



Economic Diversification & Transformation

U	N
D	P

UNFCCC Expert Group Meeting, Bonn, 9 May 2017
Kishan Khoday, UNDP Team Leader in the Arab Region

**SUSTAINABLE
DEVELOPMENT**



- **The 2030 Agenda for Sustainable Development** and Sustainable Development Goals (SDGs) highlight that for development to be sustainable it must be resilient to social, economic and environmental risks. In resource-rich economies, volatility of commodity markets is a key risk.
- **SDG 8 on Sustainable Growth** is a critical agenda in this regard. Target 8.2. *Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labor-intensive sectors.*

Economic diversification is of relevance to a number of development goals



Role of UNDP

UNDP was established in 1966 and for over fifty years has helped developing countries **achieve transformational change**. A key element of this process has been the emergence of development policies, institutions and capacities as a basis for bottom-up, locally-contextualized results. This represents a vast repository of experiences, models and lessons learned across the South. Today, UNDP provides over \$4 billion/year of grant assistance to developing countries, through our presence in over 177 countries and territories.

VISION



COMBATting
POVERTY, SOCIAL
VULNERABILITY

3 AREAS OF WORK



A) TRANSFORM ECONOMIES TO
BECOME INCLUSIVE, SUSTAINABLE



B) ENABLE DEMOCRACY TO DELIVER
DEVELOPMENT DIVIDENDS



C) MANAGE RISKS AND BUILDING
RESILIENCE

Policy and Programme Support

- As the UN Development System moves forward with support to countries on **SDG implementation**, opportunities arise to mainstream economic diversification actions. The **UN Mainstreaming, Acceleration and Policy Support (MAPS)** framework can be an important process for engaging local support needs in resource-rich economies seeking to accelerate diversification objectives.
- UNDP has supported **development policy and planning** in resource-rich economies over many years. In some cases UNDP supported design of the economic diversification components of such policies. UNDP also helps implement these policies by building **institutional capacities** for innovation, trade, investment and role of the private sector.

Policy and Programme Support

- UNDP supports improved participation of developing countries in **international trade as an important driver of economic diversification**. This includes the Enhanced Integrated Framework initiative, a global UN initiative between UNCTAD, ITC, UNDP, IMF, World Bank and WTO, with UNIDO and UNWTO as observers
- UNDP cooperates with resource-rich economies in enhancing the **role of the extractive sector in sustainable development**. This includes ways by which the sector can re-invest export revenues into infrastructure, educational systems and technology innovations needed to achieve economic diversification goals.

Policy and Programme Support

- UNDP partners with UNEP, UNIDO, UNITAR on **green economy initiatives** that help catalyze new models of green transformation, green industrialization and supply chains.
- UNDP supports new policies at the country level to de-risk scaled-up **investments in sustainable energy solutions**, as a high-tech, added-value, employment-generating sector.
- UNDP supports capacity development initiatives on the sustainable use of **biodiversity for eco-tourism**, as an expanding component of sustainable development and growth in many countries



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