Project title: Fostering the New Industrial Revolution's opportunities for an inclusive and sustainable industrial transformation in Mexico

Project ID Number: 190310

Area/Location/Countries: The Americas, Mexico

RBM code: GC2 Adv. Econ. Competitiveness
Thematic code: GC21 Invest. Techn. & SME dev.


Duration: 0 Years - 4 Months

Government coordinating agency & executing agency/cooperating agency: Guanajuato State, CONCAMIN; Hannover Messe AG, Secretary of Economy

Counterpart: CONCAMIN; Economy Secretary Federal; Guanajuato State Government

Budget: EUR 30,510 (including 13% support costs) from RPTC funds.

Brief description:
This project aims to promote the opportunities of the New Industrial Revolution in accelerating the path for an inclusive and sustainable industrial transformation in Mexico and in countries of the Latin American and Caribbean (LAC) region. Deutsche Messe AG decided to hold the first edition of this leading global fair in Mexico, thus creating Industrial Transformation MEXICO (ITM), which will take place in León, Guanajuato, from 9 to 11 October 2019. This project intends to facilitate technical discussions and dissemination of best practices associated to UNIDO’s strategic approaches for circular economy and quality infrastructure within the context of the New Industrial Revolution, among government decision makers and private sector from Mexico and LAC countries participating in the associated forum.

Approved:

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On behalf of UNIDO:

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A. CONTEXT

A1. Project Purpose
Deutsche Messe AG decided to hold the first edition of this leading global fair in Mexico, thus creating Industrial Transformation MEXICO (ITM), which will take place in León, Guanajuato, from 9 to 11 October 2019. This project intends to facilitate technical discussions and dissemination of best practices associated to UNIDO’s strategic approaches for circular economy and quality infrastructure within the context of the New Industrial Revolution, among government decision makers and private sector from Mexico and LAC countries participating in the associated forum. The foreseen discussions and awareness raising activities should facilitate the expansion of current technical cooperation projects’ portfolio and strategic partnerships in Mexico and in countries of the Latin America and Caribbean region in order to accelerate its path towards an inclusive and sustainable industrial development.

The Department of Trade, Investment and Innovation (TII) and the Regional Office in Mexico (ROMEX) are planning to deliver a package to potential interested partners on the services provided by the Organization related to trade, investment and industry 4.0. The installation of an exhibition booth is envisaged for interaction with the public and distribution of technical experiences dissemination materials. In addition, three side events will be organized hoping to capture the interest of industrialist, government officials, civil society and academia with focus to SDGs, mainly SDG9 in connection to the Industry 4.0/circular economy and showcase UNIDO approaches as the PCPs.

A2. Baseline Scenario
Hannover Messe is an important partner for UNIDO because as the birthplace and catalyst of Industry 4.0, it is attracting business and political leaders from all over the world who want to learn about the industrial leapfrogging potential through Industry 4.0 applications in their production and energy industries. Another aspect of the partnership concerns the collaboration on the joint design and implementation of capacity building modules in support of public and private sector organizations (investment promotion agencies, chambers of commerce, industrial association, etc.) in the area of industrial fair organization, fair implementation and follow-up. Developing countries and economies in transition must be made aware of implications and challenges related to the Industry 4.0 paradigm shift.

The 2014’s signed MOU among UNIDO and Deutsche Messe AG was renewed in 2019 which underpins the long-term nature of this important partnership.

Following the successful participation of Mexico as a guest country in the Hannover Messe 2018, Deutsche Messe AG decided to hold the first edition of this leading global fair in Mexico, thus creating Industrial Transformation MEXICO (ITM), which will take place in León, Guanajuato, from 9 to 11 October 2019.

Industrial Transformation MEXICO 2019 consists of a tradeshow, conference and educational program tied together by the overarching themes of smart manufacturing and digital transformation in Mexico. The event serves industry sectors such as aerospace, automotive, electronics, health care, food and beverage, metalworking, packaging systems, and steel and chemical processing. ITM will also offer an extensive educational and training program, with about 50 conferences, workshops and seminars. It will be the main event to promote digital transformation and intelligent manufacturing both in the country and in Latin America. The main themes it will promote are automation, robotization, digital manufacturing, ICT and intelligent logistics, among others.

As, in recent years, Hannover Messe has served as the global platform to organize several events with the principal aim to sensitize and build confidence among the German and international business community about business and investment opportunities in specific countries and to encourage potential investors to review potential investment opportunities more in depth. Such events also provided networking space for B2B meeting opportunities. Considering that, UNIDO has a successful partnership with Deutsche Messe AG, the ITM organizers approached UNIDO office in Mexico to join efforts and reinforce the educational role of the fair.

ITM 2019 will also serve as a framework for other events that are key to the industrial sector and digital transformation, which, in turn, will strengthen the fair’s standing in Mexico and Latin America. In this connection, the CONCAMIN (Mexican Industrial Chamber Confederation), which promotes events that generate industrial know-how and build on the sector’s strengths, has decided to hold the ITM fair and the Annual Industrialists Meeting (RAI) at the same time. This shows the importance of industrial transformation in Mexico. RAI is Mexico’s principal business event that brings together over 800 industrial leaders and entrepreneurs. It is attended by leading representatives of the country’s economic, political and social spheres, who meet every year to analyze the progress the sector has made and the obstacles it faces, and discuss sustainable industrial development initiatives and projects.

A3. Main Target Groups
It is expected that ITM will bring together more than 10,000 entrepreneurs and industry 4.0 specialists; it will have more than 160 exhibitors that will present the main innovations and country’s experiences and policies in the field of industry 4.0; and it will have more than 200 industry leaders, including presidents and general managers of companies, as well as high-level government representatives from different countries and investors.

A4. Stakeholders

Federal Government of Mexico, Government of Guanajuato State, private sector (CONCAMIN; sectoral industry associations), Academia (La Salle University, UNAM, IT Monterrrey, IPN, etc.)

A5. Synergy

The project actions will be linked to the global SPX Programme, the GMIS, and the UNIDO's strategic framework for the smooth transition to the New Industrial Revolution. Moreover, the project actions are aligned with the GRULAC's working priority areas agreed with UNIDO for the LAC region as confirmed during the International Conference on challenges and opportunities of SDG 9 organized by UNIDO in cooperation with the Ministry of Industry and Commerce and the Ministry of Foreign Affairs of Panama, and held on 16-18 October 2018 in Panama City, with the presence of different stakeholders from more than 17 countries including Mexico, and aiming at boosting the implementation of SDG 9 in the region through south-south and triangular cooperation, networking and alliances, and empowerment of women and youth.

B. UNIDO APPROACH

B1. Rationale

In 2014, UNIDO signed a Memorandum of Understanding (MoU)¹ with Deutsche Messe AG, the owner and organizer of Hannover Messe, aimed at establishing a strategic partnership in the organization of industrial trade fairs, particularly those focusing on supporting Inclusive and Sustainable Industrial Development (ISID) in emerging and developing countries. Hannover Messe, the world’s leading industrial and technology fair, serves as a global hub for industrial and technology exchange and transfer. It covers a wide range of themes such as research and development (R&D), industrial automation and information technology (IT), industrial supply, production engineering and services, as well as energy and environmental technology. The topic of Industry 4.0 has permeated all these different industrial segments. It was in the Hannover Messe event of 2011 when the concept “Industrie 4.0” was first conceptualized and presented. Since then, successive events of Hannover Messe exhibition have featured multiple industrial sectors involved in the digitalization of industry, showcasing Industry 4.0 answers to the key question faced by industrial enterprises around the world. The interplay between automation and energy technology, IT platforms and artificial intelligence is driving the digital transformation of industry.

The New Industrial Revolution (NIR) or Industry 4.0 is expected to influence four long-term relationship paradigm shifts that are going to change the landscape of the global manufacturing industry: (i) Factory and nature: improvements in resource efficiency and sustainability of manufacturing systems; (ii) Factory and local communities: increased geographical proximity and acceptance, integration of customers in design and manufacturing processes; (iii) Factory and value chains: distributed and responsive manufacturing through collaborative processes, enabling mass customization of products and services; and (iv) Factory and humans: human oriented interfaces and improved work conditions.

The imperative of climate change and pollution mitigation, at times where is expected population and individual demand to grow, rapidly dictates the optimized use of any available resource. The “circular economy” concept, which contrasts the concept of linear economy (take, make, use, dispose), requires that any resource is optimized in terms of renewability (energy used), reusability (recycling valuable metals, alloys and polymers beyond the shelf life of individual resources) and recyclability (compostable packaging). The concept of the circular economy is based on the optimization of energy and natural resource ecosystems, and this is achievable only by interconnecting the key stakeholders. The circular economy requires integrated information about demand and resource, and the balance between the two to be optimized.

The development of new materials and technologies within the smart manufacturing processes also require better measurements system’s methodologies and instruments. New approaches for sustainability (like circular economy) will demand innovative accreditation systems.

The Mexican government has already taken steps to facilitate the transition towards industry 4.0. The country currently has 98 research centers to advance manufacture and innovation and 34 industrial clusters focused on 4.0 technologies/internet of things solutions. Notwithstanding, many of these initiatives tend to be industry-specific and hoarded by the automotive and aerospace industry. These two sectors are accountable for the implementation of the most advanced technologies in the country and reflect in the large multinational’s companies being accountable for a substantial proportion of the investment.

However, there is a need in the country to strengthen the digitalization of local SMEs, improve workers’ digital skills and training, broaden the scope of research centers and to strengthening of national measurement capacities to ease technology appropriation and assist regulation. Considering the expected high numbers of participants, and interest from several stakeholders, in this new context, the ITM represents an important opportunity for showcasing the relevance of new approaches for circular economy and quality infrastructure within the context of the New Industrial Revolution for an inclusive and sustainable industrial transformation in Mexico and other countries of the region.

During the past years since 2015, UNIDO has participated in the Hannover Messe exhibition, bringing together a number of Subcontracting Partnership Exchange (SPX) Programme Centres and investment promotion agencies. UNIDO’s participation in this forum has provided a genuine platform for institutions and industrial enterprises from its member states and developing countries to participate and promote themselves in what is considered as the world’s leading forum for industrial trade and business. UNIDO also mobilized business delegations affiliated to SPX Centres as well as institutional partners from private sector representatives to participate at their own costs.

This approach offers countries and economies in transition opportunities to develop up their industrial base as a platform for social inclusiveness, economic competitiveness, environmental sustainability and integrating with the global trading system. As a first step for the achievement of this objective, ROMEX backed with the technical support of TII, is planning to deliver an initial package to potential interested partners on the services provided by the Organization related to trade, investment and industry 4.0. The installation of an exhibition booth is envisaged for distribution of technical experiences dissemination materials.

In addition, three side events will be organized hoping to capture the interest of industrialist, government officials, civil society and academia. One of the side events will be organized by the GMIS; they expressed interest in joining the UNIDO event by supporting a dedicated chapter on increasing the adoption of NIR technologies and best international practices. The additional two side events will be dedicated, one to the SDGs, Agenda 2030 and SDG number 9, related to the innovation applied to the industrial transformation and ISID. It is expected to count with the support of the Resident Coordinator, among others panelists. The final side event would be dedicated to the innovation applied to the circular economy approach and innovation to the quality infrastructure and market access.

The side events will promote multi-stakeholders’ discussions on best policies and practices related to trade, investment and innovation within the context of industry 4.0 of relevance for the country and the LAC region; best practices will be aligned with the UNIDO Policy on Gender Equality and the Empowerment of Women (GEEW) considering the gender challenges in trade, investment and innovation.

B2. Comparative Advantage

In 2018, UNIDO signed a Memorandum of Understanding (MoU) with CONCAMIN aimed at establishing a strategic partnership in the industrial transformation in the country, with particular focus on supporting Inclusive and Sustainable Industrial Development (ISID).

On the other hand, the Global Manufacturing and Industrialization Summit (GMIS) – a multi-stakeholder platform co-chaired by UNIDO and the United Arab Emirates that draws on the experience of manufacturers driving technological advances to achieve the goals of the UN 2030 Agenda for Sustainable Development, will be also organizing at the ITM- an important side event where UNIDO will be involved. The strategic partnership between GMIS, UNIDO and Deutsche Messe, (ITM) will be crucial to joint efforts to overcome the key challenges and take advantage of the opportunities associated with Industry 4.0, with a focus on collaboration and cooperation in the digital age. (See Annex I for the programme of the proposed side event of GMIS)

UNIDO’s office in Mexico has the goal of building competencies, strengthen talent and increase the transferal—not just of technology, but of know-how—helping the country in its path to ISID and to achieve the SDGs, particularly SDG 9. In this context, events like Industrial Transformation MEXICO (ITM) becomes very relevant. The selection of Mexico by Deutsche Messe opens opportunities to strengthen cooperation not only with industrial sectors and stakeholders from the country but also from the LAC region as well. ITM will showcase UNIDO’s approaches and best practices under the industry 4.0 context to several countries and particularly to companies, governments and other important actors, while demonstrating main challenges and opportunities. It will also serve as a valuable training opportunity as concerns the main industry trends. ITM is expected to become an increasingly important industry benchmark forum for Mexico and the Latin America and Caribbean region, though opening
opportunities for the development of new cooperation initiatives and partnerships in the areas targeted.

The Department of Trade, Investment and Innovation (TII) also has recently developed a conceptual Strategic Framework to work with the countries to enable their smooth transition to the NIR as the organization’s focal point for industry 4.0 related matters. The Strategic Framework includes new innovative programmes (on smart manufacturing, smart agro-food, smart energy and smart circular economy) to assist the countries in their path to ISID, by addressing challenges and leveraging opportunities stemming from NIR to realize the SDGs. In particular for smart manufacturing development the actions include:

- Raising awareness of NIR opportunities and challenges, monitoring NIR readiness and develop 4IR roadmaps at the industry and enterprise levels, designing innovation-friendly policies and business environment reforms and regulations;
- Build capacities to develop innovation eco-systems for enabling product, process, functional and value chain industrial innovation by using 4IR technologies and innovative business models, and the use of harmonized new standards and business protocols for interoperability in smart manufacturing, improving industrial safety and cybersecurity;
- Brokering multi-stakeholder partnerships to provide technical and vocational education and training to meet the demand for new skills stemming from NIR and to leverage investment on required infrastructure.

B3. Sustainability Strategy

The sustainability of the action will be reinforced through an active engagement with the ITM organizers and showcasing high quality experiences and technical materials to high level decision makers, private sector and other stakeholders along the event to identify joint cooperation initiatives and strategic partnerships in the areas of circular economy and quality infrastructure under the context of the New Industrial Revolution for Mexico and participating countries of LAC region.

B4. Gender Mainstreaming Strategy

UNIDO recognizes that gender equality and the empowerment of women have a significant positive impact on sustained economic growth and inclusive industrial development, which are key drivers of poverty alleviation and social progress. In addition to the UNIDO Policy on Gender Equality and the Empowerment of Women (GEEW), which provides overall guidelines for establishing a gender mainstreaming strategy, UNIDO has also developed an operational gender guide to support gender mainstreaming in its initiatives related to trade, investment and innovation.

Based on above, gender considerations will be taken into account in the design of the planned side events within this project. Gender-sensitive recruitment will be practiced at all levels where possible, especially in selection of panelists and experts. To the extent possible, efforts will be made to promote participation of women in the side events as well as participants, compiling sex disaggregated data and setting the target of at least 40% female participation.

The report publication on the main results and recommendations will consider the use of gender-inclusive language and gender-balanced photographs.

B5. Environmental and Social Assessment

According to UNIDO Environmental and Social safeguards Policy and Procedures (ESSPP) rolled out for all UNIDO projects since February 2019, an Environmental and Social Risks Screening was conducted which resulted in the project classification under Category C, as it is considered that is likely to have minimal or no adverse social and/or environmental impacts. No further specific environmental and/or social assessment is required during Project Formulation, although those with procurement components may still have potential environmental and social sustainability considerations. These should be addressed as part of the regular project design activities and through UNIDO’s procurement processes, as applicable.

C. THE PROJECT
C1. Objective

This project aims to promote the opportunities of the New Industrial Revolution in accelerating the path for an inclusive and sustainable industrial transformation in Mexico and in countries of the LAC region, by showcasing best approaches and practices on circular economy and quality infrastructure under this context, and identifying joint cooperation initiatives and strategic partnerships in these areas.

C2. Expected outcomes

Outcome 1: Stakeholders, (Mexican authorities, academia and private sector and participant countries from the region) recognize the relevance of new approaches for circular economy and quality infrastructure under the New Industrial Revolution to accelerate their path towards an inclusive and sustainable industrial transformation and SDG9; and support joint cooperation initiatives and partnerships in these areas.

C3. Outputs and activities

Output 1.1 New approaches and best practices on circular economy and quality infrastructure under the context of the New Industrial Revolution are disseminated to all participants in the ITM event.

Activity 1.1.1 Establish during the fair (four days) a UNIDO’s promotional booth (ROMEX staff).

Activity 1.1.2 Organize a side event on the SDG, with particular emphasis in SDG9 related to innovation and competitiveness (Experts, UNIDO and UN staff)

Activity 1.1.3 Organize a side event covering two main subjects:
   a. Innovation applied to circular economy
   b. Innovation applied to quality infrastructure and market access
   (Experts, UNIDO staff)

Output 1.2: New joint cooperation initiatives and partnerships on circular economy and quality infrastructure under the context of the New Industrial Revolution are identified/ fostered.

Activity 1.2.1 Organize meetings with relevant stakeholders participating in the ITM event to explore new joint cooperation initiatives and partnerships (Expert, UNIDO staff in HQs and ROMEX)

Activity 1.2.2 Prepare and finalize a publication collecting the main results, recommendations (Expert, UNIDO staff in HQs and ROMEX)
# C4. Project Logical Framework

## Results

<table>
<thead>
<tr>
<th>Objective</th>
<th>KPI’s / Indicators</th>
<th>Means of verification</th>
<th>Assumptions</th>
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<tr>
<td>To promote the opportunities of the New Industrial Revolution in accelerating the path for an inclusive and sustainable industrial transformation in Mexico and in countries of the LAC region, by showcasing best approaches and practices on circular economy and quality infrastructure under this context, and identifying joint cooperation initiatives and strategic partnerships in these areas.</td>
<td>At least two new cooperation initiatives (on circular economy and quality infrastructure) identified/ fostered</td>
<td>ITM event report</td>
<td>Government commitment and support is provided</td>
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<td></td>
<td>At least two new partnerships (on circular economy and quality infrastructure) identified/ fostered</td>
<td>individual meetings with relevant stakeholders</td>
<td>Other UN agencies and international organizations are open for collaboration</td>
</tr>
<tr>
<td>Stakeholders, (Mexican authorities, academia and private sector and participant countries from the region) recognize the relevance of new approaches for circular economy and quality infrastructure under the New Industrial Revolution to accelerate their path towards an inclusive and sustainable industrial transformation and SDG9, and support joint cooperation initiatives and partnerships in these areas.</td>
<td>At least two new cooperation initiatives (on circular economy and quality infrastructure) identified/ fostered</td>
<td>media reports</td>
<td>UNIDO takes all necessary measures to ensure a vital exchange and collaboration with Mexican stakeholders and other countries in LAC region</td>
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<tr>
<td></td>
<td>At least two new partnerships (on circular economy and quality infrastructure) identified/ fostered</td>
<td>media reports</td>
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## Outcome

**Output 1.1**: New approaches and best practices on circular economy and quality infrastructure under the context of the New Industrial Revolution are disseminated to all participants in the ITM event.

### Activity 1.1.1 Establish during the fair (four days) a UNIDO's promotional booth (ROMEX staff).

### Activity 1.1.2 Organize a side event on the SDG, with particular emphasis in SDG9 related to innovation and competitiveness (Experts, UNIDO and UN staff)

### Activity 1.1.3 Organize a side event covering two main subjects:

| a. Innovation applied to circular economy |
| b. Innovation applied to quality infrastructure and market access (Experts, UNIDO staff) |

### Activity 1.1.4 Prepare and finalize a publication collecting the main results, recommendations (Experts, UNIDO staff in HQs and ROMEX)

- # of events organized to promote new approaches and best practices as well as SDGs
- number of participants attending the UNIDO thematic panels organized within ITM event; sex-disaggregated (target: 40% female participants)
- number of visitors registered at the UNIDO booth in the ITM event; sex-disaggregated (target: 40% female participants)
- # of media contacts established

## Outputs

### Output 1.2: New joint cooperation initiatives and partnerships on circular economy and quality infrastructure under the context of the New Industrial Revolution are identified/ fostered.

### Activity 1.2.1 Organize meetings with relevant stakeholders participating in the ITM event to explore new joint cooperation initiatives and partnerships (Expert, UNIDO staff in HQs and ROMEX)

### Activity 1.2.2 Prepare and finalize a publication collecting the main results, recommendations (Expert, UNIDO staff in HQs and ROMEX)

- # of meetings to discuss new cooperation initiatives and partnerships arranged
- UNIDO publication on the main results and recommendations, using gender-inclusive language and gender-balanced photographs

- ITM event report
- individual meetings with relevant stakeholders
- media reports

- ITM event report
- individual meetings with relevant stakeholders
- media reports

- Mexican government and industrial sector's interest in engaging with UNIDO for industry 4.0/ circular economy approaches application is raised.
- Mexican government, industrial sector and ITM forum organizers keep interest for dissemination of the report and follow up

- ITM forum organizers keep commitment and provide support
C5. Risks & Mitigation measures

<table>
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<tr>
<th>ASSUMPTIONS</th>
<th>DESCRIPTION OF RISK</th>
<th>LIKELIHOOD AND REMEDIAL MEASURES</th>
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<tbody>
<tr>
<td>Key decision-makers in Government agencies, institutions and communities remain supportive, cooperative, and will actively participate in the events/meetings organized by UNIDO.</td>
<td>Participation at the fair is not as high as expected and few approaching UNIDO’s booth and thematic panels.</td>
<td>Keep continuous dialogue with government and stakeholders to ensure support and efforts on the promotion and dissemination of best approaches and practices on circular economy and quality infrastructure within the New Industrial Revolution.</td>
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C6. Institutional Arrangements and Coordination Mechanism

The established partnership with Deutsche Messe provides the overall set-up for the organization and coordination of the Mexico edition in cooperation with UNIDO and CONCAMIN. Internally, PTC/TII will work jointly with ROMEX on the project implementation, follow-up on recommendations and a final report publication.

C7. Timeline of the activities

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<th>10</th>
<th>11</th>
<th>12</th>
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<tr>
<td>Preparatory and Implementing</td>
<td>Prepare the participation at the event, (agenda, brochures, etc.)</td>
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<td></td>
<td>Organize side events</td>
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<td></td>
<td>Participate in the event/conduct panels and meetings</td>
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<td>Prepare a final publication</td>
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D. BUDGET ITEMS

D1. Counterpart inputs

Hannover Messe: Space, auditorium and media for the side event, promotion of UNIDO activities
Guanajuato State Government and several industrial chambers have confirmed their active participation in organization and promotion actions.

D2. UNIDO Inputs

UNIDO staff and support funds

E. BUDGET

Overall budget

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<th>BL</th>
<th>Description</th>
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<th>Total</th>
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<td>11</td>
<td>International experts</td>
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<td>15</td>
<td>Project travel</td>
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<td>16</td>
<td>Staff travel</td>
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<td>17</td>
<td>National experts &amp; admin staff</td>
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<td>30</td>
<td>In-service training, conferences, workshops</td>
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<td>Premises</td>
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<td>Miscellaneous</td>
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<td>International experts</td>
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<td>15</td>
<td>Project travel</td>
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<td>National experts &amp; admin staff</td>
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<td><strong>Programme Support Cost (13%)</strong></td>
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<td><strong>GRAND TOTAL</strong></td>
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F. MONITORING, REPORTING AND EVALUATION
A final report at the end of the project compiling all the activities and results obtained, follow up recommendations will be prepared.

G. PRIOR OBLIGATIONS AND PREREQUISITES
All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by UNIDO rules and regulations.

H. LEGAL CONTEXT

ANNEXES
Structure and agenda of the side events
Annex I

GMIS Connect Mexico

Date: 9-11 October 2019 (Session Dates TBC)
Venue: Poliforum León
Location: León, Guanajuato, Mexico
Format: 1 GMIS Panel Discussion, Part of CONCAMIN conference programme
Duration: 60 minutes

*Please note speakers listed below are suggestions for consideration only.

Introducing GMIS; Vision, objectives and initiatives
Namir Hourani, Managing Director and Member of the Organising Committee, GMIS

Panel Discussion:
Increasing the adoption of 4IR technologies; best international practice
Global manufacturing giants are in the process of adopting 4IR technologies, such as IoT, Robotics and AI across their various operations. This process requires an up haul of education and skills development for existing and future workforce, as well as the machines and factories where this workforce will apply their new skills. This session will give insight into international best practice on:

- Factories of the future and how work will look like 10 years from now
- What is the ROI of adopting 4IR technologies? Will the Mexican manufacturing industry benefit from the cost of 4IR? Or do labour costs still offer a better ROI?
- Strategies applied by private sector now to assure successful implementation of technology for future production
- Impact of 4IR on labour and employment strategies; how can government and private sector assure the sustainability of employment levels, given the evolution of technology and its effect on required skills?
- What are the policies required to ensure the continuous training of the current workforce to meet the needs of advanced manufacturing?
- Assessing programmes and initiatives aimed at increasing the skilled talent pool to meet 4IR future requirements
Annex ii

Panel 1. The industry as development driver within the Agenda 2030 - (2 hours)

Industry is the most dynamic driver of prosperity and collective wellbeing. No country has ever reached a high level of economic and social development without having developed an advanced industrial sector. However, too often in the past these transformative structural changes have also been accompanied by environmental degradation and increased social inequalities.

In order to ensure equitable distribution of the economic benefits of industrialization, a robust environmental and social framework must therefore be established. UNIDO’s concept of Inclusive Sustainable Industrial Development (ISID) aims to address the multidimensional causes of poverty, through creating shared prosperity, advancing economic competitiveness, and safeguarding the environment.

UNIDO’s extensive and widely recognized knowledge and expertise in supporting countries in their sustainable industrialization efforts make the Organization a reference institution for the implementation all these industry-related aspects in the SDGs, as well as the follow-up and review of progress towards the related achievements.

The side event has as main objective to share the panelists’ experience from their particular perspective and area of expertise, regarding industrial development as a driver for shared prosperity.

- Panelists:
  - UN (Resident Coordinator)
  - Government (e.g. President’s Office, Mr. Alfonso Romo, etc.)
  - Private Sector Representative (e.g. President of CONCAMIN Mr. Francisco Cervantes, Mr. Manuel Pérez Cárdenas, or eventually someone from a Camera)
  - Guanajuato State Representative
  - Academia Representative

- Structure:
  1. Presentation of SDG with emphasis in number 9 as driver - (20 minutes)
    - UNIDO presents and moderates
  2. Discussion of SDGs, particularly number 9, from different points of view - (50 minutes)
    - Five panelists, 10 minutes each
  3. Round of questions for the panelists - (30 minutes)
    - 2 prepared questions for panelist, 5 minutes each
  4. Final questions from the audience – (20 minutes)

Panel 2. The industry future related to the industrial competitiveness - (two hours)

Industry 4.0 is expected to influence four long-term relationship paradigm shifts that are going to change the landscape of the global manufacturing industry: (i) Factory and nature: improvements in resource efficiency and sustainability of manufacturing systems; (ii) Factory and local communities: increased geographical proximity and acceptance, integration of customers in design and manufacturing processes; (iii) Factory and value chains: distributed and responsive manufacturing through collaborative processes, enabling mass customization of products and services; and (iv) Factory and humans: human oriented interfaces and improved work conditions.

Divided in two sub panels

The imperative of climate change and pollution mitigation, at times where we expect population and individual demand to grow, rapidly dictates the optimized use of any available resource. The “circular economy” concept, which contrasts the concept of linear economy (take, make, use, dispose), requires that any resource is optimized in terms of renewability (energy used), reusability (recycling valuable metals, alloys and polymers beyond the shelf life of individual resources) and recyclability (compostable packaging). The concept of the circular economy is based on the optimization of energy and natural resource ecosystems, and this is achievable only by interconnecting the key stakeholders. The circular economy requires integrated information about demand and
resource, and the balance between the two to be optimized.

Industry 4.0 is also impacting on trade, reshaping the ways value chains stakeholders interact, as well as how companies move goods, services and information internally and externally. This imposes a need for a change in quality infrastructure systems aiming to improve trade and access to markets, moving from traditional approaches to the development and application of new standards associated to the digital technologies use, and where industrial safety and cybersecurity, as well as ensuring interoperability among them; become of upmost importance. The development of new materials and technologies within the smart manufacturing processes also require better measurements system’s methodologies and instruments. New approaches for sustainability (like circular economy) will demand innovative accreditation systems.

The side event has as main objective to share the panelists’ point of view in terms of the relation that exist between industry 4.0 and the circular economy approach, and with the quality infrastructure and the market access.

Presentation 1 - Industry 4.0 as mean to improve resource efficiency (energy, water, raw material, with examples)

- **Panelists:**
  - UNIDO expert
  - Expert on the subject
  - Private Sector Representative (e.g. Entrepreneur)
  - Academia Representative

- **Structure:**
  1. Presentation of UNIDO expert (from Vienna, or someone) – (20 minutes)
  2. Discussion among panelists – (30 minutes)
     - 10 minutes, each
  3. Final questions from the audience – (10 minutes)

Presentation 2 - Industry 4.0 related to quality infrastructure and market access (UNIDO expert from TII)

- **Panelists:**
  - UNIDO expert
  - Private Sector Representative (e.g. Entrepreneur)
  - State Government Representative
  - Academia Representative

- **Structure:**
  1. Panel – (30 minutes)
     - UNIDO presents and moderates, 10 minutes for participant
  2. Final questions from the audience – (10 minutes)