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**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)  
UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA (ECA)  
ORGANIZATION OF AFRICAN UNITY (OAU)**

15<sup>th</sup> Meeting of the Conference of African  
Ministers of Industry (CAMI-15)

Yaoundé, Cameroon  
29-30 October 2001

**STATEMENT OF THE DIRECTOR-GENERAL OF UNIDO**

**MR. CARLOS MAGARIÑOS**

Mr. Chairman,

Your Excellency President of the Republic of Cameroon, Mr. Paul Biya,  
Honourable Maïgari Bello Bouba, The Minister of State in charge of Industry and  
Commerce,

Honourable Ministers of Industry,

Mr. Amara Essy, Secretary General of the African Union, (AU),

Mr. K. Y. Amoako, Executive Secretary of The ECA,

Executive Directors of the Sub-Regional Institutions,

Members of the Diplomatic Corps,

Distinguished Ladies and Gentlemen,

It is with a great sense of satisfaction and personal pleasure that I stand before you today to address this august Fifteenth Conference of the African Ministers of Industry (CAMI-15). This bi-annual summit of African Ministers of Industry is unquestionably an important gathering. It is important and timely not only to reflect on the achievements of the past two years but as an opportune occasion to build consensus and to build synergies in the mix of strategies that will enable Africa to face and endeavor to overcome the many challenges that are ahead.

On my own behalf and on behalf of my Managing Directors and the staff of UNIDO, I would like to take this opportunity to register our congratulations and sincerely thank His Excellency the President of Cameroon, Mr. Paul Biya, the Honorable Minister of State in charge of Industry and Commercial Development, Mr. Maïgari Bello Bouba and the people of the Republic of Cameroon for the generous support and the dedication with which they have prepared the elaborate arrangements for the conference. I have no doubt that the setting will ensure successful and rewarding deliberations.

I would also like to thank the Government officials for maintaining an excellent facilitative role, which translated into smooth and fruitful working relationship with and between the Economic Commission for Africa (ECA), the Organization of African Unity (OAU) and the United Nations Industrial Development Organization (UNIDO), all of whom have tirelessly worked in concert, since CAMI-14 to bring together the fundamental elements in the organization of the agenda of the conference.

Last but by no means least, I would like to thank the outgoing Chairman of the Bureau of CAMI, the Honorable Minister of Handicrafts and Industry for Senegal, Mr. Landing SAVANÉ who diligently spearheaded the work of the Bureau in following up on the conclusions and recommendations of CAMI-14.

I have no doubt that since the last conference, many of the countries represented here today have completed and introduced momentous programmes of reform in their economic and industrial policies. Many are still trying to grapple with the tides of globalisation, and still a large number are contemplating the tangible evidence of their respective successes; whether they have made sufficient progress and the extent to which their citizens have been better off.

We are living in very difficult times, but despite the obstacles and the uphill struggle for the industrial sector, it has been observed that Africa's competitiveness has improved, and the technical capacity of the continent has risen commensurately. A review of "The Africa competitiveness Report 2000 – 2001," prepared by the World Economic Forum and The Centre for International Development at Harvard University has revealed some exciting developments in the continent.

Mr. Chairman, Honourable Ministers, Ladies and Gentlemen,

Today's meeting has a challenging agenda, which, situated against the current world developments, demands profound collective reflection on the issues before us and genuine debate, out of which should come concrete and operational ideas, conclusions and recommendations, which will chart a decisive way forward in the industrial development struggle that must still continue.

As you will recall during my statement to CAMI-14, I spoke in some depth about the reform measures, which I have introduced since I took over the management of UNIDO. I explained the new programming and implementation arrangements that I have introduced. While I will not dwell on that today, I am nevertheless duty-bound to brief you on how UNIDO stands presently, with regard to programme development and the networking initiatives, I touched upon in my statement then.

With regard to programme development, UNIDO continues to strengthen its ties and partnership with the developing countries. At the same time we are ensuring that the Organisation maintains its focus and gives highest priority to Africa and in particular the least developed countries. As testimony of our progress, I am happy to report to you that, to date, UNIDO has 44 integrated programmes in all the developing regions and economies in transition. The total value of these programmes amount to about US\$ 228 million.

In the last two years UNIDO has sought to support efforts to accelerate African regional integration by sharpening the regional dimension of its activities and has, in response to requests from several countries, initiated a new regional integrated programme. Such programmes include the integrated programme on Agro-industry in Africa, upgrading capabilities for intermediary civil society organization. Recently, the European Union and the Western African Monetary

and Economic Union (UEMOA) agreed to entrust UNIDO with technical implementation of a regional programme on quality promotion. In addition UNIDO is working with the SADC and COMESA regions for the formulation of a project along the same lines.

It is with satisfaction that, I can assure you to day that Africa has been apportioned a greater share of these resources (i.e. nearly 60% of the total value).

To re-enforce our efforts and to convey their appreciation of UNIDO's initiatives and technical directions, the donors have continued to demonstrate interest in and commitment to UNIDO's integrated programmes. This conviction has been translated into concrete commitments for the funding of up to US\$ 49 million dollars for programmes belonging to Africa alone. It is significant to note that as part of this total, UNIDO has committed over US\$ 18 million of its own programmable funds, from sources such as the Industrial Development Fund and the Regular Budget as seed money to facilitate immediate commencement of the implementation process.

The priority areas addressed by all the programmes, to mention just a few, encompass areas such as Environment, Small and Medium Enterprises and Entrepreneurship Development, Industrial Strategies and Policies, Industrial Statistics, Metrology Standardization, Certification and Accreditation, Investment and Technology and Energy Efficiency.

Entrepreneurial development affords society the capacity to meet the real challenges it faces and the generation of wealth is the basic response to the problem of poverty. With this in mind, UNIDO already organized an initiative known as "business development" with the aim of supporting the small and medium enterprises. But, in order for such development to be sustainable, it is necessary to ensure synergy between the follows of investment, trade and

technology that they contribute to enhancing the quality of resources, especially human and institutional, and the sustainability of productive growth. The latter constitutes the best, perhaps the only, guarantee in efforts towards reform and modernization, without which increasing gaps in development between countries may not be avoidable.

Mr. Chairman, Honourable Ministers, Distinguished delegates

At this juncture, it might be appropriate for me to quickly point out that while the number of programmes, in volume and amounts might seem insignificant compared to the magnitude and multitude of the needs and constraints challenging Africa and the Least Developed countries, it nevertheless represent a major shift in UNIDO's emphasis and policy.

The programmes have laid a foundation, yet to be solidified through concerted efforts and unwavering partnership between your countries and UNIDO for additional funds mobilization, in order to ensure that all programmes are ultimately fully funded and in a position to successfully achieve the stated objectives. I, therefore, once more request you to give UNIDO your full confidence, your full commitment and the much-needed support in working together with our various teams to step-up the on-going funds mobilization exercise.

In concluding this first part of my statement, allow me to inform you on the status of our achievements in pursuing new strategic alliances and cooperation with leading academic and research institutions. In my last statement, and as part of the global forum activities, I informed you of the cooperation that had been realized between UNIDO and the Oxford Centre for the Study of African of African Economies (CSAE). Since then the most recent Memorandum of Understanding was signed in January 2001 with the Centre National de la Recherche Scientifique (CNRS) in Paris to construct a partnership with CNRS-DELTA. Furthermore,

initiatives are underway to sign a similar Memorandum of Understanding with the Institute of Development Studies (IDS) in the UK. Based on their respective competencies these alliances are expected to bolster UNIDO's capabilities in analytical and research activities, inherent to the process of policy formulation and analysis, and to sharply enhance learning and innovation as a means of identifying solutions to poverty alleviation.

Mr. Chairman, Honourable Ministers Ladies and Gentlemen,

I now turn to the second part of my speech, which focuses on the core issues that have brought us here, today. These have been discussed in great detail, in the meetings of the Bureau of CAMI and by the accomplished panelists, experts, representatives of the private sector community and policy-makers from your various countries, in the meetings that preceded this Ministers' conference. We should, as we must, ponder in a somber and decisively reflective mood the outcome which is before us and should consequently form the basis for the conference's conclusions, recommendations and directions for future actions and the way forward.

I have no doubt that I am speaking to an already converted audience in emphasizing the importance of investment and technology, the pivotal role which can be played by the private sector as the motor for sustained industrial and economic growth, and the need to redouble the efforts in promoting investments and technology as means for attacking the multifaceted myriad of problems specific to the manufacturing sector, particularly that of the Least Developed countries. This malaise has undoubtedly succeeded in perpetuating the weaknesses of the sector into the new millennium.

By the same token, I cannot over emphasize the important role that can be played

by innovations like Information and Communications Technology (ICT) as an indispensable requirement for addressing pressing issues of underdevelopment such as unemployment and poverty, while at the same time opening up new business opportunities and cross-border linkages within the continent and with global markets. The new global setting makes the task of building industrial competitiveness both easier and difficult. For new industrial entrants, the acceleration of technical change, accompanied by new skills, investment, infrastructure and institutional needs, makes catching up harder. The traditional advantages of developing countries – cheap unskilled labour or natural resources – are no longer short cuts to competitiveness.

The emergence of new forms of market competition, the growing role of clusters, networking, new organizational and managerial techniques, intense use of new logistics and ICT – based links in supply chain management and stronger and more uniform corporate governance, new elements of global governance, technical barriers to trade (TBT), globalization of value chains with increasing use of deep integration, the role of standards and quality specifications, new environmental norms and regulations, changes in international rules of trade, investment and intellectual property protection – are the basic parameters required for trade facilitation. The development and application of the above condition, standards and norms and support systems could be effectively ensured only through an appropriate – institutional framework. This institutional arrangement will allow exporters on signaling quality and reliability to foreign buyers, retailers, transnational corporations seeking local partners and sub-contractors. Efficient adoption of such innovations would go a long way to enhance competence in addressing these issues, which have continued to hamper progress notwithstanding the introduction of successive remedial initiatives; some of which have had very limited success due to their failure to take into account the attendant negative social impacts.

In pursuit of greater openness to the global economy, the globalisation phenomenon which must as intended achieve total integration of all the economies and deliverance of the majority of the world population from abject poverty, is on the contrary achieving the opposite as there is nothing intrinsic in it to automatically reduce poverty and inequalities. Instead it is preoccupying the weaker African economies with even weaker productive capacities, weaker livelihoods and a bitter struggle against total marginalisation, which is becoming a reality.

Mr. Chairman, Honourable Ministers, Ladies and Gentlemen,

I must, however, confess that amidst all this I am quite hopeful and highly encouraged by the deliberate and decisive collective action taken by the Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria, Abdoulaye Wade of Senegal and Abdulaziz Bouteflika of Algeria, in demonstrating a firm desire to tackle Africa's unrelenting problems head on, and by playing a catalytic role in conceiving and launching the 'New African Initiative'.

The initiative, which was ratified by the 37<sup>th</sup> summit of the Organisation of African Unity (OAU) now called the African Union (AU) in Lusaka on 11 July 2001, represents an allegiance to a common vision and aspiration to eradicate poverty and place their countries individually and collectively firmly on the path towards sustainable economic growth and development. It recognizes that there have been attempts in the past to chart continent-wide initiatives, which have, so far, been less than successful and provides a new road map for all economic sectors including manufacturing. In view of its seriousness and relevance to the needs of Africa, we should, without fail, draw on it as appropriate and as a frame of reference for future development programmes.

Finally, I would like to draw your attention to the report of the UN Secretary-General dated 5 July 2001, submitted as item 109(b) to the 56<sup>th</sup> Session of the UN General Assembly. Paragraph 68 reads as follows: quote the close relationship between the Alliance for Africa's Industrialization and the Conference of African Ministers of Industry has been the subject of much discussion since the latter's last meeting, held in Dakar in 1999. The impending restructuring of the Conference combined with the coming to a close of the Second Industrial Decade for Africa justify this preoccupation. To this end, the Bureau of the 14<sup>th</sup> meeting of the Conference approved the terms of reference for two studies related to the rationalization of these structures. One study entitled "New strategies and mechanisms for Africa's industrialization in the new millennium" will pave the way for a new long-term approach to the continent's industrial focus over the next decade, The second, entitled "Reorientation of the Conference of African Minister's of Industry" will examine, among other issues, the relationship between the Conference and the Alliance for Africa's Industrialization as the main organs dealing with Africa-wide industrialization unquote. I am happy to note that the outcome of the two studies will be among the documents to be presented to this conference.

Mr. Chairman, Honourable Ministers, Ladies and Gentlemen,

It would be amiss for me to conclude my statement without reminding you of and inviting you all to attend the UNIDO General Conference, which is planned to take place in Vienna, from 2 to 7 December 2001.

Thank you Mr. Chaiman, Honourable Ministers, Ladies and Gentlemen.