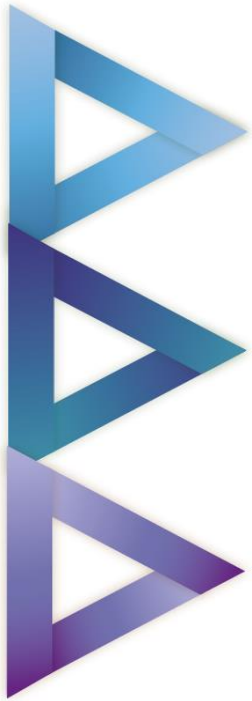
Achieving the SDGs will require **global investments** far beyond current levels of development finance

Private investment can play a major role and help to overcome the existing gap

Business provides **60 % of economic output and 90 % of jobs** in developing countries

FDI, driven by activities of multinational enterprises, may be one means that can help to **achieve inclusive and sustainable industrialization and growth**

Policy framework to promote investments in Sustainable Development: more work on ...



The need to bolster and measure impact of FDI in developing countries to ensure inclusive and sustainable development

The importance of consolidating technical assistance and support to enterprise development in developing countries

The need to integrate domestic companies in international value chains through technical assistance interventions aimed at enhancing competitiveness in more liberalized domestic and international markets

... with a central objective the need to maximize the impact from FDI activity

Investment policy to drive science, technology and innovation (STI) and technology facilitation



TECHNOLOGY ACQUISITION OR TECHNOLOGY TRANSFER

TECHNOLOGY SPILLOVERS

BUILDING THE CAPACITY TO ABSORB, ADAPT ADVANCED FOREIGN TECHNOLOGY TO LOCAL CONDITIONS AND IMPLEMENT THE ADAPTED VERSION OF THE TECHNOLOGY

Investment policy to drive science, technology and innovation (STI) and technology facilitation

POLICY FOR FOREIGN DIRECT INVESTMENT

- Governments to be more interested in brownfield and greenfield investment from relatively advanced economies and thus with a relatively significant technology content
- Theoretically, such investment increases the likelihood of technology transfer, but empirical research not abound with evidence of positive technological spillovers

POLICIES FOR ENHANCING ABSORPTIVE CAPACITY

- Assist government in providing skills development programs and other kinds of capacity building interventions at enterprise (micro) as well as institutional (meso) and policy (macro) levels

POLICIES FOR STRENGTHENING STI

- Build capacities and capabilities to innovate – “own innovation” to contrast with innovation stemming from technology transfer”
- Create conditions for innovation at the firm, meso and macro levels



TOGETHER
for a sustainable future

1966 - 2016

UNIDO HOLISTIC APPROACH TO TRADE, INVESTMENT AND INNOVATION





TOGETHER
for a sustainable future

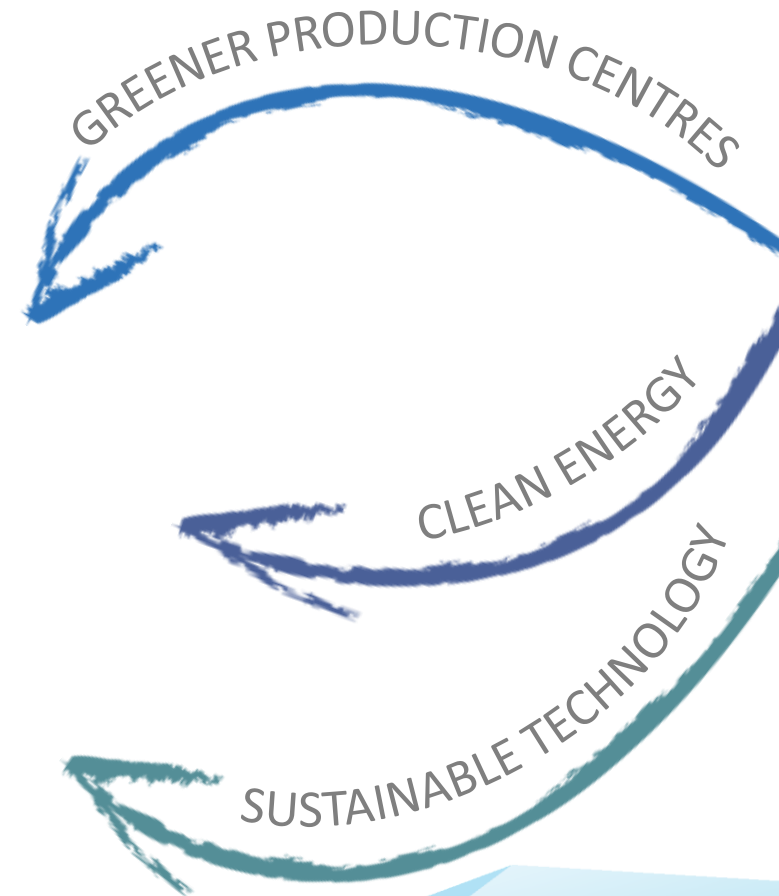
1966 - 2016



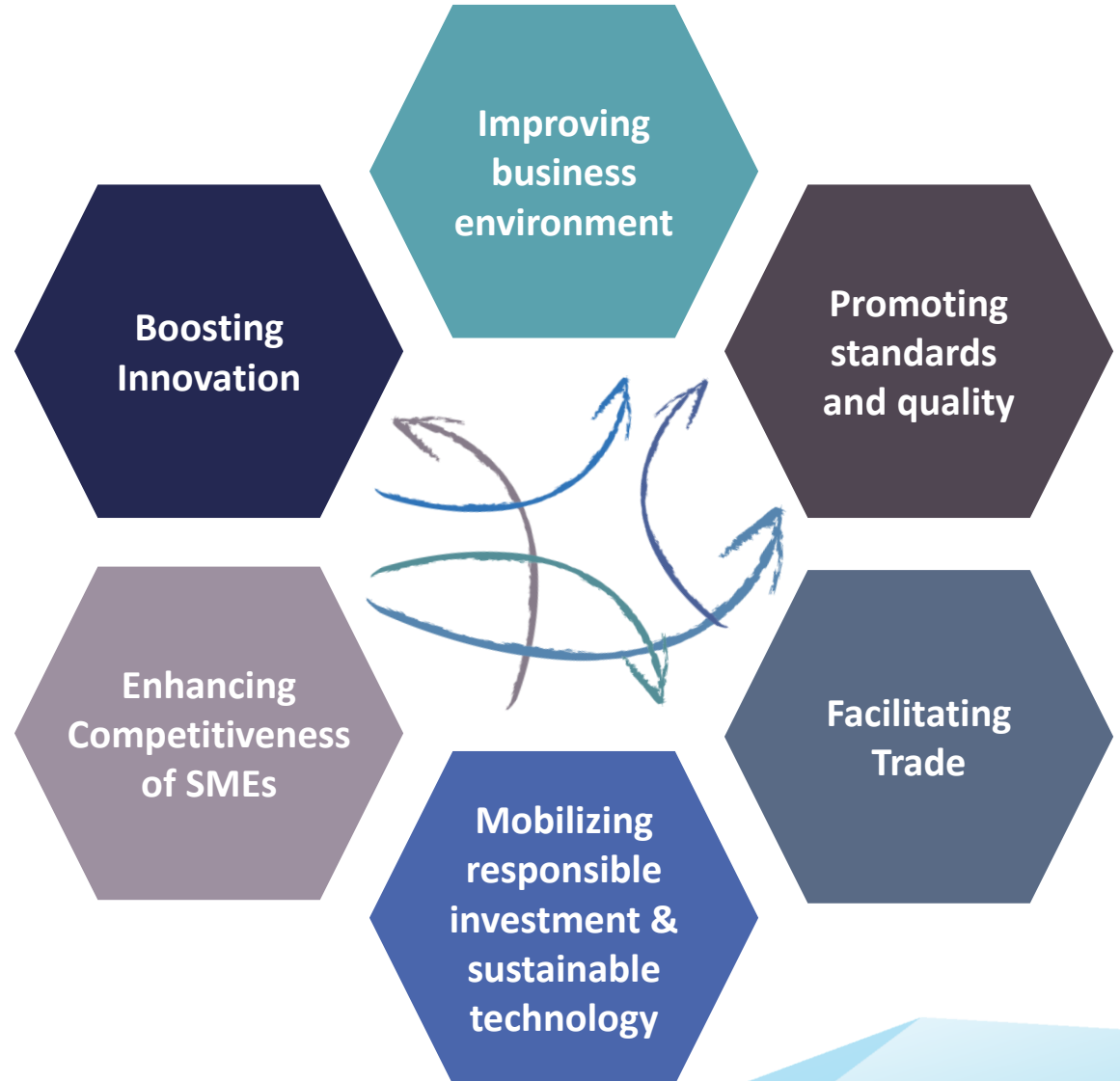
TRADE INVESTMENT INNOVATION

Driving Economic Transformation

UNIDO Areas of Technical Assistance

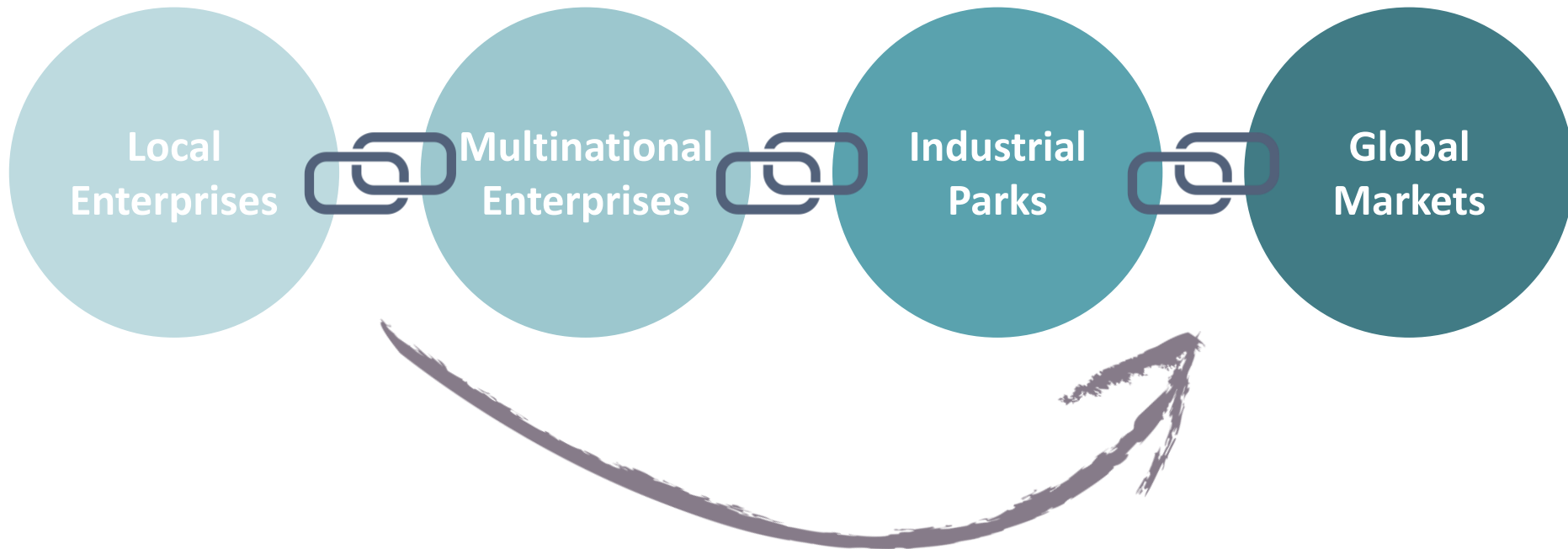


Trade, Investment & Innovation



**INTEGRATE
MODULES AND
CLUSTER SERVICES**

Investment can be instrumental to access GVC



PUBLIC-PRIVATE PARTNERSHIPS
FOR INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT

Driving Economic Transformation

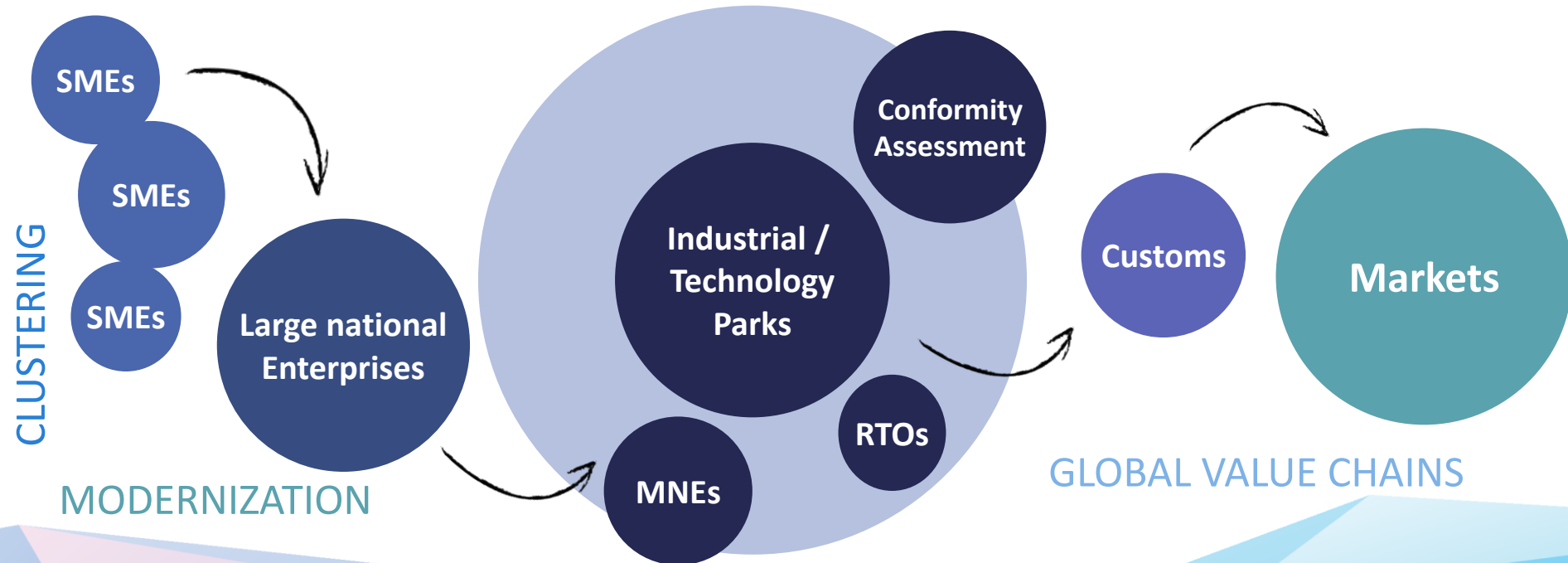
INVESTMENT & TECHNOLOGY

INDUSTRIALIZATION

TRADE FACILITATION

INNOVATION

QUALITY & STANDARDS



FDI brings access to Global Value Chains

STRONG LINKAGE TO LOCAL ECONOMY

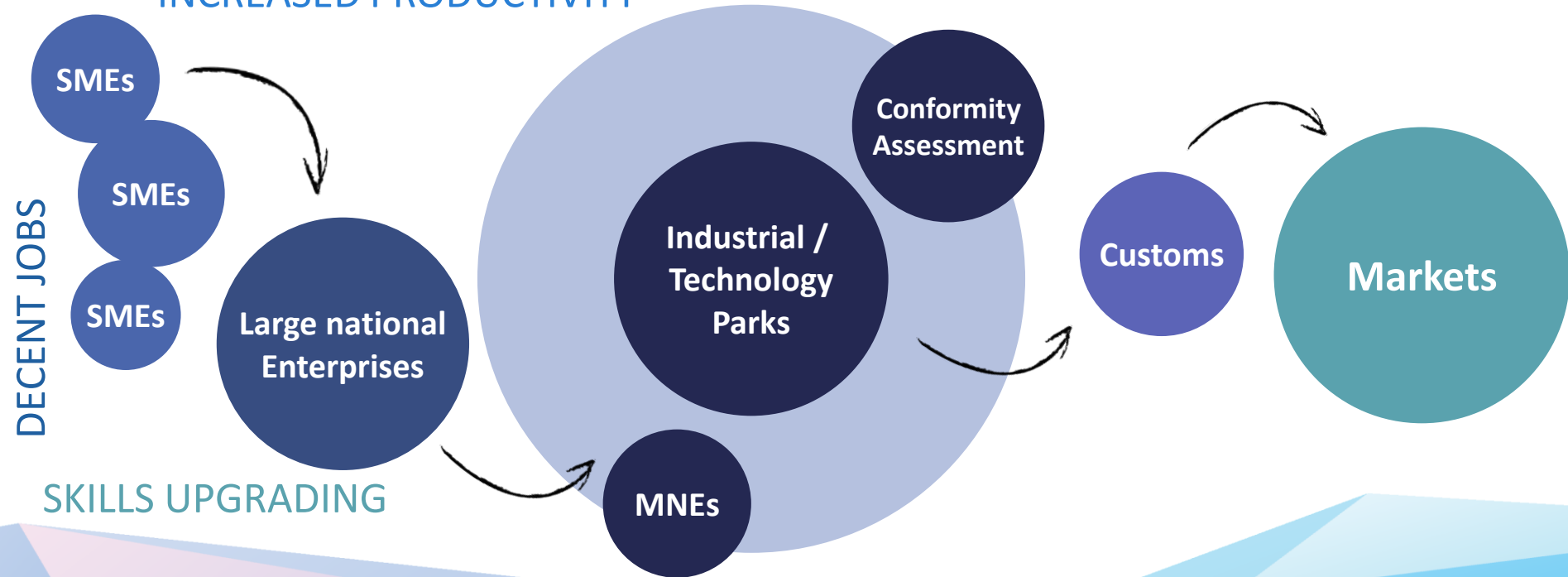
ENVIRONMENTAL SUSTAINABILITY

TECHNOLOGY TRANSFER

INCREASED PRODUCTIVITY

INVESTMENT CLIMATE

MARKET ACCESS

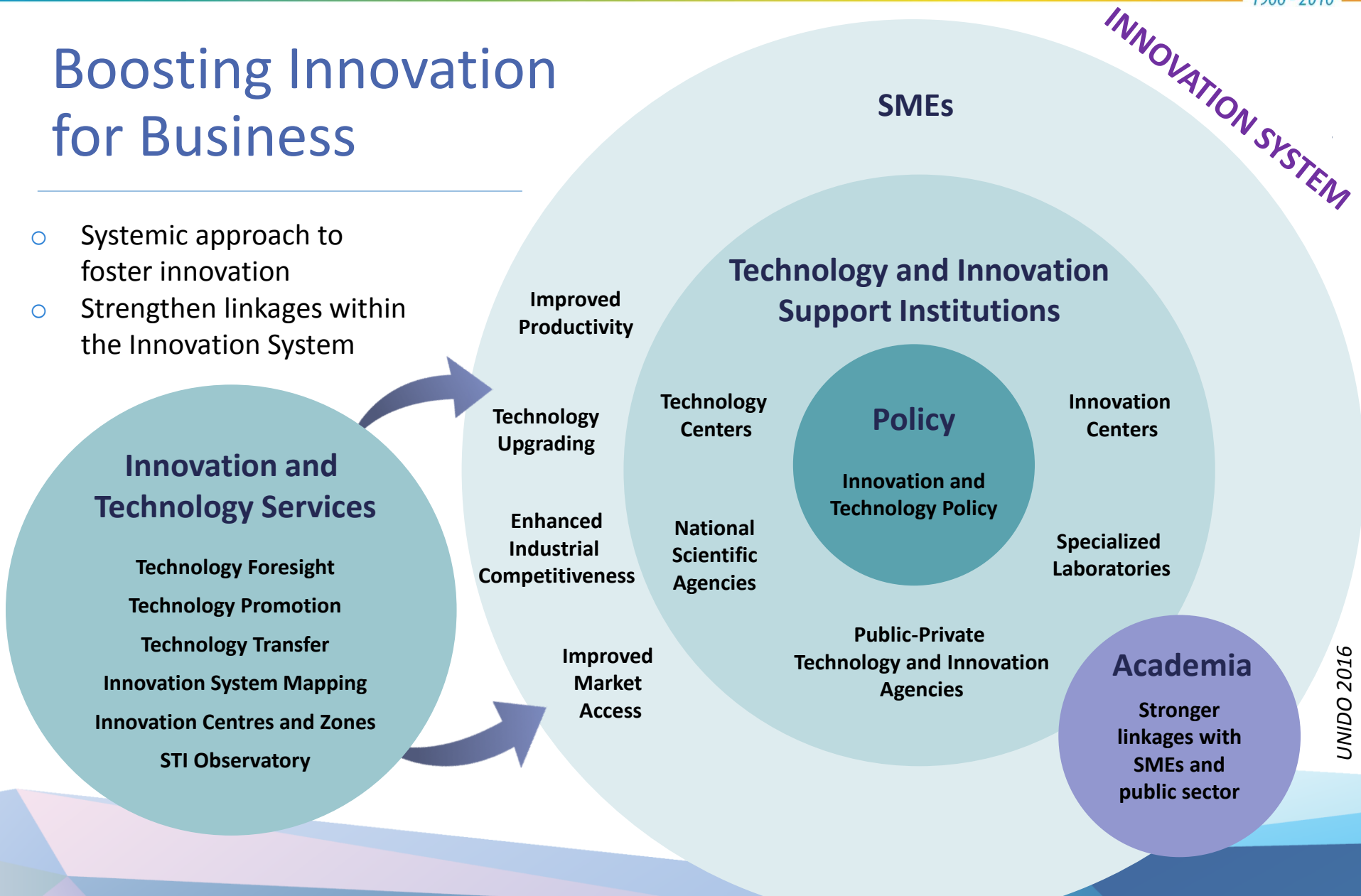


Benefits of Foreign Direct Investment

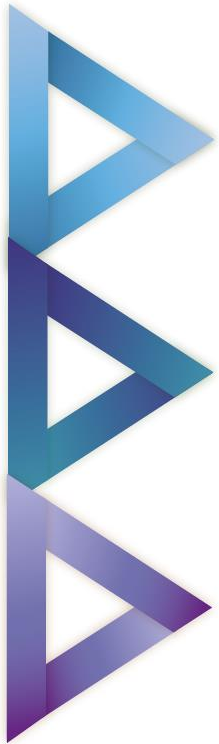
- ▶ Central role in poverty reduction, by increasing the productive capacity of the economy and generating increased employment
- ▶ Expand and introduce new technologies that can serve to increase the productivity and sustainability
- ▶ Innovation, transfer of knowledge and technology lead to higher productivity
- ▶ Knowledge of better technology can be spread to domestic businesses through business linkages
- ▶ FDI can be a driver for the growth of local business and can improve the overall investment climate

Boosting Innovation for Business

- Systemic approach to foster innovation
- Strengthen linkages within the Innovation System



Enhancing Competitiveness of SMEs



ENTERPRISE TECHNOLOGY UPGRADING

Technology transfer as a tool to enhance competitiveness of SMEs

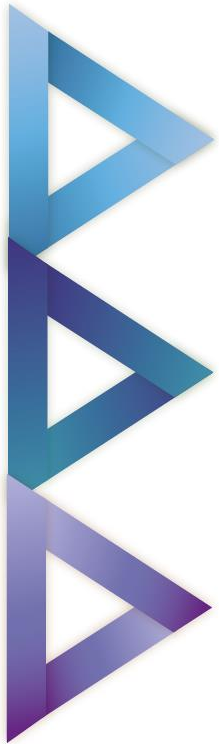
KNOWLEDGE AND CAPACITY TRANSFER

Knowledge sharing and capacity building relating to science, technology and innovation

LINK TO GLOBAL VALUE CHAINS

Improvements in productivity help to integrate SMEs from economies in transition into global value chains

Improving Business Environment



A **CONDUCTIVE BUSINESS ENVIRONMENT** is among the key prerequisites for economic growth and poverty reduction, encourages competition and enhances the effectiveness and sustainability of other development interventions

TECHNOLOGY AND INNOVATION POLICIES ADVICE

Strengthen policy, legal and regulatory structures to facilitate trade, investment and innovation through policy advice

SUPPORT INSTITUTIONS CAPACITY BUILDING

Enhance the skills of institutional structures to better support and foster a conducive business environment

Promoting Standards and Quality



Systemic approach

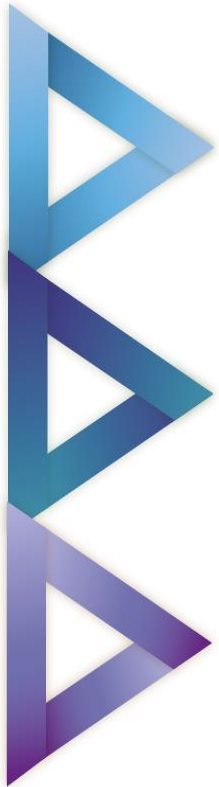
Demand-driven QI development in line with private sector needs

LabNet to support SMEs in R&D activities

- Created by UNIDO and WAITRO (2008)
- Internet-based portal for laboratory development
- Support in establishing the necessary physical and institutional infrastructure to **improve market access and industrial competitiveness**



Mobilizing responsible investment & sustainable technology



INVESTMENT FLOWS MOBILIZING

Investment in technology and innovation to stimulate inclusive and sustainable economic growth

SUSTAINABLE TECHNOLOGY SUPPORT

Foster innovation through investment and transfer of sustainable technology

INVESTMENT NETWORKING, LEARNING AND MONITORING

Link to potential partners throughout the business partnership process, share information and disseminate knowledge for project identification, formulation and promotion, and assess challenges and opportunities

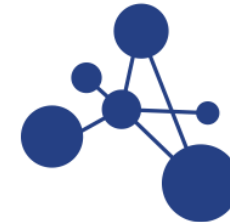
UNIDO interventions in the area of Investment



INVESTMENT MONITORING



INVESTMENT NETWORKING



INVESTMENT LEARNING



Monitoring: Investor Survey

- AIS is a **firm-level survey** of the investment activities, performance and perceptions of companies active in Sub-Saharan Africa (SSA)
 - **Sampling strata:** economic sub-sector (ISIC 2-digit level), size (# of employees), and ownership status (foreign- or domestic-owned)
- So far, UNIDO has supported **five rounds of investor surveys:** 2001, 2003, 2005, **2010** and 2013
- Close to **7,000 face-to-face interviews** conducted with top-level managers from foreign/domestic-owned firms.
- Covering a range of economic activities (agriculture, manufacturing services) across **19 SSA countries.**



Networking: Investment and Technology Promotion Offices (ITPOs)

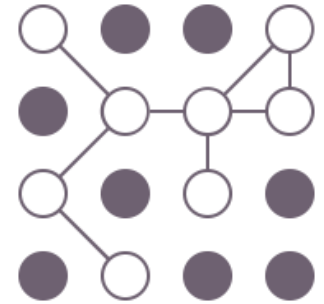
- Creation of ITPOs through agreements between the hosting countries and UNIDO
- Collaboration with public and private institutions on industrial development issues acting as international honest broker
- Dissemination of the latest information on the legal and economic framework, on the investment and industrial cooperation opportunities
- Identification and promotion of specific investment opportunities
- Promotion of investments and technology transfer through investors and technology suppliers
- Organization of business delegations to visit trade fairs and investment forums



BAHRAIN
CHINA (2)
GERMANY
ITALY
JAPAN
NIGERIA
REP. OF KOREA
RUSSIA
VIENNA

Networking: UNIDO SPX Centres

- UNIDO establishes **Subcontracting and Partnership Exchanges (SPXs)** with the objective of helping local enterprises to successfully meet the challenges of globalization and to take advantage of the emerging opportunities that evolve from industrial subcontracting, outsourcing and supply chain opportunities.
- The Programme is a response to the need of large investors to find qualified local suppliers and develop local suppliers
- More than 20 SPX Centres world wide are currently operational
- SPX toolkit comprises a profiling methodology, a benchmarking methodology and an SPX Management Information System (MIS)
- The SPX database currently comprises around 7,000 firm profiles and around 500 firm benchmarks and connects to other programmes in the area of investment and technology promotion



Investment Learning Centre_ILC



**INVESTMENT
LEARNING
CENTRE_ILC**



CAPABILITY BUILDING



METHODOLOGIES AND TOOLS



**INVESTMENT STUDIES, PROFILES,
BANKABLE PROJECTS**

TRAINING PACKAGES on Investment Promotion
and Financial Analysis of Investment Projects



TOGETHER
for a sustainable future

1966 - 2016

UNIDO PROGRAMME FOR COUNTRY PARTNERSHIP (PCP)



Programme for Country Partnership (PCP)



Achieving Inclusive and Sustainable Industrial Development (ISID) goals requires long-term commitments. **Strategic partnerships expand the impact of UNIDO's work well beyond the short-term grant-funded capacity-building assistance.**

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.

ETHIOPIA
SENEGAL



PERU


UNIDO PCP Approach

4 PRINCIPLES OF THE PROGRAMME FOR COUNTRY PARTNERSHIP (PCP)

1. Government ownership
2. Multi-stakeholder partnership from design to implementation
3. Joint resource mobilization
4. UNIDO multidisciplinary approach



PCP Impact and Partnerships




1 Starting with UNIDO
Technical Cooperation



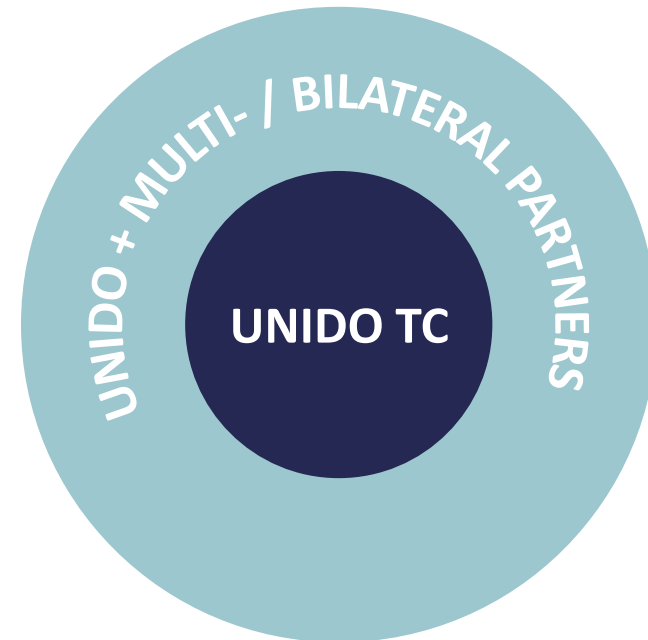
UNIDO TC

PCP Impact and Partnerships

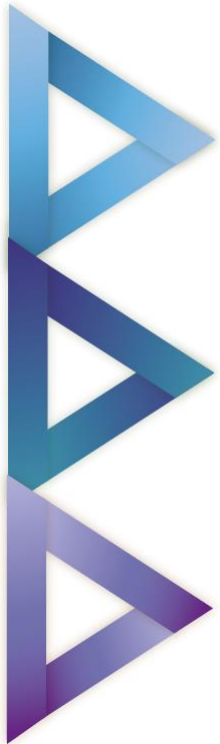


1 Starting with UNIDO
Technical Cooperation

2 Expanding by
partnering with others



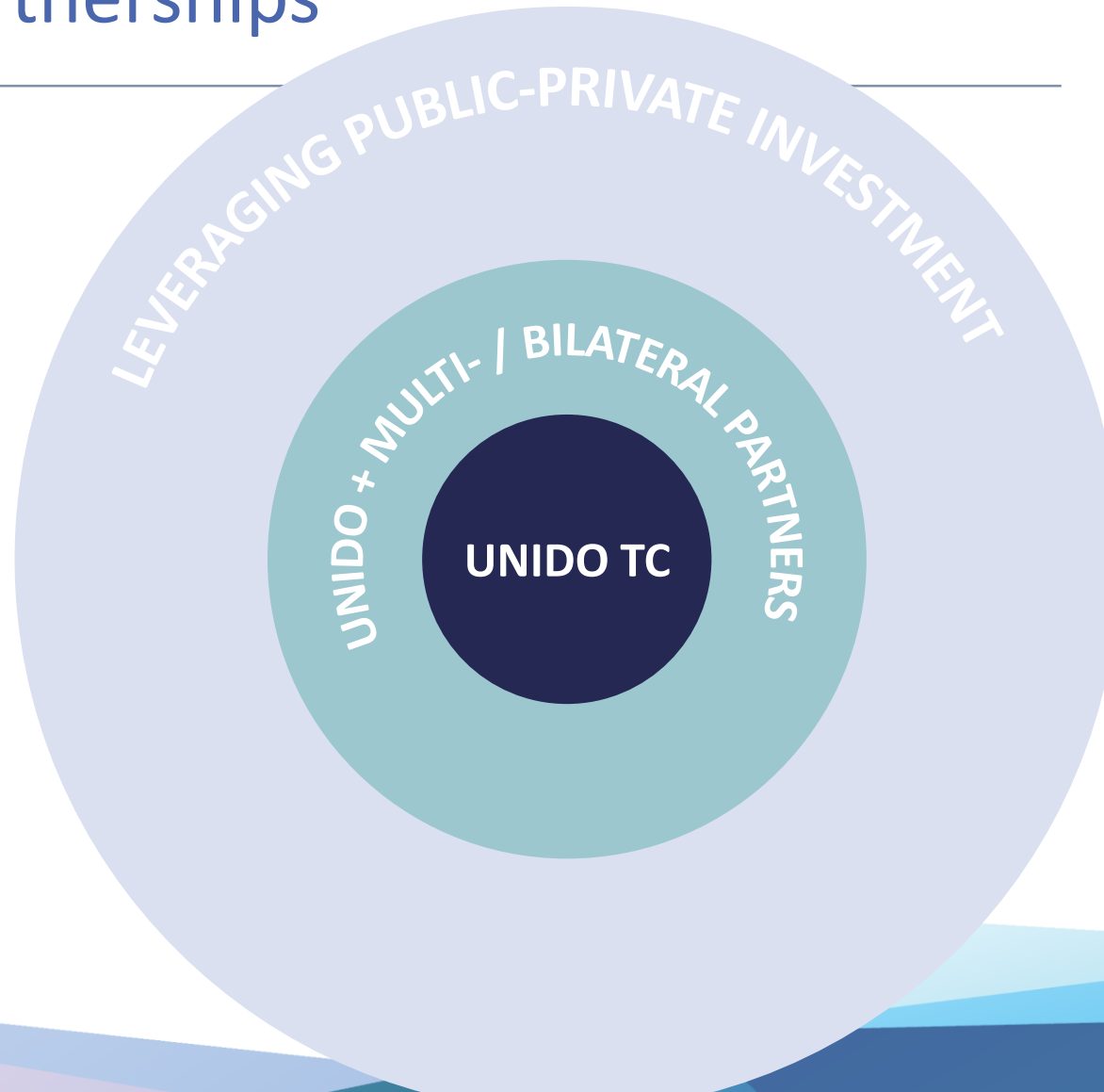
PCP Impact and Partnerships



1 Starting with UNIDO
Technical Cooperation

2 Expanding by
partnering with others

3 Maximizing impact
through mobilizing
investment



Programme for Country Partnership (PCP)

ETHIOPIA

The PCP is rooted in the industrial development strategy of Ethiopia. It aims to support the Government in the implementation of the GTP II and in addressing challenges associated with structural transformation.

The key features of the PCP are:

1. government ownership;
2. alignment with national development plans;
3. a strong partnership approach;
4. leveraging for investment;
5. focus on selected priority sectors;
6. rigorous monitoring and evaluation system.

AREAS OF INTERVENTION

- partnership mobilization
- agro-food sector
- leather and leather products sector
- textiles and apparel sector
- institutional capacity-building
- investment promotion
- trade facilitation
- environment
- south-south and triangular industrial cooperation



Agro-Industry Investment Forum, 5-7 Oct 2016



Ahmed Abtew,
Minister of Industry



Carlos Lopes,
Executive Secretary of
the United Nations
Economic Commission
for Africa

1,200 Participants

58 Investment profiles

3 Sectors: Agro-Industry,
textiles and apparel, leather and footwear

160 formal B2B meetings conducted

85% of B2B participants ready to follow up
initial discussions on new investment

20 business-to-government meetings

200 Participants attended the field visit



Programme for Country Partnership (PCP)

SENEGAL

The PCP is rooted in the national development strategy – Plan Senegal Emergent (PSE) - of Senegal. It aims to support the Government in the implementation of the industrial component of the PSE in addressing challenges associated with structural transformation and inclusive and sustainable growth

The key features of the PCP are:

1. government ownership;
2. alignment with national development plans;
3. strong partnership approach;
4. leveraging for investment;
5. rigorous monitoring and evaluation system.

AREAS OF INTERVENTION

- Industrial policy formulation
- Integrated industrial parks
- Integrated Agro poles
- Regional mineral hub
- SEZ and investor package reform
- Private sector development
- investment promotion
- trade facilitation
- energy
- Environment
- STI for industry
- south-south and triangular industrial cooperation
- partnership mobilization



5th ISID Forum, 14-15 November 2016



Diamniado Integrated Industrial Park Site



One of the completed factory (7500 sqm) available for use

- First ISID Forum after 2030 agenda for SD entry into force
- Experience and concrete results of PCP implementation in 3 pilot countries
- Action plan for PCP dissemination in West Africa
- Mobilization of partners (national, regional and international) around the Action Plan
- Investment opportunities promotion
- B2B and B2G meetings
- Exhibition of industrial products
- Field visit of the Integrated industrial park of Diamniado



TOGETHER
for a sustainable future

1966 - 2016



**TRADE
INVESTMENT
INNOVATION**

THANK YOU