STATEMENT OF THE DIRECTOR GENERAL AT THE 18TH HEADS OF
STATE SUMMIT ON INCLUSIVE AND SUSTAINABLE DEVELOPMENT

30-31 MARCH 2015

Your Excellency, Mr. Joseph Kabila, President of Democratic Republic of Congo (DRC) and Outgoing Chairperson
Your Excellency, Mr. Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia
Your Excellency, Mr. Robert Mugabe, President of the Republic of Zimbabwe and Outgoing Chairperson
Your Excellency, Ms. Nkosazana Dlamini-Zuma, Chairperson of the African Union Commission
Excellencies, Heads of State and Government,

Distinguished Ladies and Gentlemen,

Kindly allow me, at the outset, to express my deep gratitude for having been invited to this 18th Summit of Heads of State and Government. It is a great honor to be afforded an opportunity to address you all.

Please allow me to use this unique platform – as the Director General of UNIDO – to reinforce that the mandate of Inclusive and Sustainable Industrial Development given to our Organization through the landmark Lima Declaration adopted in December 2013 by our 172 Member States is being mainstreamed in each of our activities with passion and dedication.

Your theme on Inclusive and Sustainable Industrialization is undoubtedly the most meaningful of responses to the developmental aspirations of your region, and indeed of Africa as a whole. It underlines the increasingly crucial catalytic contribution that UNIDO can make, together with other development partners, in helping COMESA’s citizens to achieve a better life, where economic growth is accelerated and the resulting development is both inclusive and sustainable.

As the Millennium Development Goals approach their deadline, we are pleased to note that much progress has been achieved on critical issues related to social and human development; yet much more still needs to be done in the economic and environmental spheres to support poverty eradication and consolidate the social gains. The relevance of UNIDO’s mandate and mission has consequently never been stronger.

Indeed, we believe that Inclusive and Sustainable Industrial Development holds the solutions towards economic development, which takes into account both social equity and environmental protection.
Moreover UNIDO is very grateful to all of you for your strong support throughout the deliberations of the past few years which have led to the recognition of the importance of inclusive and sustainable industrialization. We note with great satisfaction that UNIDO’s mandate - Inclusive and Sustainable Industrial Development - is in line with both the Common African Position (CAP) on the Post-2015 Development Agenda, and your vision of a peaceful and prosperous Africa set out in Agenda 2063. Therefore I do believe that you will continue to play a most significant role in ensuring that Inclusive and Sustainable Industrialization is part of the final document of the Post-2015 Development Agenda, and the recommended SDGs.

Excellencies,
Ladies and gentlemen,

In the international process of crafting the 2015 development agenda, this Summit provides a vital opportunity for the COMESA region and UNIDO to come together ahead of the upcoming Third International Conference on Financing Development in July, the Sustainable Development Summit in September and the Climate Change Conference in December.

Excellences,
Ladies and gentlemen,

Industry is the main engine of economic growth. It increases productivity, stimulates job creation and generates income, thereby providing opportunities for social inclusion, including safe and universal energy access, food security, access to clean water and sustainable agricultural production. We know this because we have seen it happen in various countries, including China. My country has transformed its economy from one of the poorest on earth to one of the world's largest economies. In the 1970s, the per capita income of China was less than one-third of Sub-Saharan Africa's. Today, China has become an upper-middle-income country, and it is on track to become a high-income country by 2020.

As industry develops, it enhances the application of science, technology and innovation, leading to greater investment in skills and education, and thus providing the resources to meet broader socio-economic development objectives. You will need no convincing of the important role that industry can play in creating the jobs so urgently needed by Africa’s youth. You know very well too that Africa’s women are the backbone of its communities, and that they represent a great potential for the continent. Industrial entrepreneurship can be the key to unlocking this potential and securing economic growth.

We are optimistic that all low-income countries have the potential for dynamic economic growth. Japan seized its opportunity in the years following World War II, using labor-intensive industries, such as textiles and simple electronics, to drive its economy until rising labor costs eroded its comparative advantage in those sectors. That shift then allowed other low-income Asian economies – South Korea, Taiwan, Hong Kong, Singapore, and to some extent Malaysia and Thailand – to follow in Japan’s footsteps.
The United Kingdom’s economic transformation started with textiles. In Belgium, France, Sweden, Denmark, Italy, and Switzerland, light manufacturing led the way. Similarly, in the United States, cities like Boston, Baltimore, and Philadelphia became centers for producing textiles, garments, and shoes.

Mauritius shows the path ahead. In the 1970s, the government set up industrial parks to process textiles and garments for export. At the time, most of the owners were from outside; today, more than 70% of the country’s industrial companies are locally owned.

In fact, during the current decade, it should be noted that a quiet boom in Manufacturing in a number of Sub Saharan African countries is taking place. I am convinced that, with the right policies and enabling environment, there is no reason why manufacturing will not fully take off on the continent in general, and in the region in particular. COMESA comprises nineteen Member States, of which more than 65% are classified as Least Developed. Nonetheless, COMESA is Africa’s largest economic community, with a market size estimated to be over 500 million consumers in 2015; which offers a major potential for both labor-intensive industries and for trade within the Region and with external partners.

My hope is that Africa is also ready to take advantage of the comparative advantage in labor-intensive industries. This will have a considerable developmental impact since it has been clearly demonstrated that prosperity generated through industrialization has relatively more spillover effects compared to service-intensive economies.

With no doubt I state that countries prioritizing industrial development have consistently achieved sustained economic growth and that Industry-based economies are also more resilient and less vulnerable to economic shocks; this has been proved yet again by the recent world economic crisis.

**Excellencies,**
**Ladies and gentlemen,**

For decades, UNIDO and the African Union have been trusted partners and have together sought to play a catalytic role in contributing to the continent’s sustained growth. UNIDO has provided sound analysis and policy advice, brokered stimulating information and knowledge sharing, and implemented numerous tailor-made technical cooperation activities with its African public and private counterpart institutions, at the national, regional and continental level. Indeed, UNIDO actively supports the development and execution of tailor-made regional industrial policies and strategies in all the economic regions of Africa. Within the context of the Accelerated Industrial Development for Africa (AIDA), UNIDO is assisting the African Union Commission (AUC) towards the implementation of the Pharmaceutical Manufacturing Plan for Africa (PMPA) and the Accelerated Agribusiness and Agro- industries Development Initiative (3ADI).

Moreover, allow me to share with you just a few examples of UNIDO’s activities in Africa based on my recent missions to Ghana, Nigeria and Senegal.
Ghana
As many of today's food products repeatedly cross national boundaries, International Standards are needed to ensure the safety of the global food supply chain. Cocoa is the chief agricultural export of Ghana and the country's main cash crop. Behind Ivory Coast, Ghana is the second largest cocoa exporter in the world.

Niche Cocoa Industry Limited, a Cocoa Processing Company at the TEMA Free Zone that produces high quality cocoa products such as natural cocoa liquor, cocoa butter and cocoa cake, is now an internationally ISO 22000 certified entity thanks to the support of UNIDO’s West Africa Quality Programme. The consequences of unsafe food can be serious and ISO’s food safety management standards help organizations identify and control food safety hazards.

Nigeria
UNIDO initiated a project to install a small hydro power plant at the Tunga Dam, aiming to provide clean and renewable energy to the vicinal communities including Kakara. With a population of about 50,000, the area’s main economic stay was the Highland Tea Factory in Kakara and its tea plantation consisting of 6,000 farms. But as the only industry in the area, the tea factory could only employ 350 to 500 workers, so unemployment remained a major problem in the area. The adult men and women engaged in primitive farming and husbandry, and a lack of power supply meant no new businesses or industries could be established. Running on diesel generators and wood fuelled boilers for drying, the tea factory was economically drained by the energy costs involved.

Senegal
UNIDO has also significant experiences at national level. In Senegal, we have successfully assisted Senegalese slaughterhouse upgrade to reduce pollution and produce clean energy. Biodegradable wastes are transformed into clean energy that powers the machines at the slaughterhouse, allowing to significantly improve the competitiveness in the sector. Monthly electricity bills have been cut by 70 per cent, thereby decreasing taxes related to pollution. Moreover the bio-gas process also provides with by-products, such as natural fertilizer, which form an extra source of income for the company. The reduction in wastewater and bio-waste also helps lower greenhouse gas emissions.

Excellencies,
Ladies and gentlemen,

Having shared a few concrete examples of UNIDO interventions in the continent, let me tell you that UNIDO has taken note of the Common African Position and the Finance Ministers’ Marrakesh Statement in October 2014, in which African countries have committed to act on many of the elements of the financing for sustainable development agenda, including actions on domestic resource mobilization, addressing, inter alia, inclusive sustainable industrial development and structural economic transformation, agricultural productivity and research, and a greater focus on infrastructure and energy. Indeed, we strongly believe that joining hands for promoting economic growth is our only option if poverty is to be eradicated in our lifetime.
Therefore, UNIDO has adopted precisely such a partnership approach, which aims to increase resource mobilization by strengthening cooperation between Governments, development finance institutions and the private sector. Through these partnerships we can create workable frameworks that will reduce the risk or lower the cost of capital for investors in financing sustainable development.

Excellencies,

The 18th COMESA Summit of Heads of State and Government constitutes a positive step towards the scaling up of sound economic and industrial regional initiatives. Inclusive and Sustainable Industrial Development provides a concrete space where the combined three dimensions of sustainable development – economic, social and environmental – can be integrated not just in theory but in practice.

I thank you very much for your trust and continuous support.