

Launch of the Initiative “Networks for Prosperity; Achieving Development Through Knowledge Sharing”

Vienna, 14 November, 2011

Statement by Ms. Carmen Buján Freire, Ambassador-Permanent Representative of Spain to UNIDO in Vienna.

Mr. Chairperson, Excellencies, ladies and gentlemen,

First of all, Spain wishes to congratulate UNIDO staff for the successful organization of this important event.

On 18 December 2006 a landmark agreement between the United Nations and the Spanish Agency for International Cooperation was signed. With this agreement Spain committed to programme €528 million towards key development goals and related development goal in selected sectors and countries. Since then, the UNDP/Spain Millennium Development Goals Achievement Fund has invested more than €400 million in different projects belonging to its eight thematic windows, one of which is the Thematic Window on Development and the Private Sector.

In this context, a year ago UNIDO, as the technical convenor agency of the funding window “Development and the Private Sector” of the Spanish MDG Achievement Fund, was requested by the MDG-Fund to create a knowledge management concept that would support developing countries in acquiring and adapting private sector development relevant knowledge to their specific contexts and needs, and enhance the knowledge capabilities of the United Nations system and its national counterparts and partners in the field of Private Sector Development policy.

Mr. Chairperson

Private sector development is fundamental to sustainable economic development. In order to further develop the private sector a wide variety of policy initiatives is taken by Governments, which are increasingly interested in sharing knowledge with regard

to these policy initiatives and the lessons learned. Hence the relevance of networks and knowledge management in these networks is undeniable.

In this regard, international knowledge networks can have a bilateral, regional and multilateral character and can emerge not only between government actors but also between non-government actors (as in international trade and foreign investment). Well-known examples include the information and knowledge exchanges at various policy-related levels between the EU and the USA, within the African Union, ASEAN, and SICA, CAN and Mercosur in Latin America, and in the context of the United Nations system.

In order to achieve specific policy objectives that cut across the functional departmental borders of government. The report makes clear that Private Sector Development is influenced by many policy areas such as labor, education, enterprise and finance. Integrating PSD goals into each of these policy areas can support the further development of PSD. This type of collaboration can take many forms, ranging from ad hoc meetings to joint strategic plans and permanent working groups.

Mr. Chairperson,

The report reflects that while knowledge sharing is growing in government bodies involved in economic development (for example between ministries and national agencies), the corporate sector is more experienced in this respect. Empirical evidence shows that, for private sector development, knowing someone who has started a business is a key indicator of entrepreneurial potential. Policy-makers increasingly recognize the potential of secondments, study tours, mentoring and social networking mechanisms to engage with the private sector and the general public.

Knowledge networking and network governance in the field of economic policy is certainly not a new phenomenon; neither is the realization that the development of a strong private sector is necessary for achieving economic, social and environmental objectives. With the rapid globalization in all spheres of our societies over the past decades, however, economic successes and the realization of social cohesion and

environmental sustainability in one country depend more than ever on the performance and behaviours of its neighbours, regional leaders and global economic powers. In this regard, the report notes how under-researched and how unappreciated these interrelationships for domestic policymaking and international relations alike seem to be.

This report is therefore a first attempt to improve the overall understanding of these complex interrelations and has presented cases from around the world that illustrate the numerous approaches governments are currently taking in responding to their domestic, regional and global challenges through knowledge networking.

In this context, it can be observed that networks are increasingly emerging as a distinct form of governance which includes different types of public and private actors within and across organizational and national boundaries. Different types of networks exist, whether for learning, information exchange or knowledge creation. There could be significant benefits from ensuring that networks are successfully embedded. However, vibrant knowledge networking cannot only depend on existing networks but requires new organisms providing new knowledge and opportunities. To achieve this, more empirical evidence will be necessary on knowledge networking and there is a need for more conceptual thinking on how to measure knowledge networks and connectedness.

In this regard, the report has constructed a Connectedness Index for 75 countries, using the most relevant available data from a wide range of sources. This Connectedness Index shows a significant variation in networks across countries and also within countries across levels of networks. There is a strong positive correlation between the Connectedness Index and government effectiveness, industrial development and economic development.

This study is also very useful for policy-makers, as they find intergovernmental knowledge networks particularly useful to better understand and freely choose from the various policy options, to coordinate policies with other members of the network and to implement policies requiring concerted action.

However, as networks have the tendency to proliferate, and as it is costly to participate in networks, individuals, organizations and countries need to develop clear networking strategies. There is strong demand among policy-makers to learn from best practices on network management and the development of network strategies, and this can be achieved via study visits, workshops, mentoring, case studies and social networking. These activities can contribute to identifying success factors for network management and international organizations can support such effort as catalysts and facilitators where network structures and human and financial resources are limited.

Mr. Chairperson,

Spain supports the recommendations mentioned in the report. It is a responsibility of the international community to actively promote knowledge networking and network governance structures for achieving local, regional and global development objectives by fostering international and national knowledge networking approaches in all capacity development activities; improving national ownership through multi-stakeholder networking arrangements in the policymaking processes at all levels; making the international system more inclusive through engagement of more countries and institutions in solution-finding processes; and supporting networking arrangements with the goal of enhancing innovation and private sector development.

We find particularly interesting the proposal to establish an international and cross-sectoral consultation network in order to further develop the initial findings on connectedness and knowledge networking for the achievement of development goals, and recommend measures and programmes for development effectiveness through increased knowledge networking, in particular in the field of private sector development policy. We support this important initiative and consider UNIDO as the perfect catalyst in order to share its guidelines. Furthermore, Spain would like to express its interest to co-chair this Consultation Group as a sign of our strong commitment with this project in the long-term.

Mr. Chairperson, Excellencies, ladies and gentlemen,

The improvement of development effectiveness is a matter of crucial importance in a globalized world. This study shows that both knowledge networks and knowledge management play an essential role in this improvement, and will gain more relevance in the future. In this regard Spain wishes to express its support to this initiative, we have supported it in the past and we will keep supporting it in the future.

Thank you very much.