A BRIEF

GREEN INDUSTRIALISATION FOR THE GLOBAL SOUTH

BONN SB64 SIDE EVENT SUMMARY

This side event – 'Green Industrialisation for the Global South: State of play, barriers and opportunities' – was jointly organised at the UNFCCC's SB64 climate talks in Bonn on June 15, 2026 by UNCTAD (United Nations Conference on Trade and Development), Centre for Science and Environment (CSE), Power Shift Africa. Panelists also included speakers from UNIDO, E+ Energy Transition Institute, and the African Group of Negotiators (AGN).

SUMMARY OF DISCUSSIONS

The side event explored how green industrialisation can serve as a pathway to simultaneously advance economic development and climate objectives in developing countries. Speakers from Asia, Africa, Latin America and international organisations examined the opportunities and challenges facing countries seeking to build competitive green industries while navigating an increasingly fragmented global economy and an evolving climate policy landscape.

The discussion opened by noting that today, developing countries face a more complex development challenge. Economic transformation must now take place within planetary boundaries and under growing climate constraints. Green industrialisation was presented not simply as a climate strategy, but as a means of reconciling industrial development, job creation and economic resilience with climate goals.

REGIONAL PERSPECTIVES

ASIA

The discussion highlighted that clean technology manufacturing remains heavily concentrated in China and advanced economies, which are competing intensively on industrial policies such as subsidies. Emerging economies face significant disadvantages in technological capabilities, finance and integration into global trade regimes.

Drawing on examples from China, India and Indonesia, it was noted that although countries such as India have expanded solar module and cell manufacturing, substantial import dependence remains in upstream segments where much of the technological sophistication and value addition are concentrated. Rather than simply competing in a global race to reduce costs, countries need deliberate industrial strategies that build domestic capabilities, support research and development, generate employment and progressively localise value chains. Participants also emphasised the need for developing countries to strengthen their bargaining power in international forums, including trade and investment regimes, so that global rules better support industrialisation and structural transformation.

AFRICA

Speakers challenged the perception that Africa's role in the green transition is limited to supplying critical minerals. Green industrialisation on the continent was framed more broadly to include decarbonisation of existing industries, processing critical minerals, manufacturing green products, and greening existing industrial sectors.

Policy tools such as tax incentives, special economic zones and targeted industrial policies were discussed as important mechanisms to stimulate domestic value addition. Zimbabwe's lithium export restrictions were cited as an example of governments seeking greater understanding and control over mineral value chains before allowing exports, although speakers stressed that export restrictions alone cannot guarantee industrial development. Experiences from South Africa and Morocco demonstrated opportunities to leverage existing industrial strengths, while regional cooperation, including shared renewable energy infrastructure, was identified as an important avenue for strengthening industrial competitiveness.

Speakers also highlighted structural challenges, including illicit financial flows, unequal fiscal capacities to support industrial subsidies and geopolitical factors that continue to shape mineral processing and manufacturing decisions across the continent.

LATIN AMERICA

Discussions from the Latin American perspective emphasised two major fault lines. First, green industries require large, patient investments with long time horizons, making sustained political commitment essential despite changing domestic political priorities. Second, although green technologies rely on global value chains, most value creation continues to be captured by China and developed economies, leaving developing countries concentrated in lower-value activities.

The Latin American region's experience with lithium and copper illustrated the risk of repeating historical commodity boom-and-bust cycles if industrial diversification does not accompany resource extraction. Speakers argued that green industrial policy should, therefore, extend beyond emissions reduction to include structural economic transformation through local content policies, skills development, strategic diversification and stronger regional integration. Increased access to affordable finance and technology transfer through multilateral cooperation were identified as essential enablers.

MULTILATERAL COOPERATION AND ENABLING CONDITIONS

A recurring theme throughout the discussion was that while domestic policy choices ultimately determine industrial outcomes, multilateral institutions have a critical role in creating enabling conditions for green industrialisation.

Three priority functions for multilateral cooperation were identified: generating knowledge and data to support policymaking, creating platforms for dialogue and partnerships, and providing practical support through finance, technology, capacity building, trade facilitation and industrial policy assistance. Speakers argued that current multilateral efforts remain fragmented and continue to frame industry primarily as a source of emissions requiring decarbonisation, rather than recognising green industrialisation as a broader development opportunity.

In this context, the Belém Declaration on Global Green Industrialisation was presented as an effort to reposition green industrialisation within international climate discussions by emphasising its contribution to sustainable development and energy security alongside climate objectives. Participants discussed ongoing efforts to establish a Global Green Industrialisation Alliance (GGIA), which aims to improve coordination across existing initiatives, strengthen knowledge-sharing, facilitate partnerships and improve access to financial and technical support for developing countries.

CROSS-CUTTING THEMES

Across the discussion, several common priorities emerged. Speakers stressed that industrial policy is once again becoming central to economic development, but developing countries often lack the fiscal space to match subsidy programmes introduced by wealthier economies. This reinforces the need for international cooperation that enables rather than constrains industrial development.

Technology transfer also emerged as a significant concern. Participants noted that green technology patents remain highly concentrated in a small number of countries, while existing multilateral commitments on technology transfer have delivered limited results. South-South cooperation was identified as an increasingly important complement to traditional North-South partnerships.

The discussion also underscored the importance of understanding global supply chains before designing industrial policies. Examples from the nickel industry illustrated how value is frequently captured at later stages of processing, suggesting that countries need carefully designed strategies rather than relying solely on export restrictions or mineral bans to achieve greater domestic value addition.

Finally, speakers emphasised that green industrialisation is ultimately shaped as much by political economy and geopolitical considerations as by technology. Partnerships, investment decisions and access to markets are increasingly influenced by strategic considerations, making coordinated regional action and stronger multilateral cooperation essential for ensuring that developing countries can capture greater economic benefits from the global green transition.

FOR MORE DETAILS, PLEASE CONTACT

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