



The Future of Industries for Development

UNIDO's Vision 2050

Summary



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Progress by innovation

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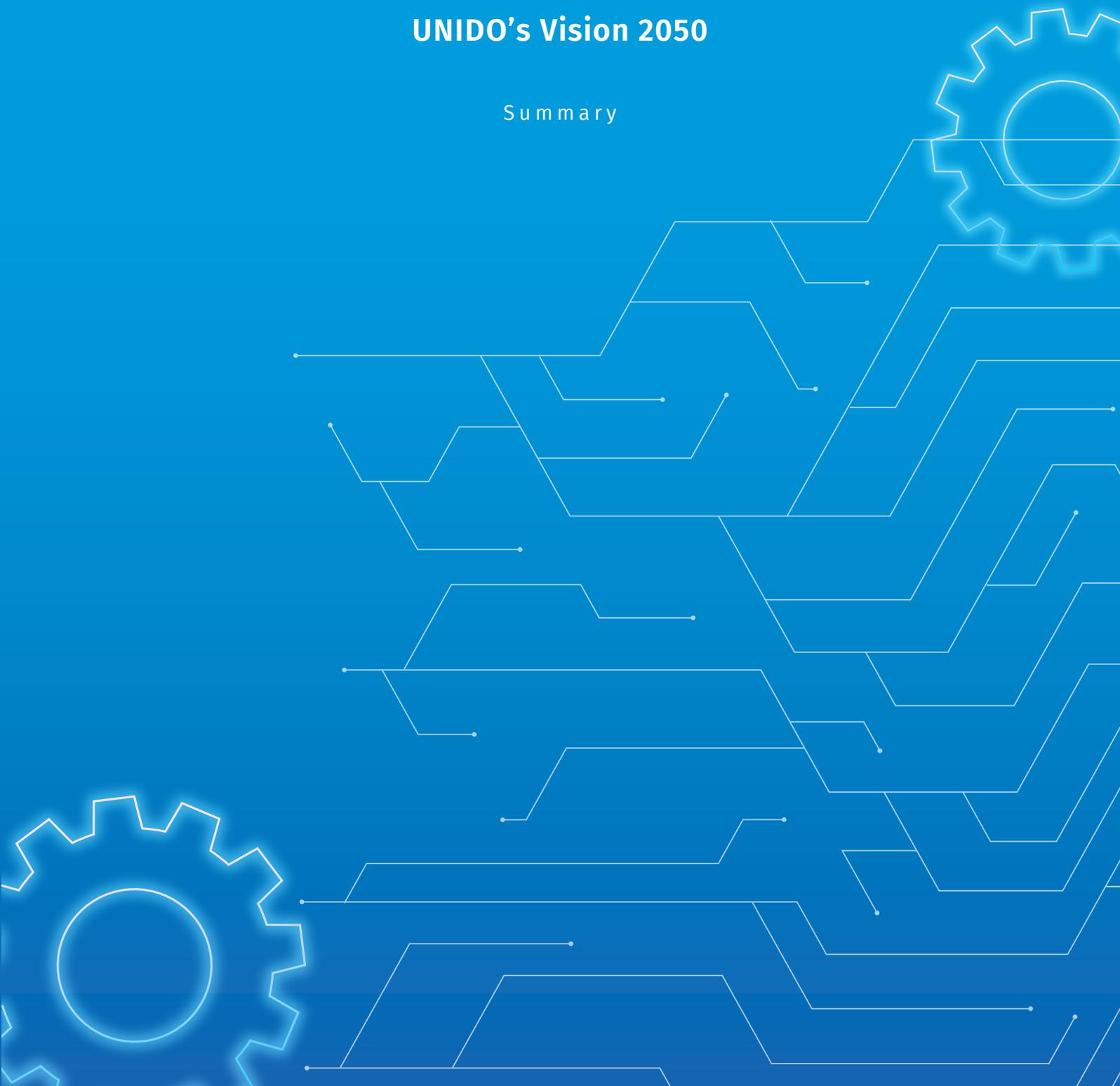
The full version of UNIDO’s Vision 2050 “The Future of Industries for Development” is available at www.unido.org/publications.

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Summary



UNIDO's New Vision

The world is undergoing profound changes – changes which present challenges, but also unprecedented opportunities for development. With UNIDO's "Vision 2050: The Future of Industries for Development", we are charting a course for the Organization which enables us to support our Member States to seize these opportunities emerging from the megatrends which are rapidly reshaping both our world and industries.

Demographic shifts, emerging technologies, digitalization and artificial intelligence, changing trade patterns and the global transition to greener and more digital economies offer unique chances to leapfrog old development models. We have outlined a path to achieve an impactful transformation and present UNIDO's offer on how we can support our Member States and partners in making it a reality.

Our Vision is to create a fair global economy in which poverty and hunger are eradicated and where industries create decent jobs, foster innovation and promote prosperity while protecting people and the planet.



Gerd Müller

Director General of UNIDO

Industry is the key driver of progress and innovation.

We have the knowledge and the technologies needed for this transformation. What we need is a new global deal for industry and the wider economy, one which mobilizes new partnerships, including with the private sector and channels significant investments into sustainable industries and a prosperous and resilient future for the

Global South. Investing in local value addition, supporting innovation and ensuring open markets and fair trade are essential to this effort, as are good governance and enabling frameworks to incentivize the investments needed. Industry is the key driver of job creation, income generation and improved living standards worldwide – a catalyst for progress and economic growth.

Our Vision underscores the great importance of UNIDO's mandate for sustainable industrialization to advance global development and tackle global challenges. Through our "Industries for Development" framework, UNIDO supports countries in creating fair and sustainable supply chains, promoting agro-industries and local value addition to end hunger and in driving clean energy and climate action. Cross-cutting priorities of industrial policy, skills development, digitalization and AI, private investment and development finance, gender equality and youth empowerment are at the core of this mission.

UNIDO's vision paves the way for sustainable development worldwide.

UNIDO's efforts are guided by clear principles: sustainability, fairness and innovation with a strong national ownership of our programmes and alignment with the UN agenda. Partnerships with governments, the private sector and the wider UN system are essential to turning our Vision into reality.

The Vision is the result of broad consultation with Member States and experts and it builds on foresight studies and regional priorities.

Together with our Member States and partners, we can build the Future of Industries for Development, industries which truly serve people and the planet.

Gerd Müller,

Director General

United Nations Industrial Development Organization (UNIDO)

Introduction

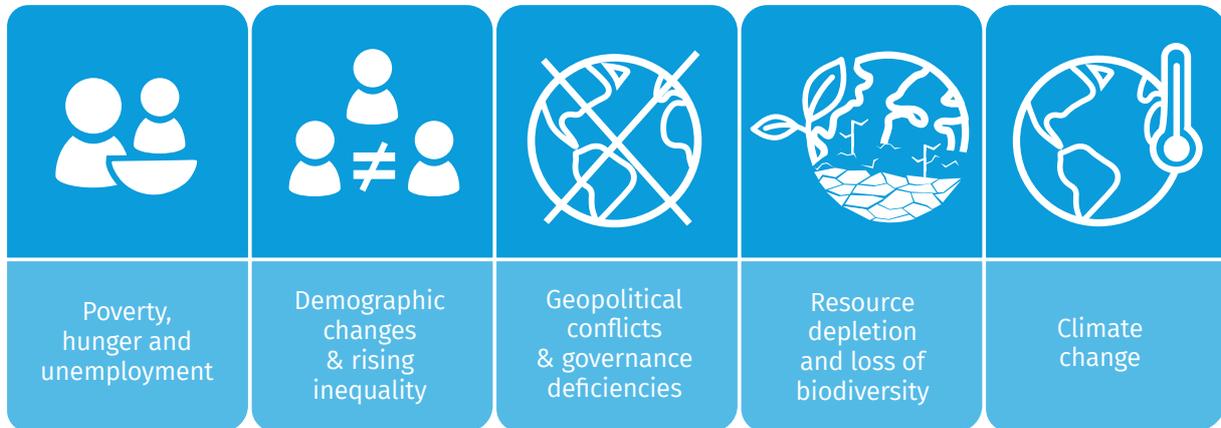
This document presents the United Nations Industrial Development Organization (UNIDO) Vision 2050, titled “The Future of Industries for Development.” It articulates a forward-looking strategy for industrial development that addresses the interconnected global challenges of the 21st century, including poverty, inequality, climate change and geopolitical instability. It provides a comprehensive analysis of current global fragilities, the transformative role of sustainable industrialization, emerging trends reshaping industries and a detailed framework for UNIDO’s renewed vision, mission and operational priorities.

This Vision is not developed in isolation but is a collaborative effort, informed by extensive consultations with Member States and experts, aiming to refine UNIDO’s strategic focus and operational model to support the development of future-ready industries that are inclusive, sustainable and resilient, ensuring that industrial growth serves as a catalyst for achieving the Sustainable Development Goals (SDGs) and long-term global prosperity.

Figure: Overview on structure of the UNIDO Vision 2050

GLOBAL CHALLENGES	TRENDS RESHAPING INDUSTRY	UNIDO’s VISION, MISSION AND MANDATE	UNIDO’s PRIORITIES AND ACTION	UNIDO’s FUNCTIONS	
					
POVERTY, HUNGER & UNEMPLOYMENT	CHANGING PRODUCTION Technological Innovation, New Materials, Changing Work	INDUSTRIES FOR DEVELOPMENT Sustainable industrial development as key driver for job creation, income generation & improved living standards. “PROGRESS BY INNOVATION”	THEMATIC PRIORITIES Fair & Sustainable Global and Regional Supply Chains	RESEARCH, POLICY ANALYSIS & STATISTICS	
DEMOGRAPHIC CHANGES & RISING INEQUALITY	EVOLVING INFRASTRUCTURAL NEEDS Power, Transport, Connectivity		End Hunger through Innovation & Local Value Addition	TECHNICAL COOPERATION	
GEOPOLITICAL CONFLICTS & GOVERNANCE DEFICIENCIES	REWIRED TRADE Fairness & Sustainability under Challenge		Renewable & Clean Energy, Sustainable Energy Access & Climate Action	NORMS / STANDARDS DEVELOPMENT & COMPLIANCE	
RESOURCE DEPLETION & LOSS OF BIODIVERSITY	AI & DIGITALIZATION Faster, Smarter & Future-Driven		CROSS CUTTING PRIORITIES Industrial and Economic Policy Advice		CONVENING FUNCTION
CLIMATE CHANGE	CHANGING FOOD NEEDS More, Better Quality, Locally Processed			Skills Development	PARTNERSHIP DEVELOPMENT
	ENERGY TRANSITION & CLIMATE ADAPTATION New Sources, Cleaner Use			Fostering Digitalization and AI	
	CLEAN MANUFACTURING: Greener, Circular & Resource Efficient		Empowering Women and Supporting Youth		
	FROM AID TO INNOVATION: Domestic & Private Capital and Innovative Financial Tools		Promoting Cleaner Production & Circular Economy		
			Leveraging Private Investment & Dev. Finance		

The fragile future of global development



The world stands at a critical juncture. After decades of falling poverty and rising living standards, progress has stalled and, in some cases, reversed. The 2007-09 global financial crisis slowed momentum, with the COVID-19 pandemic exacerbating the trend. Now, rising geopolitical conflict risks entrenching this decline. Ongoing low productivity and limited economic diversification leave developing countries more exposed, adversely affecting local value chains and the supply of goods globally. The result: extreme poverty has barely decreased since 2015 and is increasingly concentrated in fragile, conflict-prone states, in particular in sub-Saharan Africa.

The prevailing global development model has proven to be unsustainable, externalizing the environmental, social and economic burdens of resource overexploitation especially onto developing countries. The costs of accelerating resource depletion, biodiversity loss and climate change fall hardest on those nations least able to bear them. Pervasive inequality, marginalization within global trade, stagnating growth and soaring debt levels are further eroding prospects for equitable and sustainable development in low- and middle-income economies. The risks extend far beyond the Global South: in an ever more connected global economy faltering development threatens stability, economic prosperity and security worldwide.

POVERTY HUNGER AND UNEMPLOYMENT



FACTS



808 MILLION people, or 9.9 per cent of the world's population, live in **extreme poverty**. Progress in poverty eradication has stalled since 2019. ([World Bank 2025](#)).



In 2024, **673 MILLION** people faced **hunger** ([FAO 2025](#)).



In 2024, **unemployment** for young men and women exceeded **12 %** compared to just under **5 %** for the population as a whole ([ILO 2024](#)).

OUTLOOK

By 2050 more than **3 BILLION** people (**30 %** of **global population**) will **still be living under** the **poverty** line, with **700 MILLION** people living in extreme poverty. (UNIDO upcoming).

In 2050, there will be still **304 MILLION hungry** people, **3.1 %** of the global population. (UNIDO upcoming).

970 MILLION new **jobs needed** by 2050, 17 per cent due to automation, 83 per cent to demographic changes. (UNIDO upcoming).

Extreme poverty remains alarmingly high, reversing years of global progress. Sub-Saharan Africa is facing the greatest burden, with the number of those living on less than USD 3 a day increasing in absolute terms as weak growth, fragile institutions and poor infrastructure leave millions trapped. Climate change is undermining livelihoods further, especially in rural areas.

Global hunger has deepened due to conflict, climate shocks and economic instability despite signs of decrease in recent years. The number of people facing acute food insecurity is still around 700 million, with vulnerable populations like children, women and the displaced facing the harshest impacts. Food price spikes and falling agricultural yields threaten to worsen the outlook in coming years.

High unemployment and pervasive informal work are driving widespread economic exclusion. Demographic pressures and weak economic diversification in many developing countries are reducing opportunities for decent work. Official numbers miss the millions trapped in precarious, poorly paid work. The rapid rise of automation and technological advancements risk leaving low-skilled workers further behind, widening existing inequalities.

DEMOGRAPHIC CHANGES AND RISING INEQUALITY



FACTS



In 2023, five out of every six people in the world — approximately **83 %** of the global population — lived in developing economies ([UNCTAD 2024](#)).



Over **half of the world's population** live in urban areas ([UN-HABITAT 2024](#)).



Globally, **65 %** of the population live in countries where **income inequality** is increasing ([DESA 2025](#)).

OUTLOOK

The global population is projected to **peak** at just under **10.3 BILLION** by 2084, then ease to ~10.2 billion by 2100 ([UN 2024](#)).

In 2050, **six out of seven people** will live in developing countries ([UNCTAD 2024](#)).

Urban populations will more than double by 2050, with nearly **70 %** of people living in cities ([World Bank 2025](#)). Most of this urbanization will take place in Africa and Asia.

Demographic change, conflicts and climate disruption are intensifying inequality worldwide. Fragile states and regions are bearing the brunt as climate- and conflict-related disasters drive displacement, making adaptation ever more urgent.

Global inequality is worsening, driven by wealth concentration and unequal access to opportunity. Although global inequalities between nations have declined slightly, disparities within countries are surging. The richest 1 per cent now control nearly half of global wealth while the bottom 40 per cent own barely 1 per cent. Inequality is also deeply embedded within households, where women and girls carry the burden of unpaid care work, limiting access to education, work and economic independence.

Rapid, unplanned urbanization is adding to the strain. Over half the world's population lives in urban areas, a figure set to rise to nearly 70 per cent by 2050. Yet infrastructure and public services are failing to keep pace, particularly in low-income countries (LICs) where informal settlements lack access to basic amenities and services.

GEOPOLITICAL CONFLICTS AND GOVERNANCE DEFICIENCIES



FACTS



Fragile contexts (mostly developing countries) housed ~25 per cent of the world's population, but **72 %** of the **extreme poor** in 2024 (OECD 2025).

70 % of the world's acutely food-insecure population reside in **conflict-affected** or **fragile countries** (WFP 2025).

As of end-2024, **123.2 MILLION** people have been forcibly **displaced**. Most new displacement and high-fatality conflicts are in low- and middle-income regions (UNHCR 2025).



Almost **half of Africa's population** have seen governance deteriorate, mainly as a result of weaker security (Mo Ibrahim Foundation 2024).

OUTLOOK

Fragile countries could host **92 %** of the **extreme poor** by 2040 (OECD 2025).

A drop in trade resulting from geopolitical conflicts could lead to **welfare loss** of up to **12 %** in some regions, especially in those with lower incomes (WTO 2022).

Global instability is increasingly driven by armed conflicts and trade disruptions. Prolonged warfare destroys critical infrastructure and disrupts entire food systems, forcibly displacing communities and deepening food insecurity. This significantly worsens humanitarian crises worldwide, with the vast majority of the world's hungry now living in conflict-affected areas.

Geopolitical rivalries are fragmenting global trade and weakening cooperation. Economic fragmentation, driven by sanctions, protectionism and the rise of regional blocs, is creating more localized and less efficient supply chains. This threatens to reverse gains in trade-led development, slowing economic growth and undermining poverty reduction.

Weak governance compounds this instability by eroding state capacity and resilience in vulnerable regions. Ineffective institutions, a weak rule of law and political exclusion prevent the delivery of essential services and the upholding of basic rights, which in turn weakens public trust. This fragility traps countries in cycles of poverty, violence and insecurity, leaving them unable to attract investment or foster growth.

RESOURCE DEPLETION AND LOSS OF BIODIVERSITY



FACTS



2.2 BILLION people lack access to safely managed household drinking water ([WHO, UNICEF 2025](#)).



Up to 75 % of the world's soils are already **degraded**, affecting 3.2 billion people ([UNESCO, 2024](#)).



Wildlife populations declined by **73 %** between 1970 and 2020 ([WWF Living Planet Report, 2024](#)).



1.8 Earths are **required** to sustain current human lifestyles ([Global Footprint Network 2025](#)).

OUTLOOK

Global **natural resource** use is projected to increase by **60 %** from 2020 levels by 2060 ([UNEP IRP 2024](#)).

More than **5 BILLION people** could face **water shortages by 2050** (defined as inadequate access to water for at least one month per year ([WMO 2024](#)).

If **soil degradation** continues at current rates, **up to 90 %** of the world's population could be affected by 2050 ([UNESCO 2024](#)).

The extraction of **critical minerals** could increase by **up to 500 %** by 2050 to meet clean energy demands ([World Bank 2020](#)).

Global resource consumption has tripled over the past 50 years. The rise has been largely fuelled by high-income countries that consume six times more resources per capita than low-income countries. This unsustainable use is exacerbating environmental decline and increasing resource vulnerability in poorer nations.

Critical systems are facing severe degradation, threatening global food security and public health. Exacerbated by climate change and overuse, water scarcity now affects over 2 billion people, while unsustainable agricultural practices are depleting soil fertility and biodiversity loss is accelerating, disrupting ecological balance, undermining economic and threatening food systems.

The persistent reliance on finite resources such as fossil fuels and critical minerals poses major risks to energy security, climate stability and economic resilience. Without decoupling economic growth from resource use, critical planetary boundaries could be crossed, endangering progress on poverty reduction and inclusive industrialization.

CLIMATE CHANGE



FACTS



Global **temperatures** hit a new record in 2024, reaching an average of **1.55°C** above pre-industrial levels ([UNWMO 2025](#)).



Approximately **1.8 BILLION** people are currently affected by **drought** ([UNCCD 2023](#)).



Sea levels rose by an average of **4.7 mm** per year between 2015 and 2024 ([WMO 2025](#)).



In 2024, over **150** unprecedented **climate disasters** were recorded worldwide ([WMO 2025](#)).

OUTLOOK

Under current policy scenarios, global **temperatures** could **rise** by up to **2.28°C** above pre-industrial levels by 2050 (UNIDO upcoming).

Even with full implementation of current national climate plans, emissions will reach **51.5 gigatons of carbon dioxide** equivalent (GtCO₂-eq) by 2030 — only 2.6 per cent below 2019 levels ([UNFCCC 2024](#)).

Up to three-quarters of the global population could be affected by **drought** by 2050. ([UNCCD 2025](#)).

Global efforts to limit global warming are falling short of what is needed. Even if all current national commitments are fully implemented, global emissions would fall only slightly below 2019 levels, putting the planet on a course for 2.6°C of warming by 2100, well above the Paris Agreement's goal of 1.5°C.

The severe physical impacts of climate change are increasingly visible. Record temperatures in 2024 accelerated glacial melt and sea-level rise, while more frequent and intense heatwaves, wildfires and droughts pushed ecosystems to the brink. Climate-related disasters have severely disrupted global supply chains and damaged infrastructure, causing average annual losses of around \$170 billion over the past decade.

The climate crisis hits the poorest and most vulnerable hardest, but also poses escalating risks to wealthier countries. Least developed countries (LDCs) and Small Island Developing States (SIDS), which have contributed least to the problem, face devastating economic and environmental impacts from rising sea levels and extreme weather. Simultaneously, high-income nations are increasingly tested by climate-driven migration, supply shortages, resource price spikes and widening social inequalities, proving that no economy is immune.

2 Transformation through industrialization



Industrialization has long been a powerful engine for prosperity, creating jobs, advancing technology and cutting poverty. It has driven rapid improvements in productivity, wages, infrastructure and living standards. Yet today this model faces new pressures from climate change, geopolitical instability, rising inequality and demographic changes, demanding a more thoughtful, inclusive and sustainable approach.

The transformative power of industrialization to help economies withstand major global shocks is clear. Between 1960 and 1975, the industrial share of GDP nearly doubled in low-income countries. Asia's surge, led by Japan and later China, fuelled decades of expansion. More recently, during the COVID-19 pandemic, nations with resilient manufacturing capabilities were better able to manage supply chain crises.

Manufacturing remains central to the economic transformation needed for long-term growth. It generates economies of scale and drives technological innovation, building linkages across sectors that help to create direct and indirect employment opportunities, fostering greater economic resilience. For developing economies, offering pathways to diversification and higher productivity through strategic investment in infrastructure and workforce skills, bringing better jobs and improved living standards.

Despite clear gains, industrialization imposes dangerously high environmental costs. Industry accounts for nearly 30 per cent of all global greenhouse gas (GHG) emissions, while demand for carbon-intensive materials like steel and cement is projected to grow substantially by 2050. Tripling since 1970, resource extraction is stretching planetary limits.

Industrial progress remains uneven with the benefits of growth often distributed unequally. Manufacturing value added (MVA) per capita is vastly higher in Organisation of Economic Co-operation and Development (OECD) nations than in LDCs, while many regions in Africa and Latin America still lag far behind, struggling to keep pace with Asia's advanced manufacturing. Within nations, pollution causes millions of premature deaths per year, marginalized groups often miss out on income gains and women remain excluded in many contexts, while traditional livelihoods are frequently displaced.

A reimagined model of industrialization is urgently needed. It is not enough to reverse deindustrialization; renewed and reshaped reindustrialization must be greener and more inclusive, prioritizing low-carbon technologies and broad-based job creation in lagging regions. Rebooting industrialization for a more fiscally and environmentally constrained era will ensure it remains a powerful engine of development without repeating the environmental and social mistakes of the past.

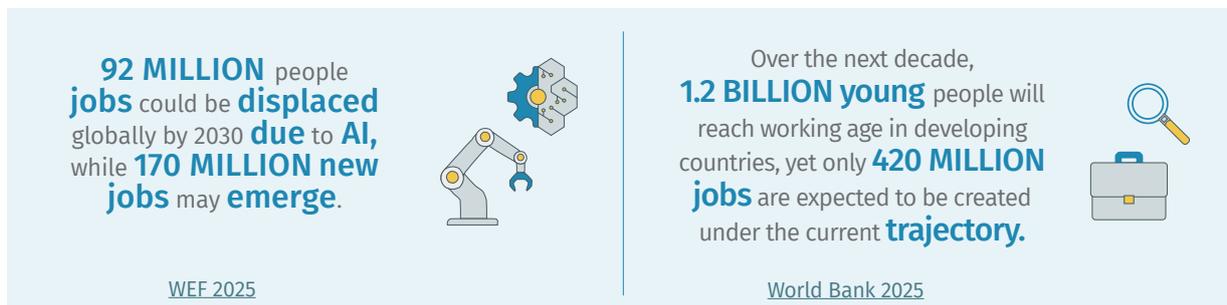
3 Trends reshaping industries

Powerful global forces — including population growth, shifting production systems, evolving trade dynamics and rapid technological change — are transforming the industrial landscape. These forces present both significant challenges and strategic opportunities for developing countries. They demand adaptation and innovation to build resilient industrial sectors, while also offering pathways to leapfrog traditional production schemes and harness sustainable solutions for long-term competitiveness.

Figure: Trends, challenges and opportunities in industrial development

TREND	CHALLENGES	OPPORTUNITIES
Changing production	Automation and displacement of routine jobs; skills mismatch and insufficient education and training systems	Creation of new jobs in technology-intensive sectors; growing consumer demand driven by population growth, urbanization and an expanding middle class
Evolving infrastructure needs	Limited financing for clean energy and sustainable transport; weak digital connectivity in developing regions	Expansion of renewable energy and construction sectors; development of cross-border infrastructure and new mobility solutions
Rewired trade	Persistent inequality and exploitation in global value chains; dominance of lead firms; limited inclusion of MSMEs	Competitive advantage through sustainable sourcing; enhanced accountability via digital traceability; deeper regional economic integration
Digitalization & AI	Unequal access to digital technologies; inadequate infrastructure; high energy intensity and data security risks	Major productivity gains; opportunities to leapfrog traditional industrial technologies.
Changing food needs	Population growth; rising food demand; food quality and safety issues; post-harvest losses; weak infrastructure; concentrated market power	Upgrading food systems via new technologies; modular production; climate-smart production; inclusive business models; innovative food products
Energy transition & climate adaptation	Balancing rising energy demand with emission reduction targets; limited investment flows to developing countries	Efficient energy production in the Global South; cleaner use of fossil fuels as a transitional solution
Clean manufacturing	Industries prioritizing short-term gains over sustainability; outdated production technologies	Economic and environmental gains through new technologies; circular economy practices; supportive policy frameworks
From aid to innovation	Debt distress and persistent finance gaps for industry in developing countries	Private sector investment, blended finance and other innovative financing mechanisms to catalyze industrial transformation

CHANGING PRODUCTION: TECHNOLOGICAL INNOVATION, NEW MATERIALS, CHANGING WORK

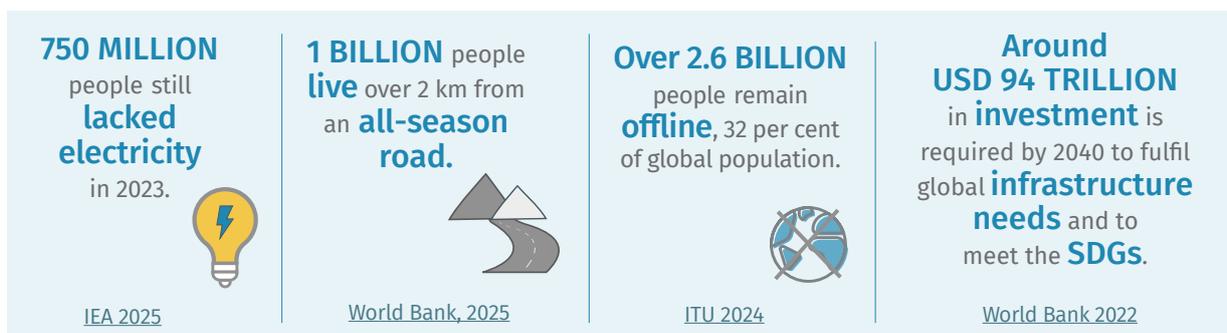


A new industrial era is emerging, defined by digitalization, artificial intelligence (AI), robotics and advanced materials. These technologies are reshaping production processes, enabling efficiency and customization. Breakthroughs in materials such as graphene and biodegradable polymers are creating more sustainable products while the spread of 3D printing will help to localize manufacturing, further reducing emissions.

Technological disruption is redefining labour markets, creating opportunities but also major risks. Automation is reducing low-skill jobs while driving demand for digital and technical skills, requiring large-scale investment in training to avoid deepening unemployment and inequality.

Sustainability and demographics is shaping industrial outcomes. Rapid population growth and urbanization in developing countries is driving demand for industrial goods. Smart manufacturing and advanced materials is boosting sustainability while cutting costs, with new better-paid jobs emerging with the right investment, helping to deliver long-term prosperity.

EVOLVING INFRASTRUCTURE NEEDS: POWER, TRANSPORT AND CONNECTIVITY



Future industrial infrastructure will be built on clean energy, resilient transport and digital connectivity. Renewables, smart grids and hydrogen will dominate power, while electric mobility and automated logistics will enhance competitiveness and reduce emissions.

Connectivity and inclusion are central to future infrastructure. 5G, the Internet of Things (IoT) and digital platforms will enable real-time management, while decentralized solutions like microgrids and off-grid internet will expand access in underserved regions.

Financing remains the greatest obstacle to infrastructure transformation. Limited fiscal space and investor reluctance to fund essential but unprofitable projects leave critical gaps, underscoring the need for strategic public-private investment.

REWIRED TRADE: FAIRNESS AND SUSTAINABILITY UNDER CHALLENGE

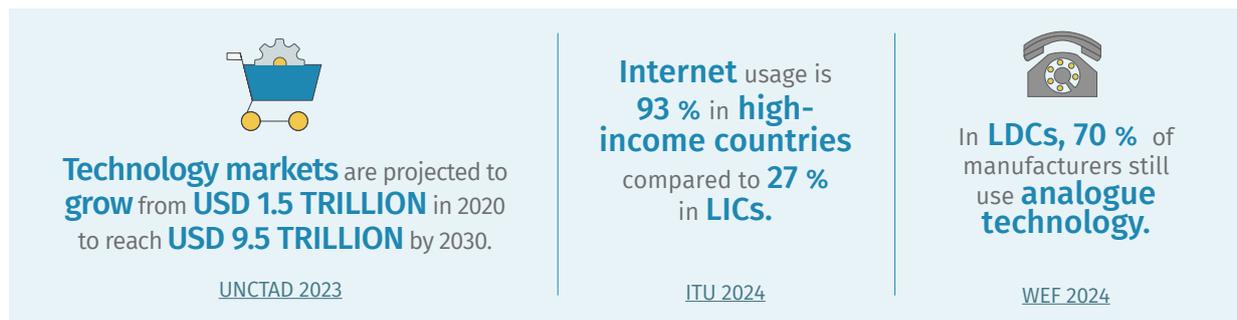


Global trade is shifting toward diversification, regionalization and sustainability. While supply chains remain complex, regional production networks, digital tools and circular economy models are creating opportunities for more resilient and transparent trade.

Risks of exclusion and inequality remain significant. Smaller firms and poorer economies face high costs to meet sustainability standards and risk being left behind as nearshoring and protectionism reshape global markets.

Fairness and cooperation are essential for inclusive value chains. Stronger enforcement of labour and environmental standards, paired with important regional initiatives like the African Continental Free Trade Area (AfCFTA), can expand equitable economic participation and support industrial upgrading while cutting emissions.

AI AND DIGITALIZATION: FASTER, SMARTER AND FUTURE-READY



AI and digitalization are transforming industry into highly automated, fast and data-driven ecosystems. Remote management, predictive analytics and virtual twins are decentralizing production and boosting efficiency across sectors.

Human roles will shift toward creative and strategic functions. AI will complement rather than replace workers, creating smart hybrid jobs that combine machine efficiency with human oversight.

Gaps in access threaten to widen divides. Many developing countries are not future-ready, lack infrastructure, skills and investment to adopt frontier technologies, underscoring the need for inclusive digitalization policies and capacity-building programmes.

CHANGING FOOD NEEDS: MORE, BETTER QUALITY AND LOCALLY PROCESSED



By 2050, agro-industries will need to deliver more nutritious food with lower environmental impacts. Climate adaptation, diversified protein sources and shorter supply chains will be central to building sustainable and resilient food systems.

Food security challenges are intensifying. Hunger, malnutrition and obesity coexist, while climate shocks, weak infrastructure and market concentration continue to undermine equitable access to nutritious food.

Upgrading agro-industrial systems creates opportunities for value addition. Investments in local processing, storage and digital technologies — combined with regional trade frameworks — can empower smallholders and strengthen local development.

ENERGY TRANSITION AND CLIMATE ADAPTATION: NEW SOURCES AND CLEANER USE

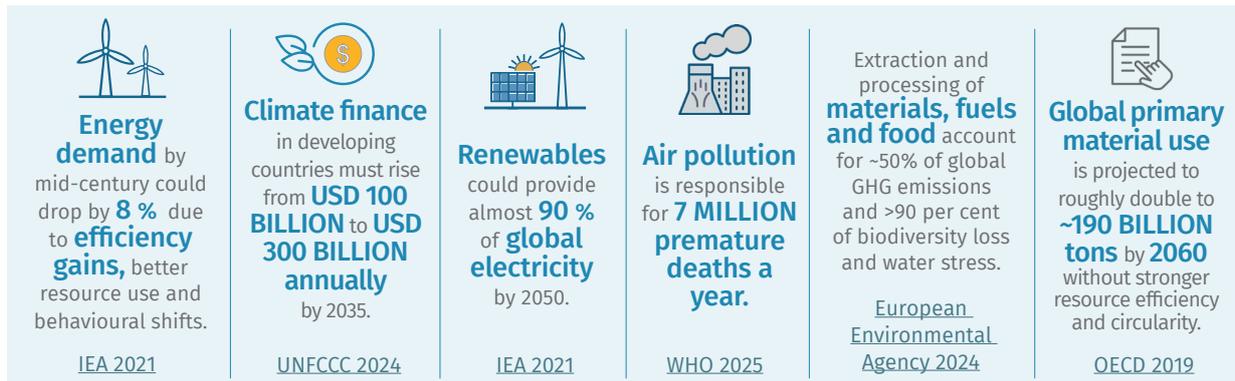


Industrial energy systems are shifting toward renewables, decentralization and resilience. Smart grids, green hydrogen and carbon capture will reduce emissions while climate-proofing becomes a core design principle.

Developing countries face unique challenges balancing access, affordability and decarbonization. Financing gaps, fossil fuel dependence and climate vulnerability require just transition pathways and large-scale investment in clean power.

The Global South holds significant potential as a clean energy exporter. Abundant solar, wind and hydro resources position many economies to produce green hydrogen and low-carbon materials for global value chains.

CLEAN MANUFACTURING: GREENER, CIRCULAR AND RESOURCE-EFFICIENT

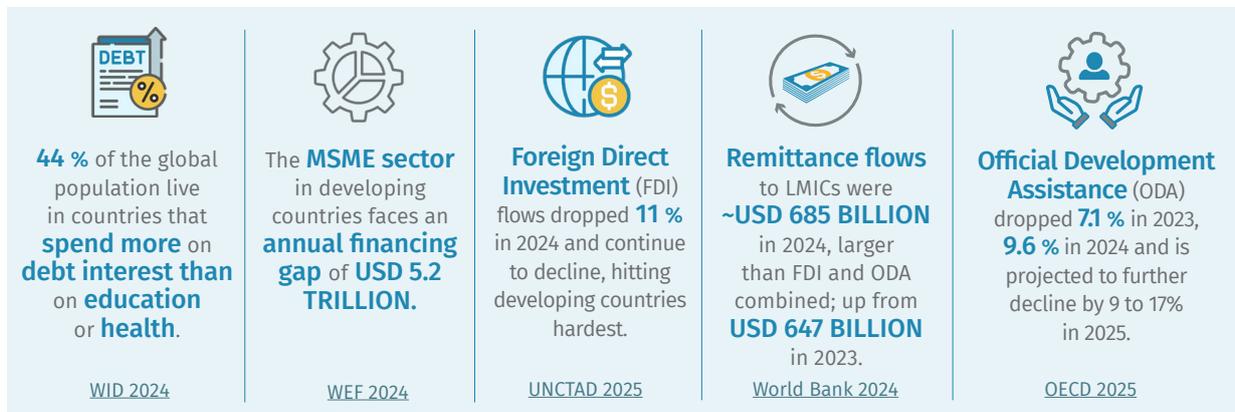


By 2050, manufacturing is expected to be significantly greener and more circular. Cleaner production, renewable energy and sustainable materials will reduce waste and emissions, although adoption will vary across regions.

Progress is slowed by structural and regulatory barriers. Outdated processes, weak enforcement and high transition costs continue to lock many industries into resource-intensive practices.

Investing in circular economy infrastructure offers major gains. Recycling, eco-industrial parks and digital monitoring can cut costs, improve competitiveness and accelerate a global shift toward sustainable production.

FROM AID TO INNOVATION: FINANCING INDUSTRY THROUGH DOMESTIC AND PRIVATE CAPITAL AND INNOVATIVE FINANCIAL TOOLS



Industrial finance is diversifying beyond aid toward blended, sustainable instruments. Private sector finance, green bonds, impact investing and public-private partnerships (PPPs) are increasingly central, with ESG standards guiding the allocation of capital toward responsible and sustainable industrial projects.

Financing gaps remain severe for developing economies and micro, small and medium-sized enterprises (MSMEs). High debt burdens, declining aid, limited access to credit and financial markets, along with investment barriers stemming from inadequate infrastructure, governance challenges and corruption, all restrict industrial upgrading and exclude smaller firms from growth opportunities in less-developed countries.

Innovative finance mechanisms can unlock capital and align investment with national industrial strategies. Blended finance, credit guarantees and institutional reforms — supported by stronger project preparation and a reformed banking system receptive to industrial investment — can expand finance opportunities, mobilize private funds and accelerate sustainable industrial transformation.

UNIDO's vision, mission and mandate

The world is undergoing a profound transformation marked by persistent poverty, hunger and unemployment; geopolitical tensions and faltering governance; as well as shifting demographics and widening inequality. At the same time, resources are dwindling, biodiversity is shrinking and the impacts of climate change are becoming increasingly clear.

These converging pressures demand a fundamental rethinking of economic development — and of industry's role within it. In manufacturing, traditional models are rapidly giving way to integrated, automated systems that redefine how goods are produced and consumed. These technologies promise significant gains in productivity, efficiency and sustainability. However, they also give rise to emerging risks, especially for developing economies, which may lack the capacity to develop new technologies as well as the infrastructure needed to successfully adopt them.



OUR VISION

A fair global economy, free from poverty and hunger, where industry, innovation and local value addition drive progress and inclusive growth decoupled from emissions and overexploitation of resources, delivering peace and prosperity for all.

By 2050 polluting factories and exploitative practices will be a thing of the past. In their place, intelligent, decentralized and climate-neutral industrial ecosystems will flourish. These systems will produce high-quality goods and food in closed loops, reusing and preserving resources while cutting waste. Powered by clean energy, they will produce little or no pollution, preserving biodiversity and safeguarding the planet for future generations.

In these future industries, workers will gain a fair share of the value they help to create, profiting from equitable pay, dignified conditions and opportunities to contribute creatively to innovation. The impact of these gains will extend beyond individuals to whole communities, generating better living standards and wellbeing along with broader economic and environmental benefits across societies.

Integral to achieving this vision, UNIDO champions the concept of **“industries for development”** where industries act as catalysts for inclusive and sustainable social and economic progress. They should thrive primarily in developing countries but also take root in more developed nations. Through partnerships, technology exchange and joint ventures, industries in advanced economies can benefit from UNIDO actions and play a vital role in supporting development in the Global South.



OUR MISSION

Support Member States in building “industries for development” — industries that drive prosperity, reduce inequality and help to deliver long-term sustainable development.

Guided by the principles of sustainability, fairness and inclusion, innovation and learning, partnership and accountability and ownership, we work hand in hand with governments, industries and development stakeholders to shape an industrial future that leaves no one behind.



OUR MANDATE

Accelerate sustainable industrial development as a key driver of job creation, income generation, improved living standards, access to sustainable energy and climate adaptation technology and the fight against hunger and poverty.

UNIDO's delivery of its mandate is centred around five core functions: research and policy advisory services, technical cooperation, our normative function and standards-related activities, our convening function and partnership development.

Through our research and policy advice and our role as custodian of SDG 9 industrial statistics, we serve as a global knowledge hub. Our work in technical cooperation helps countries to build capacity, boost competitiveness and apply best practices across all sectors. Through pilot projects, technology transfer and business enablers such as eco-industrial parks, we support Member States in a range of areas from the adoption of digitalization and AI to advancing agro-industry to enhance food security. We promote sustainability by shaping international standards and aiding compliance for governments and MSMEs. As a convenor for international forums and events, we drive dialogue that fosters collaboration and influences industrial policy. And, finally, we forge multi-stakeholder partnerships able to mobilize resources and de-risk investments across countries, UN agencies and the private sector.

Through this comprehensive approach, UNIDO contributes to the achievement of SDG 9 (industry, innovation and infrastructure) along with the broader goals of the Agenda 2030 toward and beyond 2030 and maintains alignment with its Constitution, specifically Article 1, which states that *“the primary objective of the Organization shall be the promotion and acceleration of industrial development in the developing countries with a view to assisting in the establishment of a new international economic order.”* (UNIDO 1979).

UNIDO's priorities and action

To lead industrial transformation and meaningful change, UNIDO, as the United Nations' specialized agency for industrial development, must deliver timely, cutting-edge advice and services to Member States on emerging trends and technical solutions.

Our guidance should be practical and actionable, grounded in the Organization's extensive expertise and experience. It must also align with national and regional policies and individual industrial development strategies, ensuring their effectiveness and coherence with broader development goals.

5.1 FAIR & SUSTAINABLE GLOBAL AND REGIONAL SUPPLY CHAINS

Building inclusive, transparent, and environmentally responsible supply chains lies at the core of UNIDO's Vision for industrial transformation by 2050. Developing countries – often positioned at the lower end of global value chains – face both significant challenges and opportunities. On one hand, they must increase the value added to their own resources, including critical minerals such as copper, nickel, cobalt, and lithium that are vital to the success of the green energy transition. On the other hand, they need access to high-quality inputs to enhance productivity and competitiveness. Without fair participation in trade, equitable benefit-sharing, compliance with international standards, and stronger governance frameworks, these countries risk remaining marginalized in the global economy.

Fostering fair and sustainable supply chains by 2050 requires a realignment of policy, finance and innovation. Tougher due diligence rules and corporate ESG commitments are changing what it means to hold a “license to operate” in global trade. No longer just conveyors of goods, supply chains are now platforms for industrial upgrading, green innovation and inclusive development. Expanding traceability systems, reforming trade rules, harnessing digital tools and streamlining logistics are among the priorities needed to capitalize on these developments. For developing countries, this could lay the groundwork for industrial sovereignty, environmental stewardship and inclusive prosperity.

UNIDO will:

- Strengthen legal frameworks, standards and certification for sustainable value chains
- Provide industry-specific analyses and business planning support
- Support industrial MSMEs to upgrade, build skills and access finance
- Support industrial value chain planning and policy
- Develop and support due diligence and certification for sustainability
- Enhance entrepreneurial ecosystems
- Promote digital adoption in MSMEs
- Build national quality compliance infrastructure
- Support emerging and critical industries
- Engage buyers and leverage public procurement

5.2 END HUNGER THROUGH INNOVATION AND LOCAL VALUE ADDITION

Transforming food systems through innovation and value addition is essential to ending hunger and building resilient communities. Agro-industrial development boosts food availability, generates employment and stimulates inclusive economic growth by converting agricultural output into higher value goods, strengthening food security, diversifying rural incomes and building resilience to external shocks, thus creating more sustainable and inclusive food systems.

Agro-industries are uniquely positioned to support smallholder farmers and advance sustainable farming practices. With over 500 million smallholders globally, agro-industries offer a pathway for integration into modern supply chains, supporting compliance with quality and sustainability standards and enhancing productivity. This fosters commercial, climate-smart agriculture and advances SDG targets such as doubling agricultural productivity and promoting rural economic empowerment.

Meeting future food demand requires innovation aligned with consumer preferences and sustainability. While agriculture and urban home gardens will remain vital to food security, growing demand for diverse, high-quality, sustainable food calls for investment in agro-processing, product development and circular production methods. Incorporating traditional ingredients with modern nutritional enhancements will be critical to creating affordable, appealing food products for evolving markets.

UNIDO will:

- Establish integrated agro-industrial parks
- Leverage investments in agrifood processing and distribution
- Improve access to finance for agro-industrial MSMEs
- Promote sustainable practices in agro-industry
- Develop global frameworks for sustainable food sourcing
- Strengthen food safety and food quality compliance
- Reduce post-harvest losses through infrastructure development

5.3 RENEWABLE AND CLEAN ENERGY, SUSTAINABLE ENERGY ACCESS AND CLIMATE ACTION

UNIDO's Vision 2050 argues for a major change to energy systems and industrial energy use to reconcile climate goals and economic growth. The challenge is to meet rising energy demand, especially in developing economies, without causing environmental harm. This means accelerating renewables and achieving major efficiency gains while building industry's resilience to climate impacts for long-term sustainability.

As the sector accounts for over one-third of global energy use and a quarter of CO₂ emissions, industrial decarbonization is critical. Key measures include scaling up electrification, carbon capture, green hydrogen, circular economy practices and energy efficiency to cut costs and emissions and enhance competitiveness.

For developing countries, the transition is both a challenge and an opportunity. Many lack infrastructure and financing but possess significant renewable energy potential. Tailored strategies should include technology transfer, fuel substitution, electrification and climate-smart design, while bolstering energy security and resilience.

UNIDO will:

- Establish clean energy targets and policies
- Facilitate the development of clean energy infrastructure
- Promote clean energy solutions for challenging sectors and local innovation
- Support efficiency measures in energy-intensive industries
- Promote sustainable cooling solutions
- Support the adoption of circular economy solutions
- Facilitate participation in carbon emissions trading schemes
- Encourage the development of ocean energy solutions

5.4 KEY CROSS-CUTTING DEVELOPMENT ISSUES

UNIDO supports industries in their journey towards sustainable development. While its current focus is on the three thematic priorities outlined above, UNIDO remains committed to providing comprehensive support across a broad range of themes that drive industrial growth. These include:

a) INDUSTRIAL AND ECONOMIC POLICY ADVICE

Sound policies are critical for rapid growth and long-term prosperity. Many developing countries struggle to turn strategic visions into effective action due to weak institutions, limited analytical capabilities, insufficient stakeholder engagement and poor coordination. Global disruptions such as the COVID-19 pandemic and climate shocks have highlighted the need for integrated, resilient policy frameworks.

Strengthening national policy frameworks lies at the core of inclusive and sustainable industrial development. UNIDO's Vision 2050 sets out a commitment to provide tailored, practical guidance that helps governments identify priority sectors and create the conditions for investment and innovation. By strengthening institutions and encouraging inclusive dialogue, governments can craft clear, actionable roadmaps that help to deliver national development goals. If properly implemented, these roadmaps can accelerate industrial growth that is competitive, equitable and aligned to the broader Agenda 2030.

UNIDO will:

- Provide economic and industrial policy advisory services
- Undertake industry and country-specific diagnostics
- Support the formulation, implementation and evaluation of industrial policies
- Collect and analyze statistical data on industrial development
- Conduct applied research on industrial development trends

b) SKILLS DEVELOPMENT

A shortage of industrial skills is holding back job creation and productivity in many developing countries. In low-income countries, three-quarters of young people lack skills needed for employment (UNICEF 2022). The challenge is most acute in sub-Saharan Africa but persists elsewhere, as education systems often fail to deliver the specialized, adaptable skills modern industries require (VoxDev 2023).

Rapid advances in automation, digitalization and green technologies provide an opportunity to reshape skills systems with innovative, demand-driven vocational training aligned with industry's needs. Institutions must also continuously update training curricula, harness digital tools and support lifelong learning.

Our Vision for 2050 puts skills development at the heart of industrial transformation. Building stronger links between education systems and productive sectors will be key to creating workforces able to power green, digital and inclusive industrial growth.

UNIDO will:

- Support demand-based skills development ecosystems
 - Foster skills-developing public-private partnerships
 - Facilitate skills development and vocational training programmes
 - Build capacity of trainers and educators
-

c) FOSTERING DIGITALIZATION AND AI

Digitalization and AI are reshaping industry, promising gains in productivity and global competitiveness. Yet for developing countries, unlocking these opportunities requires closing digital connectivity gaps and building better innovation ecosystems. For MSMEs, access to reliable and affordable digital infrastructure is essential to adopt new technologies, modernize production and enter global value chains.

The shift to AI-enabled and automated industry demands investment in digital skills and technologies. Workers must be empowered to adapt to sophisticated production, while public and private investment is needed in smart, low-carbon technologies that reduce emissions, cut waste and support circular models.

UNIDO's Vision 2050 places inclusive, responsible digital transformation at the core of sustainable industrial development. By providing technical, policy and partnership support to strengthen innovation systems, promote ethical technology adoption and facilitate access to locally adapted AI-driven tools, UNIDO helps countries harness digital and AI technologies for inclusive growth and resilient industry.

UNIDO will:

- Accelerate AI-driven digital optimization of industries and supply chains
- Support the development of policy frameworks for digital and AI technologies
- Foster AI-enabled innovation ecosystems
- Promote supply chain transparency through AI and digital optimization

d) EMPOWERING WOMEN AND SUPPORTING YOUTH IN INDUSTRY

Amid rising youth populations and persistent gender inequalities, unlocking the potential of women and youth is essential to tackling unemployment, poverty and social instability. Inclusive industrialization can harness their creativity, resilience and ambition to drive innovation, productivity and sustainable prosperity.

Gender equality and the empowerment of women are central to achieving inclusive and sustainable economic growth. Yet women remain underrepresented across industrial sectors. Despite notable progress, women still earn significantly less than men, constitute less than half of the global manufacturing workforce and are underrepresented in leadership and decision-making roles. These disparities reflect deeper gender gaps in access to education, legal protection, finance and entrepreneurial opportunities.

Young people are powerful agents of innovation and change, yet their potential remains underutilized. Skills mismatches, limited access to quality education and constrained access to finance continue to hinder youth participation in industry and entrepreneurship, thereby slowing industrial transformation and inclusive growth.

Industrial development must benefit all segments of society by actively empowering everyone, including marginalized and vulnerable groups, to participate on equal terms and lead transformative change. Mainstreaming inclusivity is not only a moral imperative but a strategic necessity for building resilient and sustainable industrial economies.

UNIDO's Vision 2050 calls for a transformative approach anchored in equal opportunity, fair pay and inclusive leadership. Achieving this Vision requires policies and industrial strategies that address structural inequalities, dismantle barriers faced by women — particularly those from marginalized communities — strengthen skills ecosystems allowing equal access to education and expand access to finance, decent work and leadership pathways for all. Empowering women and supporting youth is not only a matter of fairness — it is a catalyst for innovation, social cohesion and global competitiveness.

UNIDO will:

- Support financing schemes and micro-loans for women entrepreneurs
- Offer digital training programmes for women
- Promote the use of technology to create job opportunities for women
- Expand access to skills development programmes for women
- Increase women's representation in industry and leadership roles

- Promote workplace policies advancing gender equality and diversity
 - Enhance industry-relevant education for youth
 - Prepare youth for critical industries
 - Facilitate cross-sector collaboration
 - Support youth-led industrial enterprises
 - Leverage UNIDO's enterprise services
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e) PROMOTING CLEANER PRODUCTION AND CIRCULAR ECONOMY

A shift to cleaner production and a circular economy is essential for environmental protection and long-term industrial sustainability. However, driven by short-term profits, key sectors like agriculture, forestry, fishing and energy often prioritize exploitation over conservation. This overexploitation of dwindling resources is severely exacerbated by climate change, which is altering weather patterns, accelerating biodiversity loss and making resource access increasingly volatile and unpredictable.

Outdated production systems continue to cause severe environmental degradation, especially in regions with weak regulatory oversight. Many industries release hazardous chemicals, leading to widespread pollution, deforestation and long-term damage to public health. In many developing countries, lax or poorly enforced environmental rules allow these harmful practices to persist, undermining both ecological sustainability and social well-being.

The widespread lack of circular economy principles magnifies these risks by promoting wasteful and inefficient resource use. Breaking this linear model is vital decoupling economic growth from environmental harm, requiring the accelerated adoption of green technologies, sustainable business models and more stringent regulations. UNIDO supports this transformation through technical assistance and policy advice, helping sectors from mining to textiles reduce emissions, improve efficiency and phase out harmful substances to make circular economies a reality.

UNIDO will:

- Establish national strategies for greening supply chains and advancing the circular economy
- Accelerate circular economy transformation in industry
- Facilitate the development of eco-industrial parks, sustainable economic zones and resource-efficient production
- Promote sustainable chemicals management and reduce hazardous substances
- Provide innovative climate adaptation solutions for resilient livelihoods
- Mainstream climate adaptation and resilience in key decision-making processes
- Integrate biodiversity conservation into industrial development
- Accelerate climate adaptation financing and investments
- Support the adoption of innovative clean technology solutions for industry
- Support the sustainable development of blue industries

f) LEVERAGING PRIVATE SECTOR INVESTMENT AND DEVELOPMENT FINANCE

Expanding access to tailored, inclusive and innovative financing is critical to unlocking industrial growth in developing countries. MSMEs – often the backbone of these economies – face persistent financing constraints due to weak credit histories, informality and limited business planning, which restrict modernization, scaling up of production and integration into competitive value chains.

A conducive investment climate is essential to attract long-term capital for sustainable industrialization. This requires reliable legal and regulatory frameworks, transparent governance, anti-corruption measures and investment guarantees to reduce risk and strengthen investor confidence. Equally important is the development of industrial infrastructure, including industrial parks, special economic zones and industrial corridors, to create a conducive environment for private-sector growth.

An accessible and well-functioning banking system underpins industrial finance. Expanding access to financial accounts, enhancing credit availability and improving banking services for all firms, especially MSMEs, can channel capital toward productive investment and reduce exclusion.

Turning promising projects into bankable investments requires strengthened financial institutions and innovative instruments. Scaled-up use of blended finance, concessional capital and gender-responsive strategies can mobilize private funds and target high-impact, inclusive opportunities.

Vision 2050 emphasizes strategic partnerships to catalyze investment, enable technology transfer and provide business support. Collaboration with public and private stakeholders, combined with the work of UNIDO's Investment Technology and Promotion Offices (ITPOs), facilitates investment and accelerates sustainable industrial development across developing countries.

UNIDO will:

- Strengthen policy frameworks for financial ecosystems
- Support MSME's in project preparation
- Co-design blended finance mechanisms
- Build financial partnerships and frameworks



6

UNIDO's functions, principles and regional focus

In response to global crises and industrial megatrends, UNIDO is sharpening its focus to enhance the efficiency and impact of its services. Our priority is to deliver technical assistance that is targeted and aligned with each country's unique needs and development stage. Success depends on good governance, as well as stronger collaboration, with deeper partnerships across the UN system, development agencies, industry leaders and governments. Working together we can drive collective action in support of the UN's Decade of Action and the 2030 Agenda.

6.1 GUIDING PRINCIPLES OF UNIDO ENGAGEMENT

UNIDO's operational framework is built upon a set of core principles derived from the UN Charter and wider agenda. These principles ensure its engagements are effective, sustainable and inclusive:



Sustainability, fairness and inclusion: This core principle involves decoupling industrial growth from environmental degradation through clean technologies and circular systems. It mandates producing more with less to enhance resource efficiency. Critically, it focuses on ensuring the benefits of industrialization are shared equitably, promoting decent work and social justice and actively empowering women and youth as economic leaders.



Innovation and learning: UNIDO promotes progress by innovation, harnessing new ideas and technologies to move beyond traditional solutions. This is achieved by piloting and demonstrating new models in targeted projects and ensuring rigorous measurement, evaluation, sharing of results and application of best practices.



Local ownership and alignment: Empowerment is key. UNIDO ensures national and regional stakeholders pursue industrial development in alignment with local priorities, a concept known as subsidiarity. Support is demand- and market-driven, focusing on home-grown solutions local value addition and private investment to build long-term self-reliance and economic resilience.



Partnership and accountability: Collaboration is fundamental. This includes robust engagement with the private sector to drive investment and innovation, close coordination with the UN system for synergistic impact and strict adherence to all internal and international regulatory standards and accountability frameworks to ensure integrity and effectiveness.

6.2 UNIDO's CORE FUNCTIONS

UNIDO provides comprehensive assistance through five distinct, interconnected modes of service delivery:



- a) **Research and policy advisory services:** UNIDO acts as a global knowledge hub, producing cutting-edge research, such as the Industrial Development Report and providing tailored policy advice to Members States. It serves as the official custodian for six SDG 9 indicators, collecting, harmonizing and disseminating essential global industrial statistics to ground all strategies in solid evidence.
- b) **Technical cooperation:** This is UNIDO's operational core, focused on building industrial capacity across all sectors, including MSMEs. Support ranges from introducing innovative technologies and improving supply chains to developing eco-industrial parks and facilitating access to finance. Initiatives often begin as carefully analyzed pilots designed for scaling up and replication by local actors, with all results and lessons widely shared.
- c) **Normative function and standards-related activities:** UNIDO assists governments in institutionalizing sustainability by integrating global standards into national policy and legislation. The Organization is also a pivotal actor in shaping international standards itself (such as ISO standards for energy management and the circular economy) and translates these global norms into practical compliance support for industries, especially MSMEs, to enhance their access to sustainable supply chains.

- d) **Convening function:** UNIDO drives the global conversation on sustainable industry by convening and participating in major conferences and forums. Flagship events like the International Vienna Energy and Climate Forum and the World Circular Economy Forum raise awareness, catalyze partnerships and provide a critical space for in-depth expert dialogue that shapes national industrial policies worldwide.
- e) **Partnership development:** Championing SDG 17, UNIDO places multi-stakeholder partnerships at the core of its strategy. This involves forging strategic alliances to mobilize resources beyond official aid, including the Programme for Country Partnerships (PCPs), North-South and South-South cooperation, UN system collaboration and vital partnerships with the private sector and financial institutions to de-risk investments and unlock funding for industrial projects.

6.3 UNIDO's REGIONAL FOCUS

UNIDO employs specific regional strategies to address diverse economic, social and environmental contexts, focusing on the needs of LDCs, MICs and SIDS:

- ▶ **Africa:** Strategy centres on advancing resource-based industrialization, job creation and regional integration under AfCFTA. Key actions include investing in skills development, enhancing productivity in agro-processing and pharmaceuticals, promoting renewable energy and implementing climate adaptation solutions in line with the African Union's Agenda 2063.
- ▶ **Arab region:** Focuses on building resilience through economic diversification and technology transfer to tackle overreliance on fossil fuels and high youth unemployment. Priorities include developing competitive sustainable industries, promoting a clean energy transition, strengthening food security and enhancing skills development for vulnerable groups.
- ▶ **Asia and the Pacific:** Aims to bridge development gaps by driving innovation, digital transformation and climate-neutral industries. Key actions involve supporting AI integration and automation, promoting circular economy practices, fostering inclusive growth for marginalized communities and enhancing regional integration through bodies like the Association of Southeast Asian Nations (ASEAN).
- ▶ **Europe and Central Asia:** Strategy focuses on modernization, clean industries and economic resilience by leveraging a skilled workforce. Efforts are directed at generating quality employment in high-value sectors, promoting resource-efficient and circular practices, enhancing MSME competitiveness and building strong digital and green innovation ecosystems.
- ▶ **Latin America and the Caribbean:** Prioritizes advancing industrial competitiveness, the circular economy and renewable energy to protect its vast biodiversity. Actions include supporting gender-sensitive industrial policies, promoting decarbonization via green hydrogen and eco-parks, facilitating digital upgrades and the rollout of AI, as well as strengthening value chains with an emphasis on young entrepreneurs.
- ▶ **Least developed countries (LDCs):** LDCs face deep structural constraints, from limited productive capacities to climate vulnerability, yet hold untapped potential for industrial upgrading and innovation. UNIDO's Operational Strategy for LDCs 2022–2031 provides a roadmap to build resilience, enhance human capital and strengthen institutions. Priority actions focus on skills development, technology transfer and value addition in key sectors.

- ▶ **Landlocked developing countries (LLDCs):** LLDCs struggle with high trade costs, weak infrastructure and restricted market access, limiting industrial competitiveness. Guided by the Awaza Programme of Action 2024–2034, UNIDO supports industrial connectivity, logistics efficiency and agribusiness development. Actions emphasize bridging digital and physical divides, trade facilitation, regional and global value chain integration and climate-resilient industries.
- ▶ **Middle-income countries (MICs):** MICs are engines of global growth but face uneven industrialization, inequality and environmental pressures. UNIDO's Strategic Framework for Partnering with MICs promotes innovation, digital transformation and policy reform to accelerate green and inclusive industrialization for sustainable growth. Efforts focus on renewable energy, circular economy and South–South cooperation.
- ▶ **Small island developing states (SIDS):** SIDS confront isolation, small markets and acute climate risks, yet possess unique potential in blue economy, tourism and renewable energy. UNIDO's SIDS Strategy 2026–2034 diversifies economies, build institutional capacity and promote green industries. Key actions include supporting food security, the blue economy and climate adaptation.

Through these tailored regional strategies, UNIDO ensures its global priorities are translated effectively into concrete, impactful actions that foster sustainable industrial development worldwide.



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