



## CONTENTS: 21 - 27 November

■ [29th Session of Industrial Development Board: Director-General triggers discussion on strategic vision](#)

■ [COMING SOON](#)

■ [OTHER INDUSTRY NEWSLETTERS](#)

■ [Current Feature](#)

■ [PRINT-FRIENDLY VERSIONS of UNIDOScope](#)

## PAST ISSUES

[this month.](#)

[7 - 20 Nov.](#)

**past months**

[Oct-2004](#)

[Sep-2004](#)

[Aug-2004](#)

## 29th Session of UNIDO Industrial Development Board Director-General triggers discussion on strategic vision

*Vienna, Austria, 28 - 29 October, 2004*



Republic of Congo's Minister of Industrial Development, Small, Medium Enterprises and Handicraft Industries, Emile Mabonzo

Six Ministers and Six Vice Ministers / Permanent Secretaries were among the delegates to the [29th Session of UNIDO's Industrial Development Board](#), held from 9 to 11 November, 2004. The Ministers were: Burkina Faso's Minister of Trade, Enterprise Promotion and Handicrafts, Benoît Ouattara; Republic of Congo's Minister of Industrial Development, Small, Medium Enterprises and Handicraft Industries, Emile Mabonzo; Croatia's Minister of Foreign Affairs, Miomir Zuzul; Morocco's Minister of Industry, Commerce and Upgrading, Salah Eddine Mezouar; Senegal's Minister of State and Minister of Industry and Handicrafts, Landing Savane; and Sierra Leone's Minister of Trade, Mme Kadi Sesay. The other high-level attendees were:

Vice Governor of Argentina's Córdoba Province, Juan Schiaretti; Cuba's Vice-Minister for Cooperation with International Organizations, Raúl Taladrad Suarez; Ecuador's Under-Secretary, Ministry of Foreign Trade, Industries and Competitiveness, Xavier Abad; India's Secretary, Department of Industrial Policy and Promotion, Min. of Commerce and Industry, Ashok Jha; Kenya's Assistant Minister for Trade and Industry, Petkay Miriti; and Nigeria's Permanent Secretary, Ministry of Industry, G.O. Asiegbu.

The Industrial Development Board (IDB) is one of the three governing bodies of UNIDO along with the [General Conference](#) and the [Programme and Budget Committee](#). The IDB of 53 Member States reviews the implementation of UNIDO's work programme and budget and makes recommendations to the General Conference (held every four years) on policy matters. The Board meets once in General Conference years, and twice in other years. Over the three days of IDB29, side events were held on: *UNIDO in Latin America and the Caribbean region*; *Activities in countries emerging from crisis situations*; *Trade Capacity Building*; and *Environment*.

After the opening statement of the UNIDO Director-General Carlos Magariños ([view or download statement](#)),

statements were made by the delegates from [Burkina Faso](#), [Croatia](#), [Morocco](#), [Argentina](#), [Kenya](#) and [Nigeria](#). Highlights of the statement of the Director-General and the high-level delegates follow.

The Director-General's statement ([view or download statement](#)) to IDB29 outlined his proposals for the long-term vision for the Organization that he was invited to prepare by the 10th session of UNIDO's General Conference in December 2003. He began by presenting an update of the current situation at UNIDO, detailing the results of the reform and transformation process. After outlining his proposals for UNIDO's long term vision, (contained in a paper presented to the Board) he presented a programme for finalizing the vision in close consultation with the member states and other stakeholders ([view or download programme](#)) for its adoption by the 11th session of the General Conference in December 2005.

In drawing IDB29's attention to the main features of his proposal, the Director-General expressed his belief that the process of professionalization and specialization, or re-specialization as he has called it, should be continued. "For this purpose, I propose that UNIDO should, in future, focus its technical cooperation and global forum activities in four areas: Private sector development, trade capacity building, energy and environment, and post-crisis industrial rehabilitation and reconstruction."



"The emphasis on private sector development, especially with regard to small and medium enterprises, stems from the fact that the private sector is the main engine of economic growth, which is essential for poverty alleviation, the most important MDG. Therefore a clear focus on assisting the development of the domestic private sector in developing countries and transition economies will be the strategic contribution of UNIDO to the achievement of this MDG. This must be a continuing theme of the UNIDO technical assistance activities during the next 10-15 years. It is in view of this that I have signed a Cooperation Agreement with the Administrator of UNDP in September 2004 for the development and implementation of a joint programme between our two organizations in this area."

"gains in UNIDO's efficiency, which we intend to achieve in the coming years, will only be possible in the context of system-wide efficiency gains in the UN development framework"

([view or download DG's proposal to CEB in October 2004](#))

After giving an overview of the remaining three areas of focus in his proposals, the

Director-General said that in addition to focusing services in these four areas, efforts to "redress the imbalance in our service delivery between activities related to multilateral environmental agreements and our other core competencies" must continue. In his statements to the last sessions of the General Conference and IDB, the Director-General pointed out that only about 30 per cent of UNIDO's technical cooperation delivery is accounted for by its core competencies, such as industrial governance and statistics, investment and technology promotion, quality and productivity, small business development, agro-industries, and cleaner production centres, with the remainder being accounted for by services related to the implementation of multilateral environmental protocols and industrial support institutions, such as ITPOs and ITCs.

Another important issue in the Director-General's proposals is for UNIDO to continue "a strong process of decentralization of its activities to the field in a more effective manner, and to build up a corresponding field network that provides us more value for money." The Director-General signed a Cooperation Agreement ([see UNIDOScope 3 - 9 October 2004](#)) with the Administrator of UNDP on 23 September 2004, which in the long term could extend UNIDO presence up to 80 countries from the current level of representation in about 30 countries.

"Finally, and critically," said the Director-General, "I am convinced that the future gains in UNIDO's efficiency, UNIDOScope 21 - 27 Nov 2004 <http://www.unido.org/en/doc/30194>

which we intend to achieve in the coming years, will only be possible in the context of system-wide efficiency gains in the UN development framework. I have therefore formulated a proposal for an improved voluntary coordination mechanism between the various development-oriented agencies, programmes and funds of the UN system, which I have discussed already with the UN Secretary-General and other executive heads of UN agencies including the World Bank, the IMF and WTO on a number of occasions, the last being in the meeting of the UN System Chief Executives Board (CEB) for Coordination held in New York on 29-30 October 2004 ([view of download proposal to CEB](#)). I also presented an outline of my proposal at the 28th session of the IDB held in May this year. I strongly feel that improved coordination of the development efforts of the UN system is an indispensable prerequisite for raising the efficiency and effectiveness of our service delivery in the years to come."

The first of the high-level delegates to make a statement to IDB 29 was Croatia's Minister of Foreign Affairs, Miomir Zuzul. The Minister said that he was attending the meeting in response to the Director-General's invitation and as a follow-up to the visit by Mr. Magarinos to Zagreb earlier in the year, ([see UNIDOScope 25 April - 1 May 2004](#)) when an agreement had been signed on a project for the development of corporate responsibility. Given its location in a region which had experienced the destructive consequences of war, Croatia welcomed UNIDO's activities in countries emerging from crisis situations and the strategy paper on post-crisis industrial rehabilitation and reconstruction. It was to be hoped that the strategy paper on those activities would serve as a basis for future work and offer a real opportunity not only for UNIDO but also for the entire United Nations system to find efficient ways of dealing with such situations. With regard to the decentralization process, Croatia welcomed the Cooperation Agreement between UNDP and UNIDO recently signed in New York. That Agreement would allow the two organizations to cooperate and support private sector development in developing countries and countries with transition economies.

Burkina Faso's Minister of Trade, Enterprise Promotion and Handicrafts, Benoît Ouattara said that UNIDO's reforms would be futile if the necessary financing was not forthcoming. His delegation welcomed the information on progress made in mobilizing financial resources. In allocating its available resources for the biennium 2004-2005, the Organization would continue to give priority to three areas, among them the integrated programmes. Burkina Faso was well aware of the impact that industrialization could have as an engine for promoting sustainable development and combating poverty. His delegation welcomed UNIDO's efforts to enhance such cooperation by supporting the Asia-Africa Technology Centre with a view to promoting investment and technology transfer from Asia to Africa. He stressed how important South-South cooperation was in bringing together countries and regions with similar situations and objectives. Concerning cooperation between UNIDO and Burkina Faso, his delegation welcomed the approval of phase II of the integrated programme for his country. The activities planned took into account the Strategic Framework for Poverty Reduction and national and regional industrial development policy. The programme would make Burkina Faso's handicrafts and industrial sector more competitive, strengthen institutional support for the sector and help create jobs. It would complement the Government's efforts and initiatives of other agencies aimed at implementing the Strategic Framework for Poverty Reduction. Those efforts should also be seen in the perspective of efforts to achieve the Millennium Development Goals and the goals of NEPAD. In that connection, he expressed appreciation to the Director-General and to the donor countries Austria, Belgium, Denmark and Luxembourg. He stressed the importance of recipient country contribution towards pilot projects as an expression of their commitment to the programmes.

Minister for Industry, Trade and Upgrading of Morocco, Salah Eddine Mezouar welcomed the exemplary cooperation between Morocco and UNIDO, notably through the Integrated and Modular Programme for Morocco, aimed at strengthening the country's industrial fabric, making the sector more competitive and promoting access to international markets for Moroccan products. That ambitious programme, which since its inception had benefited from greatly appreciated support from donor States, had made considerable progress and produced very promising results. His delegation expressed appreciation for the invaluable contributions from Italy, Switzerland, Spain and the Republic of Korea, as well as for the help of UNIDO in enabling the entire programme to become operational, and for the assistance received from UNDP.

Vice Governor of Argentina's Córdoba Province, Juan Schiaretti said that Cooperation with UNIDO and its Member States was vital if Argentina was to overcome the effects of the crisis, implement its development programme, reintegrate into the world economy and improve standards of living. In Argentina, more than 70 per cent of industrial jobs were created by small and medium enterprises, particularly in the fields of fishing and agriculture. He said the country's democratic system was functioning, a new president had been elected,

and Argentina had begun to overcome the crisis. In 2003, growth in the gross domestic product (GDP) had stood at 8.3 per cent, and it was expected to be around 8 per cent in 2004. It was to be hoped that the improved economic conditions would make it possible for Argentina to reintegrate into the world economy, first and foremost through cooperation with fellow members and associate members of the Common Market of the Southern Cone (MERCOSUR), but also with other economic groupings in the South American region such as the Andean Community, and with Europe, North America, Asia and Africa.

Kenya's Assistant Minister for Trade and Industry, Petkay Miriti welcomed the increase in the level of technical cooperation delivery mentioned by the Director-General in his opening statement. However, little or no progress had been made in sub-Saharan Africa on halving income poverty in line with the Millennium Development Goals, and it was becoming increasingly evident that this would not be achieved without a radical reversal of economic decline in the region. The role of UNIDO in that regard was vital as private sector development was the key to revitalizing the region's industrial capacity. Industrialization should therefore be mainstreamed into poverty reduction programmes in the countries of the region, through more prominent UNIDO participation in national development processes. Kenya greatly appreciated the expansion of UNIDO's integrated programme to cover the areas of mini-hydro power for rural development, women's entrepreneurship capacity development and investment benchmarking, in addition to the original priority areas of dairy, leather, fish and honey. A more robust approach to the implementation of the integrated programme would have considerable multiplier effects, particularly in the context of the ongoing efforts to deepen integration in the region. His delegation was encouraged to note that the Director-General's strategic vision for the Organization focused on reinforcing the various links between entrepreneurship, technology, productivity enhancement and economic growth through sustainable industrial development. His delegation welcomed the forthcoming [South-South Trade Forum to be held in Beijing](#) and urged the Organization to play a central role in the mobilization of additional resources for South-South cooperation. One of the factors that had contributed to Africa's poor record of development had been an overemphasis on trade at the expense of the development of productive capacities. He therefore particularly welcomed the African Productive Capacity Initiative, which sought to elaborate the critical role of value addition, productivity and competitiveness in achieving higher growth rates in Africa. It was also to be hoped that donor countries would consider making contributions to the African Productive Capacity Facility, the funding mechanism for the Initiative.

Nigeria's Permanent Secretary, Ministry of Industry, G.O. Asiegbu, noting that at the Third Ordinary Session of the Assembly of the African Union, held in Addis Ababa in July 2004, a decision had been taken to adopt the African Productive Capacity Initiative as the sustainable industrial development component of NEPAD, said that the five regional groups of the African Union, covering North, Central, East, West and Southern Africa, had already begun to put action plans into practice to implement the Initiative. On behalf of the Bureau of the Conference of African Ministers of Industry, he called on the Organization to redeem its pledge of 5 million euros to launch the initiative properly. The sum of 750,000 euros already provided was most welcome, but the balance should be released without delay in order to sustain the momentum for implementation. He also called on development partners to support the Initiative and the development goals of the African continent.

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