

2017 ECOSOC Special Meeting on Innovations for Infrastructure Development and promoting Sustainable Industrialization

Concept Note

I. Background

In his inaugural address on 28 July 2016, the ECOSOC President proposed that the Council dedicate sufficient time, during its 2016-2017 cycle, to innovations for infrastructure development and promoting sustainable industrialization. In this regard, he plans to convene a **Special Meeting of ECOSOC on “Innovations for Infrastructure Development and Promoting Sustainable Industrialization”** in New York, on 31 May 2017.

This topic is germane to all countries and regions. In particular, Africa and countries in special situations currently lag behind other regions in poverty eradication, infrastructure and industrialization. A range of initiatives have emerged to address the challenges of infrastructure development and sustainable industrialization, including key international agreements, such as the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Paris Agreement on Climate Change, and the New Urban Agenda adopted at Habitat III Conference in Quito, Ecuador. Other multilateral efforts are also underway, including the launch of the G20 Initiative on Supporting Industrialization in Africa and the LDCs and the Global Infrastructure Connectivity Alliance, among others.

Given the complexity and need for substantial collective efforts on these development issues for all countries, especially in Africa and countries in special situations, the ECOSOC President proposes holding two preparatory meetings in Africa before the New York meeting. These preparatory meetings would bring the specific circumstances and realities of Africa and countries in special situations into discussions at the Special Meeting and into broader ECOSOC discussions and decision-making processes. Other regions are also encouraged to organize preparatory activities to bring their perspectives to the Special Meeting.

The first preparatory meeting will be held in Dakar, Senegal, in the context of the annual AUC-ECA Conference of African Ministers of Finance, Planning and Development, scheduled from 27-28 March 2017, and will focus on infrastructure development and promoting sustainable industrialization. It will consist in a half-day expert session (26 March 2017) and a half-day ministerial session (27 March 2017). The second preparatory meeting to be held in Victoria Falls, Zimbabwe (24-26 April 2017) will focus on agriculture and agro-industry.

Collectively, these series of events will enable United Nations Member States and institutional partners to: take stock of key trends and innovations for infrastructure development, promoting sustainable industrialization, and agriculture and agro-industry; forge a common understanding on strengths and weaknesses in current approaches; examine best practices; and formulate coherent policy guidance on supporting these areas to achieve the SDGs, especially in Africa and countries in special situations.

II. ECOSOC Special Meeting, New York, USA (31 May 2017)

Poverty remains the central challenge globally, but there are effective ways to eradicate it within the next generation. Industrialization continues to be a proven and important source of employment and decent work, accounting for almost 500 million jobs worldwide, representing about a fifth of the world's workforce.

Industrialization has a positive effect on sustainable economic transformation as part of a comprehensive policy approach that also includes innovation, trade, enhanced productive capacities and complementary macroeconomic policies. Industrial development and trade in industrial goods can effectively reduce poverty, especially through job creation. The examples of the role played by industrial development and manufacturing in several countries in Asia represent models for developing countries in formulating policies to effectively lift large numbers of people out of poverty, especially by providing stable jobs.

Increased agricultural productivity and efficient, inclusive, sustainable and resilient agriculture and agro-industry are drivers for development in agriculturally dominant economies, enhancing economic stability for rural households, increasing food security and supporting economic transformation. Furthermore, agro-industry can be most effective when supported by improved rural infrastructure in areas of energy, irrigation, storage, cold chains and transport.

Modern and adequate innovations for infrastructure development and sustainable industrialization are thus critical for the achievement of the 2030 Agenda. The extent to which each of these will contribute to sustainable development depend on the ability of all countries to exploit the inter-linkages and synergies between them.

The pursuit of appropriate policies and incentives, improvement of the investment climate, and investment in the growth of domestic enterprises can help achieve Sustainable Development Goal 9, which focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovations.

Most countries have boundless potential in the areas of agriculture, infrastructure and industrialization but currently lack the necessary capacities, resources, technology and innovations to effectively strengthen and scale up existing successes. For Africa and the countries in special situations, their late industrialization offers opportunities for leapfrogging to more effective, greener forms of infrastructure development and green industrialization. For these countries, the necessity of industrialization is, on one hand, to achieve economic growth and employment generation, and on the other hand, to undertake industrialization that avoids past carbon-intensive and unsustainable strategies.

Rapid urbanization also has implications for sustainable urbanization to become an engine of economic growth and social development for the region, which is recognized by SDG-11 on sustainable cities and communities. This will involve planning for the projected massive urban growth and making provisions for adequate decent work, basic services and infrastructure, including in energy, transport, water and sanitation.

In addition, the emphasis on inclusiveness in SDG-9 is especially relevant given the potential that innovations, industrialization, and infrastructure hold for creating jobs and lifting all people out of poverty. In order to reach the targets of SDG-9, youth, older persons, persons with disabilities and indigenous peoples need to be included in implementation. By engaging all stakeholders, including

civil society, grassroots initiatives and the private sector, the UN can lead the way towards inclusive implementation.

Making progress in these areas will require major adjustments to growth and development strategies across countries. In addition to much-needed investment, innovative policy tools, frameworks and initiatives such as Agenda 2063, the Programme for Infrastructure Development in Africa (PIDA), the Comprehensive Africa Agriculture Development Programme (CAADP) and similar ones in other countries are important for promoting resilient infrastructure and green industrialization. Such a re-design of policies could generate new knowledge and opportunities for more inclusive growth, job creation and sustainable development.

In addition to SDG-9, SDG-11 and SDG-2, SDGs 6 and 7 address the backlog in the provision of water, sanitation and energy. Similarly, the African Union Agenda 2063 and its first ten-year implementation plan, calls on African countries to transform, grow and industrialize their economies, and to end hunger and all forms of malnutrition, including by modernizing agriculture and agrobusiness through value-addition and increased productivity. Both the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024, and the Istanbul Programme of Action for the Least Developed countries for the Decade 2011-2020, highlight the importance of structural transformation, infrastructure development and value addition in the manufacturing and agricultural sectors. For Small Island Developing States, the SAMOA Pathway similarly prioritises agriculture, infrastructure and service industries.

The Addis Ababa Action Agenda mentions investing in sustainable and resilient infrastructure, including transport, energy, water and sanitation for all as a pre-requisite for achieving many goals. In this regard, enhanced financial and technical support will facilitate development of sustainable, accessible and resilient quality infrastructure in developing countries. One outcome of the agreement was the establishment of a global infrastructure forum by multilateral development banks, to improve alignment and coordination among existing and new infrastructure initiatives. The forum will allow a greater range of voices to be heard to identify and address infrastructure and capacity gaps, in particular in Africa, countries in special situations and other developing countries. It will highlight opportunities for investment and cooperation and ensure that investments are environmentally, socially and economically sustainable. The AAAA also stressed the critical importance of industrial development for developing countries, as a source of economic growth, economic diversification, job creation, resources and energy efficiency, pollution and climate change mitigation, knowledge-sharing as well as innovation and social inclusion.

The infrastructure gaps facing many countries, especially African countries and the countries in special situations are becoming clearer as a result of the research and planning work already undertaken. A major challenge, however, remains that of effective implementation, including through harmonization of policy and regulatory frameworks and capacity-building. At the same time, a low tax base, administrative and institutional weaknesses and illicit financial flows are some of the other limitations of the extent to which countries can mobilize resources domestically. The role of development cooperation will therefore be paramount, both through bilateral and multilateral development financing, blended financing and other non-financial means of implementation.

The ECOSOC Special Meeting will seek to crystallize these issues and provide increased impetus for addressing them through innovative approaches. It will emphasize the need for support from all stakeholders for strengthening infrastructure development and promoting industrialization as well as agriculture and agro-industry. The circumstances of African countries and countries in special situations will be emphasized, and the specific commitments to these countries, including the African

Union Agenda 2063 and international commitments such as the Addis Ababa Action Agenda, the Third Industrial Development Decade for Africa, UNCTAD 14, and the G20 New Industrial Revolution Action Plan will be taken into account.

Objectives

The key objectives of the Special Meeting include the following:

- Highlighting the challenges to building, maintaining and upgrading infrastructure and promoting industrialization, and related innovations, in developing countries, particularly in Africa and the countries in special situations, including through the identification of key gaps in financing, project formulation, institutions, harmonization, regulatory and other capacity issues;
- Sharing knowledge, experiences and innovative approaches for the promotion and development of infrastructure and industrialization in all countries, particularly in Africa and the countries in special situations and highlighting new standards and strategies oriented towards inclusive and sustainable industrialization and sustainable development, including in agriculture;
- Strengthening the ECOSOC system's policy guidance with respect to SDG-9 and its inter-linkages with other Goals and targets, especially SDG-2, SDG- 6, SDG- 7, SDG-11 and SDG-17), as well as other development frameworks, including AAAA, through concrete recommendations and actions that can be taken at the national, regional and global levels;
- Creating awareness about new innovations, inclusive and sustainable industrial strategies, sustainable urbanization and infrastructure development, particularly in Africa and the countries in special situations, in order to promote development cooperation and attract investment from public, private, domestic and external sources;
- Promoting existing, as well as new regional and global, initiatives in these areas with the support of all partners for their implementation, including traditional development partners, plus new and emerging development partners, through South-South Cooperation, North-South Cooperation and triangular Cooperation.

Format and participation

The Special Meeting will be a one-day event chaired by the ECOSOC President, and engage high-level participation, including through keynote speakers and interactive discussions between policy makers and experts from academia and research, the private sector, civil society and multilateral organizations. Ministers of Industry will be invited to participate, among other Government representatives.

In addition to expert presentations, the Special Meeting discussions will be informed by quality analysis produced in partnership with key institutional stakeholders such as UNDESA, UNDP, UNECA, UN-HABITAT, UNIDO, UNCTAD, FAO, OHRLLS, OSAA, WIPO, the African Development Bank, Africa50 Infrastructure Fund, the NEPAD Planning and Coordinating Agency and organizers of the 2017 global infrastructure forum (EIB and IDB). The recommendations and conclusions from the preparatory meetings will be integrated into the Special Meeting.

The outcome of the Special Meeting will be an informal President's Summary, which will be used as an input into the 2017 ECOSOC substantive session and the 2017 High-level Political Forum, held under the auspices of ECOSOC. The outcome could also be an input to the annual meeting of the global infrastructure forum, which will be held in 2018. Additional outcomes from the Special Meeting could include recommendations for further analysis and other follow-up actions to be taken to support innovation for building infrastructure and promoting sustainable industrialization, especially in Africa and countries in special situations.

III. Preparatory meetings

The President proposes to convene two preparatory meetings in Africa in the run-up to the ECOSOC Special Meeting. These will contribute to the effective engagement of national and regional actors in the discussions and actions taken by the Council on the theme.

A. Regional Meeting on industrialization and infrastructure, Dakar, Senegal: a half day expert session (26 March 2017) and a half day ministerial session (27 March 2017) in the context of the annual AUC-ECA Conference of African Ministers of Finance, Planning and Development, scheduled from 27-28 March 2017

The first preparatory meeting would highlight the importance of regional cooperation and integration for innovative infrastructure development and industrialization. After a period during which industrial policy was pushed to the margins of many African countries and countries in special situations' development strategies, industrial policy and productive capacity development have re-emerged as critical paths for green growth and job creation. This revitalized interest in industrialization has, in turn, highlighted the paucity of good-quality, basic infrastructure essential to society and business in many countries while underscoring the importance of innovation. The meeting should address how all countries, especially African countries and the countries in special situations can develop a competitive and resource-efficient industrial sector, and explore the innovations and policies needed to ensure that the sector provides employment, is climate resilient and is decoupled from environmental degradation as well as the ways in which the continent can exploit the synergies between growth and environment, rather than focusing on the trade-offs.

Building on the African Union Agenda 2063, the Southern African Development Community (SADC) recently adopted industrialization as its regional development priority. The complementary relationship between Agenda 2063 and the New Urban Agenda adopted at Habitat III will also be explored.

Agenda 2063 promotes the establishment of world class infrastructure that criss-crosses Africa in order to advance continental integration (Aspiration 2 and Goal 10). In this regard, African leaders have been promoting the development of regional infrastructure, notably through the Programme for Infrastructure Development in Africa (PIDA). African leaders' determination to seize emerging opportunities to foster industrial development as an effective, socially responsible and sustainable means to economic transformation is evidenced by a series of proclamations, declarations and decisions made at major summits and meetings. For instance, the 10th African Union (AU) Assembly held in Addis Ababa in 2008 and devoted to Africa's industrialization resulted in the Heads of State and Government adopting the Action Plan for Accelerated Industrial Development of Africa (AIDA). At the sub-regional level, the Southern African Development Community (SADC) has developed and launched a regional industrialization strategy that should inspire similar strategies for other Regional Economic Communities (RECs). However, inadequate infrastructure, coordination, planning and financing for Africa's industrialization, continue to limit progress in this initiative.

The aim of these measures is for large-scale investments in infrastructure to be made a priority at national and regional levels, which would lower transaction costs, enhance regional markets and increase competitiveness of local production and exports. In executing such strategies, the rapid urbanization in Africa, which calls for increased investment in clean and resilient infrastructure systems, should be taken fully into account.

Regional integration is a key pillar in Africa's structural transformation. Key milestones include the establishment of the Continental Free Trade Area, the launch of the African passport in July 2016 and an increasing waiver of visa requirements by many African countries. Regional integration could also help to reduce the regulatory burdens faced by investors and African industries, through harmonizing and limiting unsustainable policies. A regional approach could also boost inter- and intra-African trade and create larger markets, which in turn could accelerate green industrialization in Africa.

Objectives

Key objectives of the regional meeting are:

- To engage actors and knowledge networks to share experiences and expertise to develop regionally driven recommendations for accelerating integration and industrialization in all countries, especially in Africa and the countries in special situations at national and regional levels, including through discussing potential innovations, solutions and strategies for the achievement of SDG-9 of Agenda 2030 and other related frameworks., taking into consideration paragraphs 14 and 15 of the AAAA;
- To prioritise infrastructure gaps facing the continent and focus on implementation strategies, including through improved harmonization and regulatory frameworks and enhanced innovation for the achievement of SDG-9;
- To generate consensus on new norms and standards which ECOSOC could promote to strengthen and develop innovative approaches towards building infrastructure and promoting industrialization in the continent;
- To support efforts by AUC and its member States to implement the Continental Free Trade Area (CFTA) as a means to foster Africa's industrialization and regional integration;
- To identify opportunities to leverage development cooperation, including by traditional development partners, North-South, South-South, triangular, regional and sub-regional cooperation, as well as multi-stakeholder partnerships and public-private partnerships, to strengthen infrastructure, industrialization and innovation in Africa.

Format and participation

The regional meeting on infrastructure development and promoting sustainable industrialization is proposed to be held in Dakar, Senegal for a half day expert session (26 March 2017) and a half day ministerial session (27 March 2017) in the context of the annual AUC-ECA Conference of African Ministers of Finance, Planning and Development, scheduled from 27-28 March 2017

The regional meeting will be co-hosted by ECOSOC and UNECA, with UNIDO and other relevant institutional stakeholders (FAO, OHRLLS, OSAA, UNCTAD, UNDESA, UNDP, UN-HABITAT) providing substantive and technical contributions. The AU/NEPAD Planning and Coordinating Agency and the African Development Bank, Africa50 Infrastructure Fund and the organizers of the 2017 global infrastructure forum will also be key partners. The meeting will also seek the

participation of developing countries from other regions, donor countries, civil society and private sector.

Participants in this meeting will engage with one another in an open and dynamic multi-stakeholder format, geared toward knowledge sharing and mutual learning.

The recommendations and conclusions will feed into the Ministerial Statement at the Conference of Ministers in Dakar, Senegal, and inform the ECOSOC Special Meeting on 31 May 2017, to be held at UN Headquarters in New York.

B. Expert Group Meeting on agriculture and agro-industry, Victoria Falls, Zimbabwe (24-26 April 2017)

Building on existing work, analysis and recommendations, the second preparatory meeting would focus specifically on agriculture and agro-industry, based on an inclusive, sustainable and resilient food systems approach¹. Agriculture and agro-industries are indispensable parts of any food system and they should encourage inclusive growth and sustainable development, rather than narrowly promoting efficiency and productivity along the food and value chain. Supported by innovative approaches, agriculture, agro-industry and value chains have significant potential to contribute to green industrialization and sustainable development across all countries, especially in Africa and the countries in special situations.

For example, despite the decline of agriculture as a share of GDP in most African economies in recent years, it remains a major source of income and employment for many. Strengthening innovations and investments in agriculture and agro-industry—including through support to agricultural producers throughout the life-cycle—can contribute to higher productivity and sustainability by supporting sustainable food systems and linkages to value chains, encouraging growth, creating jobs, enhancing equality, including gender equality, as well as improving food security and promoting sustainable use of natural resources. Sustainable urbanisation, with attention to urban-rural linkages, also plays a complementary and vital role in promoting agriculture and rural development.

Objectives

Key objectives of the expert group meeting include:

- To highlight the potential of agriculture and agro-industry and the related regional and global food and value chains, as pathways to developing sustainable food systems and industrialization, including the achievement of SDG-2, SDG-9 and other inter-related SDGs, paragraph 13 of the AAAA as well as the goals of other related frameworks;
- To address the necessary enabling environment, resources, partnerships, evidence base and productive capacity requirements to support innovations in the development of agriculture and agro-industry, particularly in Africa and countries in special situations, including by promoting public-private partnerships that support family farming and value-addition;
- To identify how ECOSOC and the UN development system, with other partners, can work effectively to support inclusive, sustainable and resilient agriculture and agro-industry

¹As defined by the Committee on World Food Security's High-level Panel of Experts on food security and nutrition. See http://www.fao.org/fileadmin/user_upload/hlpe/hlpe_documents/HLPE_Reports/HLPE-Report-8_EN.pdf

development, hence the generation of productive employment for youth and women (which is linked to SDG-8 on decent work and economy growth);

- To review existing innovations, initiatives and lessons learnt, especially from CAADP, and successful examples from other countries and propose strategies for upscaling and expanding areas of coverage.

Format and participation

The expert group meeting on agriculture and agro-industry is proposed to be organized by the host Government in collaboration with FAO, supported by UNIDO, UNDP and the UN Country Team, in Victoria Falls, Zimbabwe on 24-26 April 2017. Relevant institutional stakeholders, such as UNECA, OHRLLS, OSAA, UNCTAD, WIPO, UNDESA, the AU/NEPAD Planning and Coordinating Agency and the African Development Bank will be key partners.

The expert group meeting aims to maximize the participation of top policy and technical experts on agriculture and agro-industry from all countries, particularly African and the countries in special situations, as well as relevant representatives from non-State actors. Interactivity is key; participants will engage with one another in an open and dynamic multi-stakeholder format, geared toward knowledge sharing and mutual learning.

The recommendations and conclusions will inform the ECOSOC Special Meeting in May 2017, to be held at UN Headquarters. Selected participants could be engaged to help integrate key messages into the deliberations at the Special Meeting.
