



## **Statement of the Director-General, Mr. Carlos Magarinos**

Keynote Speaker at the 4<sup>th</sup> Joint ILAC/IAF General Assembly

(via video conference, from UNIDO HQ, Vienna

Cape Town, 10 Oct 2004

Mr. Chairman, Excellencies, Distinguished Delegates, Ladies and Gentlemen:

Let me first of all convey my appreciation towards ILAC and IAF, and in particular to their Chairs, Mr. Mike Peet and Mr. Thomas Facklam, for their kind invitation to address this 4<sup>th</sup> Joint ILAC/IAF General Assembly. I would also like to salute H.E. Mr. M. Mphawla, Minister of Trade and Industry of South Africa, and express my recognition for the continuous support received from South Africa, which has joined UNIDO during my current tenure.

Mr, Chairman, Excellencies, Distinguished Delegates:

UNIDO fights poverty by facilitating the access to, and the diffusion of, knowledge, information and skills. By assisting developing countries to enhance this type of capabilities, UNIDO helps them to fight poverty and foster social advance through technological progress and productivity growth.

Within this framework, we are keen to develop a long-term partnership with ILAC and IAF with a view to make substantive progress in building the institutional and technical underpinnings of trade capacity, that is, the ability of developing countries to become dynamic players in the world trade arena.

Developing countries face the key challenge of narrowing the productivity gap with the advanced industrial countries. For this they need to put into play consistent policies, including, among others:

- Innovative employment development policies, particularly towards the rural economy, which harbours the overwhelming majority of people under the poverty line, thus helping to bridge sharp gaps between the formal and informal sectors
- Improving the dissemination of environmentally sound technologies so as to forge decisive progress towards regenerative approaches to the relationship between productive activities and nature
- Strengthening the participation of the bulk of the developing countries in international trade and investment flows by enhancing their ability to assimilate, adapt, develop and disseminate technology and to comply with sanitary and phytosanitary requirements as well as with standards and technical regulations influencing cross-border flows of goods and services

Making progress in these areas demands that we work in concert, joining hands by contributing each of us with what we do best. It is precisely in this vein that I have put forward to the Secretary-General of the United Nations, Mr. Kofi Annan, and all the heads of agency of the UN system, including the Bretton Woods Institutions, a proposal to reinvigorate our action in the economic developing field by redressing the

undersupply of the relevant public goods. The area of standards and the establishment and strengthening of accreditation bodies and conformity assessment institutions constitute a prime example of the kind of public goods that need to be targeted.

From this perspective I see as highly relevant that UNIDO works with ILAC and IAF to improve the capacity of developing countries to address the issue of accreditation and conformity assessment. I think we must acknowledge that the international community is still indebted towards the developing countries, particularly the poorest ones, in this connection. This is aptly illustrated by the failure of the Integrated Framework to serve as effective inter-agency operational vehicle to address the trade capacity building needs of those countries.

Ladies, Gentlemen, Distinguished Delegates,

With these concerns in mind, during the last few years UNIDO has developed a programme in close cooperation with ILAC/IAF on Pre-Peer Evaluations to support accreditation bodies seeking international recognition of their respective systems.

We have also taken steps to streamline the balance of our technical cooperation portfolio with emphasis on our programmes not just in the field of trade capacity building, but also in complementary fields such as those of investment promotion, technology diffusion, private sector development, agro-industrial development, energy and the environment. We are also currently embarked in an effort to develop metrics for trade capacity building and private sector development.

It would only be fitting to continue along these lines by working jointly with the technical international organizations to build and enhance accreditation, conformity assessment, measurement, testing and technical standards capacity in the developing world, improving public awareness and giving to this effort the momentum and continuity it requires.

This poses to all of us a challenge that needs to be placed within the necessary time perspective. We are talking about a task that will take several years to materialize and needs to be developed in a framework of participation and interaction between relevant international organizations and UNIDO.

The overall approach requires cooperating with the key group of international actors represented by the specialist organizations that operate at the global level in areas immediately relevant to the Trade Capacity Building Initiative, such as ILAC/IAF in accreditation, ISO in standards and OIML and BIPM in metrology.

Although the Pre-Peer Evaluation Programme has been very successful and the developing country participation in the relevant Mutual Recognition Arrangements is increasing, we have identified the clear need of our Member States for support in the establishment of their accreditation bodies along with conformity assessment bodies and laboratories in the context of the Trade Capacity Building initiative. Currently UNIDO is establishing accreditation bodies in more than 20 countries, both at regional and national level.

Taking this into consideration, I am proposing the definition of a work programme to be pursued through our collective efforts with a view to strengthening accreditation capabilities with due participation of developing countries. We in UNIDO are ready to lead this effort in cooperation with ILAC and IAF. I consider the signature of our Memorandum of Understanding the clearest signal we can issue of this common endeavor.

I foresee that this work programme will become a key ingredient in the business

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plan that I am putting forward within the United Nations to substantially enhance the cooperation among the various UN agencies, funds and programmes with complementary mandates in the fields of investment promotion, technology transfer, trade capacity building, private sector development, agro-industrial development, energy and environment. Along these lines, I have recently signed a Cooperation Agreement with the UNDP, which establishes the basis for both organizations to develop joint technical cooperation programmes, with particular emphasis on private sector development. This agreement, in turn, was preceded by the MoU that I signed in Cancun with my esteemed colleague the WTO Director-General, Mr. Supachai Panitchpakdi, to strengthen our reciprocal cooperation in trade capacity building.

I look forward to our continuous joint work along these lines.

Thank you for your kind attention.