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Green industrial policies for sustainable and inclusive diversification of CDDCs

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Policies for export diversification



Traditional enablers of economic diversification

- Human capital: Align skills with the needs of new industries
- Market access: Trade policy for diversification and value upgrading
- Infrastructure: Affordable energy, modern transport and digital infrastructure, special industrial zones
- Economic and political stability: National consensus on diversification beyond immediate political cycles





Economic diversification in a low-carbon economy

- 1 Boost access to energy
- 2 Consider the right energy mix
- 3 Harness green growth opportunities
- 4 Account for initial conditions
- 5 Decent jobs and just transition
- 6 Benefit from international cooperation and agreements

Green industrial policies in CDDCs: Principles



- 1 Develop foundational capabilities
- 2 Ensure political and public support
- 3 Create jobs
- 4 Promote social cohesion and a just transition
- 5 Ensure gender equality

Green industrial policies in CDDCs: Priority sectors

1 Identifying potential new sectors for economic diversification –

2 Capturing more value in existing value chains

Green industrial policies in CDDCs: Entry points



Agriculture-dependent

- Promote local processing
- Adopt digital and climate-friendly agriculture techniques

Mineral-dependent

- Move up supply chains of critical mineral adding value domestically
- Uphold environmental, social and governance standards

Fossil fuel-dependent

- Convert hydrocarbon assets into sustainable forms of capital
- Use sovereign wealth funds

Green industrial policies in CDDCs: Regional integration



- 1 Coordinate diversification strategies regionally
- 2 Leverage regional trade
- 3 Foster regional value chains

International support

- Help stabilize commodity markets
- Combat tax evasion and illicit financial flows
- Promote technology transfer and technical capacity-building
- Support the use stronger trade and investment measures
- Support energy transition and mitigate the consequences of stranded resources
- Provide adequate financial support

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Inclusive Diversification and Energy Transition



Available on UNCTAD's website

https://unctad.org/system/files/official-document/ditccom2023d2_en.pdf

