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Mr. Chairman

Your Excellencies, Heads of State and Government of the Group of 77 and China,  
Distinguished Ladies and Gentlemen,

It is with much pleasure and honour that I represent the Director General of UNIDO, Mr. Carlos Margariños, at this Second South Summit. On behalf of the Director General who, most regrettably due to other prior engagements is unable to be here with us, I would like to express sincere thanks and appreciation to the Government of the State of Qatar for inviting UNIDO to take part in this very important conference and for the warm welcome and hospitality accorded to us.

Allow me, excellencies, to refer briefly to the principal theme of this meeting: The development challenges facing the South, with special reference to the high-level plenary meeting of the 60th session of the General Assembly of the United Nations next September. Undoubtedly, one of the major development challenges facing developing countries as a group is that of achieving industrial development as a means of improving the quality of life of their people and enabling them to share the benefits of globalization more equitably. In this context, I am pleased to represent the specialized organization of the UN system mandated to promote industrial development in developing countries and countries with economies in transition through the provision of technical cooperation services and appropriate policy advice in key areas which the markets do not necessarily provide.

These services are provided under three main headings: Poverty reduction through productive activities, focusing on agro related activities and private sector development; trade capacity-building, including the standards, quality and similar specialized trade related infrastructure as well as upgrading of key export sectors; and energy and environment, including renewable energy, energy efficiency and environmental management. Through this range of services, UNIDO is able to provide targeted support to its beneficiary countries to help them address the challenges they face in the field of industrial development. In this connection, I am very pleased to note that in 2004 UNIDO implemented technical cooperation projects worth almost US\$ 100 million in some 110 countries.

Mr. Chairman

Excellencies

Distinguished Ladies and Gentlemen,

UNIDO places particular emphasis on promoting South-South cooperation and triangular cooperation between developed and developing countries. Amid the challenges and opportunities brought by globalization, South-South cooperation provides a framework for developing countries who are making progress to share their successful experiences, proven development policies and strategies with others, in particular the least developed countries. It provides a tool for developing countries to help other developing countries reach the Millennium Development Goals. It offers opportunities to focus on issues such as industrial development and technology transfer.

In line with its policy of supporting South-South Cooperation, UNIDO has further strengthened its partnership with the TICAD through its involvement in the Africa-Asia Business Forums and by supporting the Africa-Asia Chamber of Commerce. In technical terms, assistance to the TICAD has been implemented by setting up the Africa-Asia Chamber of Commerce Exchange for interaction among and within the private sector, and by the TICAD Exchange itself for policy development and good governance practices.

Following from the outcomes of the recent Bandung Conference in Indonesia, the TICAD Exchange is becoming the crucial forum and mechanism for policy development and decision-making, as well as the vital information network among developing countries. It will serve as an integral part and indispensable component of the continuous process of improved information flows in the field of the South-South cooperation and will ensure a speedy integration of developing economies into the global development process.

Another method in which UNIDO continues to contribute to the transfer of technology between developing countries is through renewable energy programmes and projects. Institutions from China and India, exemplified by the International Centre for Small Hydropower (IC-SHP) at Hangzhou, China, and the International Centre for Advancement of Manufacturing Technology (ICAMT) in Bangalore, India, play a particularly important role in this connection. The range of activities undertaken by UNIDO to promote South-South Cooperation in 2004 included:

- The training of experts from Cuba and Zambia at the Bangalore Research Centre of the Institute of Science, India;
- The transfer of Chinese and Indian expertise and manufacturing technologies in low-cost housing to selected African, Asian and Latin American countries;
- The establishment of the Africa-Asia Chamber of Commerce in the context of TICAD, with UNIDO support and in collaboration with UNDP, UNCTAD and the NEPAD business group, which will become a main institutional framework and interregional institution for interaction between African and Asian entrepreneurs;
- A further strengthening of UNIDO's cooperation with such organizations as the South Centre in Geneva, the Secretariat of the Group of 77 and China, the Group of 77 Chamber of Commerce and Industries of Developing Countries, and the UNCTAD-UNDP global programme on globalization, liberalization and sustainable human development;

In addition, UNIDO has provided continuous support to the Asia-Africa Investment and Technology Promotion Centre (AAITPC) since 1998, with the aim of promoting investment and technology transfer from Asia to Africa. As at May 2005, total allotment for investment promotion stood at US\$ 22.4 million.

Mr. Chairman  
Excellencies  
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I have mentioned earlier that UNIDO also facilitates a triangular cooperation between developed and developing countries. Typically, in this arrangement, UNIDO combines the financial support of developed countries and international organizations with the expertise and institutions of emerging economies in favour developing countries. An example of such triangular cooperation is the case of Tunisia and other North African countries, which have agreed to provide experts for West Africa in the quality programme for West African Economic and Monetary Union (UEMOA) countries. UNIDO is now developing jointly with the eight UEMOA countries a sub-regional pilot programme for industrial restructuring and upgrading to prepare them for the free trade zone established with the European Union which will come into force in 2008. The programme will start with Senegal, where the French Development Agency has allocated more than €1 million for its implementation.

Most recently, UNIDO has initiated and supported the Conference of African Ministers of Industry (CAMI) to formulate and develop the African Productive Capacity Initiative (APCI). The APCI is conceived on the premise that trade without manufacturing is not sustainable. The APCI is therefore considered as the sustainable industrial development component of the New Partnership for Africa's Development (NEPAD). This Initiative has been approved by the Heads of State of the African Union, the 10<sup>th</sup> General Conference of UNIDO and the UN General Assembly. This is a framework within which the productive capacities of African countries could be strengthened taking into account their comparative advantages, as it clearly defines sectoral development priorities for each sub-region. The APCI, with its flexible financing Facility (the African Productive Capacity Facility or APCF) is a promising vision of South-South cooperation. I call on all of us to vigorously support the Initiative.

Mr. Chairman  
Excellencies  
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In my presentation so far I have focused on the activities of UNIDO. At this point I would like to point out, however, that our sister organizations within the UN system, such as the Food and Agriculture Organization, the International Fund for Agricultural Development, the International Labour Organization, the United Nations Conference on Trade and Development, the United Nations Development Programme, the United Nations Educational and Scientific Organization, the United Nations Environment Programme, the World Intellectual Property Organization, and the World Trade Organization all play similarly important roles in providing key public goods and services to promote sustainable economic development in their respective fields of work. To these must, of course, be added the Bretton Woods institutions – the International Monetary Fund and World Bank – which have made important contributions in the areas covered by their mandates.

Recognizing the considerable synergies that can be achieved through an enhanced coordination of the efforts of these various UN agencies and organizations, the Director-General of UNIDO has recently presented a proposal along these lines to the Chief Executives Board for Coordination of the UN System (CEB). This proposal suggests a practical mechanism to increase the policy coherence and operational effectiveness of the United Nations system in the field of economic development. It is based on the recognition that the underlying function of the development-related agencies of the United Nations system is to provide a wide range of public goods, in accordance with their respective mandates, that would help developing countries to accelerate their economic and social development, and thereby to reduce poverty. Its core aim is to reorganize the economic development functions of the system by agreeing on a common business plan or a common agenda for action structured around shared programmatic priorities. The overriding motive for such a revision of the international architecture for economic development is the need to improve its contribution to the fight against poverty and the quest for global security. In fact, UNIDO has in the past two years already started applying this approach through agreements with the UNDP and WTO among others and is actually involved in joint programming with these partners.

This proposal has been well received by the CEB, which has requested the High-level Commission on Programmes to follow it up. In February 2005 the Commission established a task force to consider this proposal and prepare a report for the Board. The first meeting of the task force took place on 3 June in Vienna and agreed to consider, in the first instance, three clusters of issues for increased system-wide coordination: Market efficiency and integration (including supply-side constraints, conformity issues and private sector development), Knowledge (including science and technology, intellectual property rights and competition policies), and Environment (with a focus on climate stability). It was also agreed to adopt an issue-leadership approach in dealing with these topics, with the relevant agencies being granted the leadership of the various issue clusters. It is anticipated that initial proposals for system-wide coherence and coordination in these fields will be presented to the next session of the HLCP in October 2005 for onward submission to the Fall 2005 session of the CEB.

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UNIDO is very encouraged by these developments. As noted by our Director-General in several recent statements, the potential for efficiency gains arising from the process of internal UNIDO reform, which has resulted in a comprehensive transformation of the organization over the past eight years, has largely been exhausted. Any further enhancements in the organization's efficiency, effectiveness and developmental impact will to a large extent depend on further reforms within the overall UN system of the kind now being considered by the HLCP Task Force.

Returning to the theme of this conference, which is considering the development challenges facing developing countries in the context of the high-level plenary meeting of the 60th session of the General Assembly of the United Nations, we are convinced that the proposal will greatly enhance the impact and effectiveness of the technical cooperation rendered by us and our sister agencies, to the developing countries, especially in the economic development area and help to accelerate the achievement of the

Millennium Development Goals. UNIDO is fully aware of the importance attached by the G77 to the issue of economic development as a major contributor to the achievement of the Millennium Development Goals, and would consider it essential that this is emphasized in the September meeting of the General Assembly. In this context, support for the UNIDO proposal for enhanced coordination would of course be very welcome.

In closing, I would like to reaffirm UNIDO's continued commitment to work tirelessly for the industrial development of developing countries as a means of building a better world in the twenty-first century. Through its programmes and projects, UNIDO will continue to support your development efforts, and will spare no effort to back any initiative that may contribute decisively to the promotion of industrial development and the reduction of poverty.

Finally, I would like to express my appreciation for all the support given by the Group of 77 to UNIDO in the past, and to wish the conference a fruitful conclusion to its deliberations.

Thank you very much.