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Third Ministerial Symposium on the
Industrialization of LDCs: Sustainable
Private Sector Development and Accelerated
Growth of Industrial Enterprises in LDCs

Vienna, Austria, 30 November-8 December 1995

REPORT*

Prepared by
the UNIDO Secretariat

* This document has not been edited.

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**Third LDCs Ministerial Symposium: Sustainable Private
Sector Development and Accelerated Growth of Industrial
Enterprises in LDCs,
Vienna, Austria, 30 November - 8 December 1995**

REPORT

Introduction

The Third Ministerial Symposium on the Industrialization of LDCs was held in Vienna, Austria, 30 November-8 December 1995. The theme of symposium was "Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in LDCs". The Symposium is a follow-up to two earlier LDC Ministerial Symposia; the First Ministerial Symposium was held in November 1991 with the theme "Industrial Action Programme for LDCs", this was followed by the Second Ministerial Symposium which dealt with the challenge of "Financing the Industrial Action Programme for LDCs".

PART 1:

1. Election of the bureau

The first session started with the election of the bureau, with the following composition:

Chairperson: S. E. Madame Fatou Haïdara, Ministre de l'Industrie de l'Artisanat et du Tourisme, Mali.

Vice-president: H.E. Mr. Dhundi Raji Shastri, Minister of Industry, Nepal.

Rapporteur: H.E. Dr. Kandeh K. Yumkella, Secretary of State Trade, Industry and State Enterprises, Sierra Leone.

2. Ministers and delegates

There were 74 Ministers and delegates at the Symposium including 40 country delegations and 6 delegations from international organizations. H. E. Dr. Kandeh K. Yumkella, Secretary of State Trade, Industry and State Enterprises, Sierra Leone also served as Speaker/Presenter of the Draft Document from the Expert Group Meeting (EGM).

3. Opening address of the Director-General of UNIDO, Mr. Mauricio de Maria y Campos

The Director-General welcomed the Ministers and delegates to the Ministerial Symposium and to UNIDO. He acknowledged the very difficult challenges the least developed countries currently faced, particularly after the recent Uruguay Round of agreements and due to the lack of foreign investment and aid flows. He noted that the LDCs have demonstrated a strong political will to reform their economies despite these problems and there is wide-spread agreement among LDCs that one of the most important catalysts for economic recovery is encouraging the growth of the private sector. He observed that it had been two years since the Second LDCs Ministerial Symposium in Yaoundé and that, unfortunately, the economic situation in many LDCs had deteriorated rather than improved during the intervening period. The rate of GNP growth in the LDCs averaged around 1.6% in the period 1990-1993 and was only 1.4% in 1994. Manufacturing output had also failed to grow significantly, with industrial output as a percentage of GNP falling to 9% of GNP in 1991 as compared with 10% in 1980.

He observed that future economic growth in the LDCs would depend on the development of industry and would require the creation of new options, which could be achieved through the joint actions of UNIDO and LDC governments. The ongoing reforms which have been taking place in UNIDO are redefining its objectives and re-focusing its services. The organization has been cutting costs and increasing the level of the quality of its services to create a more consistent approach to world industrial development. The Director-General added that if the United States of America decided to pull out of UNIDO, he had put together a contingency budget which would allow the organisation to continue to provide services to its members.

He emphasised the importance of the "Industrial Development Decade for Africa". He also stated that UNIDO remained committed to the Industrial Action Programme for LDCs. In order to emulate the economic growth seen in countries such as Malaysia, China and Mauritius, the LDCs needed to promote entrepreneurship and take new private-sector initiatives. The Director-General ended his address by stating that the LDCs and Africa should have confidence in UNIDO, which was about to celebrate its 30th anniversary.

4. Opening remarks of the Chairperson of the Third LDCs Ministerial Symposium, H.E. Madame Fatou Haïdara

S.E. Mme. Fatou Haïdara, who was elected Chairperson of the Third LDCs Ministerial Symposium, opened her remarks by stating that she hoped the Ministerial Symposium would provide a good forum for discussing both the future of economic development in LDCs and for future cooperation with UNIDO. She emphasised the importance of the private sector to potential industrial and economic growth in LDCs and stressed the need to examine the role of the private sector in LDCs vis-a-vis the fast-changing world economy. She, then, invited Dr. Kandeh K. Yumkella, speaker for the Expert Group Meeting, to present the draft document prepared in Kathmandu, Nepal, from 4-8 April, 1995.

5. Presentation of the Programme of Action for Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in Least Developed Countries on behalf of the Expert Group Meeting by Dr. Kandeh K. Yumkella.

In opening his presentation Dr. Yumkella noted that the symposium was a historic moment because LDCs were five years from the end of the current century and the symposium provided an opportunity to engage in collective introspection about their under-development and determine where they wanted their countries to be at the start of the 21st century. He pointed out that although the 48 LDCs were lumped together as a group, they each had a very different level of development. Some nations had effected a large number of reforms, others had been slower to reform their economies. He felt that the LDCs could learn a great deal from the experiences of the newly-industrialized nations (NICs). Dr. Yumkella provided the Ministers and delegates a brief overview of the EGM.

The EGM was organized by UNIDO in cooperation with the Ministry of Industry, Nepal (MOI/HMG Nepal). Thirty five experts participated in the EGM. The participants included 18 experts from 12 different countries, 9 experts from 6 institutions, UNIDO staff members and 1 resource person. The EGM also benefitted from the participation of two Special Guests, His Excellency, Dr. Kandeh Kolleh Yumkella, Minister for Trade, Industry and State Enterprises, Sierra Leone; and Mr. Jean-François Rischard, Vice President, Finance and Private Sector Development, World Bank. Both participated actively at the EGM and made very constructive statements on the development of private sector in LDCs.

Each of the country representatives served as members of panels and presented a policy strategy paper on private sector development. The EGM had eight working sessions, namely:

- 1 Policy implications for private sector development in LDCs;
- 2 Institutional support for private sector development in LDCs;
- 3 Policies and programs on privatization and restructuring in LDCs;
- 4 Accelerated growth of industrial enterprises in LDCs;
- 5 Development of competitiveness in selected sectors in LDCs;
- 6 Quality control, standardization and metrology "QSM" in LDCs;
- 7 Mobilization of financial resources - role of UNIDO, and other international agencies in financing accelerated private sector development in LDCs; and
- 8 Financing the industrialization of LDCs based on the follow-up of GC5/Res.16: Industrialization of LDCs and Annex: Conclusions of the second ministerial symposium on the industrialization of LDCs

The concluding plenary session adopted a Draft Programme of Action for the preparation of the Third LDCs Ministerial Symposium: Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in LDCs.

The draft Programme of Action from the EGM was presented to the Ministers and delegates for discussion.

6. Debate on the Programme of Action for Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in Least Developed Countries

The Ministers and delegates debated the document presented intensely and raised several issues that required further clarification. In the general debate, statements were made by the following countries: Bangladesh, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Equatorial Guinea, Gambia, Guinea, Madagascar, Mali, Nepal, Niger, Sao Tome and Principe, Sierra Leone, Sudan, Togo and Uganda. Contributions were also made by representatives from the World Bank and the Organization of African Unity. The key issues raised in the debate are summarised below.

1. Several Ministers and delegates observed that the programme of action needed further improvements; the document required more focus and clearer explanation of specific actions to be taken by governments, UNIDO and other donors for the promotion of private sector growth and industrialization in LDCs. Further, appropriate targets and realistic time frames needed to be established in order to determine the progress (or lack thereof) made by specific countries.
2. There was an intense debate over the programme of privatization being implemented in a number of countries. Several Ministers and delegates observed that the Symposium should pay attention to the realities of privatization programmes in member countries, paying particular attention to: the extent of local private sector participation, defining the appropriate role of the state/government in the economy, the implications of mass privatization as opposed to a more phased approach and the financing of privatization programmes.
3. The need to coordinate donor assistance for privatization programmes, private sector growth and industrial development.
4. The urgent need for assessing the potential impact of the Uruguay Round of agreements on each country's economy, and the importance of promoting regional cooperation and trade were discussed extensively.
5. Identifying appropriate institutional support for the development of the private sector in general, and in particular, the informal sector, micro-, small- and medium-scale enterprises (IMSMEs). The need to assist firms in the informal sector to grow and become integrated in the formal sector was also raised. Further discussions on private sector growth centered around the problem of providing credit and finance to the private sector and IMSMEs and the establishment of mechanisms to strengthen public-private partnerships.

The representative from the World Bank explained the Bank's concept of private sector development and the transition from the dominance of the State in economic management to a competitive market economy. He highlighted the impact of an overbearing public sector, distressed financial system, and harsh business environment on private sector growth and development. In the Bank's view, LDCs urgently needed to carry out far-reaching legal, public and financial sector reforms in order to create an attractive business environment. Such reforms should include: the rationalization of subsidies, sales of large public sector enterprises on a priority basis, deregulation of the economy to compliment liberalization of internal and external trade. He stressed that these reform activities should be conducted in partnership with the private sector and labour. An intense debate of the presentation followed, in which several Ministers and delegates discussed their experiences with the World Bank's framework.

The Ministers and delegates agreed to form a working group for more detailed discussion and analysis. Given the issues raised in items 1-5. The working group was also asked to refine and amend, where appropriate, the draft document from the EGM. The working group consisted of Dr. K. Yumkella (Rapporteur/Sierra Leone), Mr. M. Iskander (World Bank), Mrs. Silvia Sagari (World Bank), M. Harouna Niang (Mali), M. Pepe Guilavougui (Guinea), M. Lokossou Cyprien (Benin), Mr. Jamaluddin (Bangladesh), Dr. J.S. Juneja (India) and staff of the UNIDO Secretariat.

The session was adjourned at 6.40 p.m. and the working group commenced its task.

PART 2:

1. Presentation on the reforms being undertaken by UNIDO

Mr R. Beltrán, Director of the Office of the Director-General, made a briefing to the Third Ministerial Symposium on the reforms taking place in UNIDO.

He informed the Ministers and delegates that two years ago, UNIDO embarked upon a reform process which reflected the need to adjust to changing world conditions and to improve efficiency. As part of the reform process, the UNIDO Secretariat, together with the Member States, redefined the objectives and priorities of the Organization. The resulting gradual focusing process has led in the last phase of the reform to a clear statement of the Organization's mission, redefining its relevance in the context of the new global economy and the present social and technological challenges. Through its specific expertise in industrial subsectors, environment and technology, investment and private sector development, UNIDO helps lay the foundation for sustainable long-term development, going beyond short-term emergency relief and poverty alleviation. The highest regional priority is Africa and least developed countries, where needs are greatest for institutional strengthening, private sector development, industrial recovery and advancement.

The Organization has focused on areas of priority based on the needs of developing countries and countries in transition, taking into account UNIDO's mandate, available capacities and expertise. This has entailed a focus on:

- the poorest countries, in particular those in Africa and the least developed countries;
- a reduced number of industrial subsectors with emphasis on those related to agriculture and basic industrial needs; and
- seven thematic priorities

The focus will be based on four fundamental criteria, which have been used to establish this ranking:

- identified demand from Member States;
- UNIDO's present and foreseeable technical capabilities and comparative advantage;
- activities being undertaken by other United Nations agencies and organizations; and
- approximate range of estimated financial resources available.

The delegations present at the briefing expressed their support for the process of reform, but highlighted their concerns over the financing of UNIDO's activities in relation with the imminent withdrawal of the United States of America from the Organization. The problem of non-payment of contributions by Member States was also raised. Meanwhile, the speaker assured the Ministers and delegates that UNIDO was adjusting to its new circumstances by cutting expenditure on a number of items such as temporary staff, general operating costs and conference services. The possibility of proposing new alternatives for the implementation of the reforms will be considered.

2. Panel session with UNIDO's Human Resource, Enterprise and Private Sector Development Division (HEPD)

Five senior staff from the HEPD Division briefed the Ministers and delegates on their activities and programmes. The panel consisted of Mr. D. Piskounov, Managing Director, Mr. Valle-Ponce, Mr. C. Antonio, Mr B. Karlsson and Mr. A. De Crombrughe.

On behalf of the HEPD, Mr. Piskounov thanked the symposium for inviting his division to explain their activities and presented the main thrust of their programmes covering the fields of industrial strategy and policy, SMEs, restructuring, private-sector development, privatization and human resource development.

3. Debate on the Conclusions and Recommendations for the Third LDC Ministerial Symposium on Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in Least Developed Countries

The Rapporteur, on behalf of the working group, presented the revised Programme of Action, now re-named Conclusions and Recommendations of the Third Ministerial Symposium of LDCs. The Ministers and delegates discussed the revised documents and suggested minor changes. By acclamation, the document was adopted by the Third LDCs Ministerial Symposium for submission to the sixth session of the General Conference. The recommendations and conclusions fall under six main headings:

Public-private sector partnership. Ministers approved the establishment or strengthening of national consultative groups, with a mix of public and private sector membership, and outlined their priority agenda. These consultative groups would have the benefit of findings of national working groups that will have the responsibility of evaluating the impact of the Uruguay Round Agreements on LDC economies.

Informal sector- micro-, small- and medium-enterprises (IMSMEs). Ministers called for LDCs to develop institutional, financial and technological support systems for IMSMEs, especially in rural areas. Special emphasis would be given to removing obstacles that keep enterprises in the informal sector, providing extension services for information and appropriate technological and marketing support, and supporting specialized financial institutions that rely on local savings and other measures to reach small clients on a sustainable basis.

Technology, standardization and metrology. Ministers underlined the crucial need for LDCs to establish national or regional standards bureaux for implementing total quality management, the ISO 9000 series of standards and the harmonization of standards regionally.

Female entrepreneurship. Ministers recommended that LDCs support specific programmes to encourage and promote female entrepreneurship and that they create support structures and self-help organizations.

Privatization. In the privatization process, Ministers stressed the importance of the establishment of an appropriate regulatory environment and development of local entrepreneurship and capital markets. Priority should be given to privatizing enterprises with a large impact on macro-economic stability.

Resource mobilization and donor assistance. Ministers recognized that economic restructuring and private sector development is a long process and that continuous support was needed to develop and implement their programmes. They called on UNIDO, the World Bank and other multilateral bodies to coordinate their financial and technical support to LDCs in the area of private sector development. They asked UNIDO and other organizations to undertake comprehensive programmes for investment promotion and foreign collaboration and to study the possibility of setting up and financing networks to expose business communities to a wider range of commercial and technical information and business opportunities.

The Ministers agreed that the current reforms of UNIDO will enhance its effectiveness in providing the requisite technical assistance that will facilitate the accomplishment of accelerated private sector development and industrialization of the poorest countries.

The Ministers also adopted the conclusions and recommendations and a declaration supporting UNIDO reforms (see Annex 1).

4. Adoption of Resolution, Conclusions and Recommendations, Declaration and Decision

Following the adoption of the Conclusions and Recommendations, the Rapporteur presented the resolution, declaration and decision for adoption by the Ministers and delegates. The resolution should be submitted along with the conclusions and recommendations as Appendix 1, and the declaration in support of the on-going reforms in UNIDO as Appendix

2. Through a decision the Chairperson was requested to submit the resolution along with the two appendixes to the sixth session of the General Conference of UNIDO.

5. Closing speech by the Director-General of UNIDO on the Third Ministerial Symposium

Mr. Mauricio de Maria y Campos, the Director-General of UNIDO, addressed the Ministers and delegates of the Third LDC Ministerial Symposium for a second time through his closing address. He emphasised the importance of the Conclusions and Recommendations as a programme for assistance to the LDCs for Sustainable Private Sector Development and Accelerated Growth in LDCs. The Director-General stated that "The confidence you as Ministers of Industry are placing in UNIDO with this programme is very encouraging especially at this time when the need for and direction of industrial development is being questioned in some quarters".

The Director-General referred to the Conclusions and Recommendations of the symposium in detail. He stressed the role of government as the "steerer" of the economy and not the "rower". The suggestion of creating special public/private sector consultative groups to deal with economic reform and the Uruguay Round of agreements was emphasised. He pointed out the importance of micro-, small- and medium-sized enterprises in future economic development, as well as the crucial role which could be played by a more open informal sector.

He also mentioned the Symposium's concerns about the future of UNIDO. He noted the concern of the Ministers and delegates that UNIDO's technical assistance to the LDCs should be more demand-driven. He also noted that the Third Ministerial Symposium highlighted the importance of the assistance of UNIDO to the industrialization of LDCs and thanked them for their support in the reform process. The Director-General closed his remarks by stating that UNIDO will respect the needs of the LDCs and Africa in its technical assistance programmes.

The Chairperson made a short closing statement expressing thanks to the participants, UNIDO's staff and all those who made the Symposium a success. The outputs from the Symposium will be submitted to the sixth session of the General Conference for adoption during the week of 4-8 December 1995. A complete list of participants as well as the Agenda for the Symposium is provided in annex 2 and 3 respectively.

item9(g)
3.12.1995

**Item 9(g) INDUSTRIAL DEVELOPMENT AND COOPERATION
ACTIVITIES: INDUSTRIALIZATION OF THE LEAST
DEVELOPED COUNTRIES**

**Draft resolution submitted by the
Third Least Developed Countries Ministerial Symposium**

The General Conference,

Recalling the Paris Declaration and Programme of Action of the Second United Nations Conference of the Least Developed Countries as well as, General Assembly resolutions 48/171 and 49/98,

Also recalling its resolutions GC.4/Res.9, GC.4/Res.10 and in particular GC.5/Res.16,

Further recalling the outcome of the World Summit for Social Development and the results of the High-Level Intergovernmental Meeting on the Mid-Term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s, New York, 26 September to 6 October 1995,

Stressing the increasing role of the private sector in industrial development and the need to support sustainable private sector development and accelerated growth of industrial enterprises in least developed countries in UNIDO programmes and projects,

Taking note of the conclusions of the third Ministerial Symposium on the Industrialization of the Least Developed Countries held in Vienna from 30 November to 8 December 1995 and the information provided in document GC.6/20,

1. **Calls upon the Member States to support programmes and projects that are related to the priority sectors stated in the Industrial Action Programme for the Least Developed Countries through the creation of a special fund in UNIDO for the industrialization of the least developed countries in addition to voluntary contributions within the Industrial Development Fund, trust funds and other available sources,**
2. **Appeals to the international community, especially the developed countries, regional and international financial institutions and private investors, to strengthen their financial and technological support for the development of a sustainable private sector and the accelerated growth of industrial enterprises in the least developed countries,**
3. **Requests the Director-General:**
 - (a) **Within the context of the framework of the reform of UNIDO as outlined in document GC.6/30 to accord highest priority to the industrialization of the least developed countries in order to secure effective and sustainable socio-**

economic development and a better quality of life for the least developed countries;

- (b) To take appropriate measures to implement the conclusions and recommendations of the third Ministerial Symposium on the Industrialization of the Least Developed Countries;
- (c) To present a report on the implementation of the present resolution to the General Conference at its seventh session through the Industrial Development Board.

Appendix I

Conclusions and Recommendations THIRD LDCs MINISTERIAL SYMPOSIUM ON THE INDUSTRIALIZATION OF LDCs

Vienna, Austria, 30/11-8/12/1995

FOR SUSTAINABLE PRIVATE SECTOR DEVELOPMENT AND ACCELERATED GROWTH OF INDUSTRIAL ENTERPRISES IN LDCS

I CONCLUSIONS

The Third LDC Ministerial Symposium on the industrialization of the least developed countries, held in Vienna from 30 November to 8 December 1995

I. Aware that:

- i) implementing the world trade liberalization agreements following the Uruguay Round of Trade negotiations could, in the initial stages, have some unfavourable impact on LDCs.
- ii) the on-going revolution in information and other technologies and telecommunications is reshaping competitiveness across the world and creating new opportunities and challenges, but that LDCs have yet to benefit from this revolution;
- iii) the emergence of the newly industrialized economies with unprecedented productive capabilities is creating increased competitive pressures on LDCs;
- iv) LDC Governments will need assistance to adjust to the changing role of the state in the economy;
- v) the globalization of the financial markets have not benefitted LDCs, which have received very limited capital flows;
- vi) Official Development Assistance, which was expected to be 0.15% of GNP of OECD countries, has been in fact only 0.09% and may be even less in the future.

2. Noted that:

- i) the main features of the new economic environment will be knowledge and technology intensive activities, global competition and accelerated pace of change. Success in the new economic order will be achieved by nations which would have the ability to integrate themselves into the world economy and exhibit continuous learning and adaptability;
- ii) the LDCs, at present, display economic stagnation characterized by (a) insignificant and declining GDP growth rates that have not kept up with population growth rates, and (b) declining trade shares. As a result, the number of LDCs has increased from 42 in 1990, the year of the second United Nations Conference on the LDCs, to 48 in 1995;
- iii) countries that have successfully achieved economic growth have implemented policies of deregulation, market liberalization, public sector reforms, financial sector reforms and encouragement of export led industries;
- iv) in view of the difficult situation facing all LDCs, closer cooperation is needed among the countries so as to attain sustainable and accelerated growth for the economic and social welfare of their people;
- v) in line with the results of the World Social Summit, UNIDO will give high priority to the LDCs to achieve rapid, sustainable industrialization consistent with social goals agreed on at the summit.

3. Agreed on the following principles:**i) Role of Governments**

The meeting emphasized the need for good governance of LDCs. It highlighted the role of a efficient government in formulating appropriate development policies and putting in place transparent, credible and effective judicial, regulatory and legislative systems to strengthen the private sector. It also stressed that Governments should give priority to developing human resources and infrastructure; and establishing consultative mechanisms between the public and private sector.

ii) Commitment to Private Sector Development

The meeting recognized the increasingly important role of a dynamic private sector in economic development and reiterated the need for governments to further improve the macro-economic environment, reduce transaction costs and facilitate entrepreneurial development. A stable macro-economic environment can be characterized by policies to encourage a high savings and investment rate, reduce Government/private sector inefficiencies, liberalize exchange rates, reduce tariff and remove price

controls. However, given the prevailing weaknesses of the private sector in LDCs, it is extremely important that institutional support including efficient and investment-friendly financing arrangements and incentives, consistent with provisions of the Uruguay Round Agreements, be provided to local enterprises to enhance their competitiveness.

iii) **Informal Sector, Micro, Small and Medium Enterprises (IMSMEs)**

The meeting emphasized the vital role of IMSMEs in social and economic development of LDCs through the creation of employment and income generating activities, absorbing retrenched workers from the privatisation and austerity programmes and creating opportunities for a significant proportion of female entrepreneurs. Accordingly, promotion of IMSMEs across the various sectors of the economy should be given priority.

iv) **Privatization**

The meeting acknowledged the importance of privatization as a means to reducing inefficiencies and creating conducive market conditions for achieving a more efficient allocation of resources. However, privatization should not be seen as an exercise of change in ownership only as it is a transformation process which covers developing a competitive environment and new regulatory and institutional frameworks. It should be done in a transparent manner. It should also be viewed as an instrument for creating favourable conditions for industrial growth and economic development.

v) **Regional Cooperation**

The meeting recognized the need for enhancing the vital role of regional cooperation to promote the flow of goods, services, investments, skills and technology. Such cooperation should also encourage close interaction of trade, industry and training institutions among the countries involved, and facilitate the development of internationally-competitive clusters.

II. RECOMMENDATIONS

The Third LDCs Ministerial Symposium on the Industrialization of Least Developed Countries recommends for the promotion of Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises:

1. Public-private sector partnership

- i) Establishing new or strengthening existing public/private consultative groups. These consultative groups should meet at least once every quarter and should involve the key players from the public and private sectors. The priority agenda for these consultative groups includes: (a) furthering macro-economic stability; (b) streamlining administrative, judicial and regulatory

procedures to make them effective and business-friendly; (c) privatization; (d) training programmes targeted to strengthening entrepreneurship, research and development and enhancing production management and technical skills; (e) upgrading of infrastructure with special attention to industrial zoning and estates, avoidance of industrial pollution, environmental protection, and energy efficiency.

- ii) On a priority basis, the LDCs should establish a working group to evaluate the impact of the Uruguay Round of Agreements on their economies and identify constraints and actions necessary to establish internationally competitive industries. The findings of this working group should provide input into the discussions of the consultative groups.

2. Informal sector, micro-, small- and medium-enterprises

- i) The LDCs should develop institutional, financial and technological support systems for IMSMEs and to facilitate access to markets, finance and technology. There should be particular focus on rural areas, where most of the population resides. Special emphasis should be given to: (a) removing obstacles that keep enterprises in the informal sector, (b) extension services for information and appropriate technological and marketing support; and (c) supporting specialized financial institutions which rely on local savings, reliable banking services and careful screening of borrowers to reach small clients on a sustainable basis.

3. Technology, standardization and metrology

- i) to keep pace with international developments in standardization and quality management systems, LDCs must establish national or regional standards bureaux for the purpose of implementing TQM, ISO 9000 series of standards and harmonization of standards regionally so as to improve quality, standardization and metrology.
- ii) LDCs should set up demand-driven technology upgrading programmes on a cost-sharing basis between the private sector, public sector and donors.

4. Female entrepreneurship

- i) considering the importance of female entrepreneurship and the constraints and barriers that women have to overcome in order to become entrepreneurs, LDCs should support specific programmes to encourage and promote female entrepreneurship as well as the creation of support structures and self-help organizations for women entrepreneurs.

5. Privatization

- i) where appropriate in the privatization process, LDCs should promote local participation and broad ownership. Privatization should be done in a

competitive environment with particular emphasis on transparency, establishment of an appropriate regulatory environment, and development of local entrepreneurship and capital markets. Special priority should be given to privatizing those enterprises that have a large impact on the macro economic situation.

- ii) Serious consideration should be given to public education campaigns in order to gain political support for the programme and to inform the public about:
 - a) losses incurred by public enterprises
 - b) the high cost of continuing public ownership of enterprises
 - c) benefits of the privatization programme
 - d) how the public can participate in the privatization programme.
- iii) When appropriate the privatization programmes should adopt methods of sale that broaden ownership structures such as trust funds and employee ownership options in order to enlist widespread participation in and support for privatization programmes.

6. Resource mobilization and donor assistance

- i) Recognizing that many LDCs have made considerable efforts to promote economic restructuring and private sector development, and the fact that even in countries with well established institutions and legal systems, reform has been a long process exceeding 20 years, LDCs require continuous support to develop and implement their programmes.
- ii) UNIDO and other multilateral bodies such as the World Bank, Inter-American Development Bank, Asian Development Bank and African Development Bank, should provide, in a coordinated way, financial and technical support to LDCs implementing private sector development programmes.
- iii) UNIDO should set up a steering committee to assist the LDCs mobilize the necessary resources for, and to follow up on the implementation of the conclusions and the resolutions of the Ministerial Symposium.
- iv) UNIDO and other organizations should study the possibility of setting up and financing information networks with antennae in the private sector organizations of LDCs to expose the business communities to a wider range of commercial, and technical information and business opportunities.
- v) With the support of UNIDO, the World Bank Group and other multilateral organizations, LDCs should undertake comprehensive programmes for investment promotion and foreign collaboration.
- vi) UNIDO, the African Development Bank, the Asian Development Bank, World Bank and other multilateral organizations should continue and

reinforce their support to regional initiatives, technical cooperation among developing countries (TCDC) and economic cooperation among developing countries (ECDC).

- vii) UNIDO has a major role to play to ensure that LDCs successfully implement the above conclusions and resolutions. In light of this, the current reforms of UNIDO will enhance its effectiveness in providing the requisite technical assistance that will facilitate the accomplishment of accelerated private sector development and industrialisation of the poorest countries.

**THIRD MINISTERIAL SYMPOSIUM ON THE INDUSTRIALIZATION OF LDCs:
SUSTAINABLE PRIVATE SECTOR DEVELOPMENT AND ACCELERATED
GROWTH OF INDUSTRIAL ENTERPRISES IN LDCs**

Draft Declaration in support of the reform of UNIDO

Vienna, 30 November — 8 December 1995

We, the Ministers of Industry of the least developed countries, meeting in Vienna from 30 November 1995 to 8 December 1995, on the occasion of the Third Ministerial Symposium of LDCs: Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in the least developed countries;

1. Affirm our strong support for the reforms in progress at UNIDO and the restructuring of UNIDO, together with the heightened emphasis laid on the industrialization of LDCs as is proposed, particularly in respect of the African LDCs;
2. Recognizing the urgent need of UNIDO for financial resources for ensuring the success of the reforms and the effectiveness of UNIDO in meeting the requests for assistance submitted by LDCs;
3. Call upon the Chairman of the Third Ministerial Symposium of Least Developed Countries to submit to the General Conference of UNIDO, at its sixth session, for appropriate consideration and action, the annexed draft declaration together with the conclusions and recommendations of the Ministerial Symposium of LDCs, to establish contact with donor countries with a view to obtaining political and financial support for UNIDO in accordance with the Yaoundé Declaration, and to launch an appeal to the Governments of LDCs to undertake political and other démarches for mobilizing the support of the international community, and in particular of UNIDO donor countries, in accordance with the recommendations of the meeting of non-aligned countries held at Cartagena, Colombia.

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LIST OF PARTICIPANTS
LISTE DES PARTICIPANTS
LISTA DE LOS PARTICIPANTES

ENGLISH
FRANÇAIS
SPANISH

MEMBER STATES OF UNIDO ETATS MEMBRES DE L'ONUDI ESTADOS MIEMBROS DE LA ONUDI			
COUNTRY PAYS PAIS	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
ANGOLA	S.E. Dr. Isalino Mendes, Ministre de l'Industrie		
BANGLADESH	Mr. Syed Jamaluddin, Economic Minister, Permanent Mission of Bangladesh to UNIDO		
BENIN	M. Lokossou Cyprien Directeur du Cabinet du Ministre de l'Industrie	M. Seraphin Lissassi Premier Conseiller, Ambassade du Bénin auprès de l'ONUDI à Bonn	
BHUTAN	Mr. Yeshey Dorji First Secretary Permanent Mission of Bhutan		
BURKINA FASO	M. Pierre Nare, Secrétaire Général du Ministère du Commerce de l'Industrie et de l'Artisanat	S.E. M. Jean Baptiste Ilboudo, Ambassadeur du Burkina Faso auprès de l'ONUDI à Bonn	Mme. Marie Bicaba Conseiller des Affaires Economiques
BURUNDI	S.E. Dr. Astère Nzisabira, Ministre du Commerce, de l'Industrie et du Tourisme		
CAMBODIA	H.E. Mr. Hul Lim, Under- Secretary of State, Ministry of Industry, Mines and Energy		
CAPE VERDE	H.E. Mr. Antonio Rodrigues Pires, Ambassador and Permanent Representative of Cape Verde to UNIDO		
CENTRAL AFRICAN REPUBLIC	S.E. M. Joseph Agbo, Ministre de l'Industrie, Commerce et Artisanat		

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CHAD	M. Ousmane Mahamat Nour Elimi, Directeur de l'Industrie, d'Appui au Mouvement Associatif et Coopératif et aux PME/PMI		
DJIBOUTI	M. Farah Ali Aiden, Secrétaire Général de l'Industrie		
EQUATORIAL GUINEA	S.E. Sñ. Severino Obzang- Efung Bengono, Ministro de Industria y Promocion de Pequeñas y Medianas Empresas		
ERITREA	Mr. Negusse Ogbe, Director General of Industry		
ETHIOPIA	H.E. Mr. Kassahun Ayele, Minister of Trade and Industry	Mr. Fisseha Yimer, Alternate Permanent Representative of Ethiopia to the International Organizations in Vienna	Mr. Jemil Mohammed Head Planning and Policy Department, Ministry of Trade and Industry Ms. Saba Gebre-Hiwot Counsellor, Permanent Mission Vienna
GAMBIA	H.E. Mr. Maba Jahou Jobe, Acting High Commissioner to the United Kingdom	Mr. Ousman Jammeh, Permanent Secretary, Ministry of Trade Industry and Employment	
GUINEA	Mme. Fatoumata Camara Secrétaire Général, Ministère de l'Industrie	M. Pépé Guibougui Directeur National de l'Industrie, Ministère de l'Industrie	
GUINEA-BISSAU	M. Ing Henrique Menezes D'Alva, Directeur Général de l'Énergie et Industrie		

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HAITI	S.E. M. Roger Pérodin Ministre du Commerce et de l'Industrie	M. Yves Michel B. Canal Assistant-Directeur, Direction de l'Entrepreneur et du Développement Industriel	S.E. M. Joseph Philippe Antonio, Ambassadeur, Représentant Permanent auprès de l'Office des Nations Unies à Genève
LIBERIA	H.E. Mr. Sylvester M. Grigsby, Deputy Minister of Foreign Affairs	H.E. Mr. André Duflot, Permanent Representative, Ambassador	Mr. Roger Francis, Ambassador-at-Large. Adviser to the Permanent Representative Ms. A. Bianchini Adviser to the Permanent Representative
MADAGASCAR	Mme. Olga Rasamimanana, Directeur de l'Industrie		
MALDIVES	Hon. Abdulla Yameen Abdul Gayoom, Minister of Trade and Industries	Senior Official Ministry of Trade and Industries	
MALI	Madame Fatou Haidara, Ministre de l'Industrie de l'Artisanat et du Tourisme	M. Harouna Niang, Secrétaire Général de l'industrie	M. Amadou Diarra, Conseiller Technique au Ministère de l'Industrie, de l'Artisanat et du Tourisme
MAURITANIA	S.E. M. Ngaide Lamine Kayou, Ministre des Mines et de l'Industrie	M. Hamadi Ould Meimou Directeur de l'Industrie	
MOZAMBIQUE	H.E. Mr. Oldemiro Júlio Marques Balói, Minister of Industry Commerce and Tourism	Mr. Manuel Mbeve, National Director of Industry	

MEMBER STATES OF UNIDO ETATS MEMBRES DE L'ONU ESTADOS MIEMBROS DE LA ONU			
COUNTRY PAYS PAIS	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
MYANMAR	H.E. Mr. U. Win Aung Ambassador, Permanent Representative to UNIDO	Mr. U. Myint Thein Lwin, Managing Director, Myanma Heavy Industries	Mr. U. Myo Aung, Assistant Director, Myanma Heavy Industries
NEPAL	H.E. Mr. Dhundi Raji Shastri, Minister of Industry	Dr. Bhola N. Chalise Secretary Ministry of Industry	Mr. Bimal P. Koirala Joint Secretary, Ministry of Industry
NIGER	Madame Brigitte Dia, Secrétaire Général du Ministère du Développement Industriel, du Commerce, de l'Artisanat et du Tourisme		
RWANDA	Mr. J. Bosco Rutagengwa, Directeur de Cabinet, Ministère du Commerce, de l'Industrie et de l'Artisanat	Madame Agnès Kayijire, Chef de Division Ministère du Commerce, de l'Industrie et de l'Artisanat	
SAO TOME AND PRINCIPE	Mme. Rita Maria José Dos Santos Directeur de l'Industrie		
SIERRA LEONE	Mr. Kandeh K. Yumkella, Secretary of State, Trade, Industry and State Enterprises		
SUDAN	Mr. Badr Eldin Suliman, Minister of Industry	Mr. Mohamed Widatalla, Director External Relations, Ministry of Industry	
TOGO	M. Payadowa BoukpeSSI, Ministre de l'Industrie et des Sociétés d'Etat	M. Loukoumanou Boukari Directeur du Développement Industriel	M. Eghare Y. Tchohou Directeur Général de la SAZOF M. Kokou Biava Attitso Conseiller Technique chargé de l'Industrie et de l'Artisanat

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UGANDA	Hon. Gerald Ssendaula, Minister of State for Trade and Industry	Ms. Jane Mambule, Principal Industrial Officer, Ministry of Trade and Industry	
UNITED REPUBLIC OF TANZANIA	Mr. Nyachia, Director, Planning and Investments, Ministry of Trade and Industries		
ZAIRE	Mr. Timothée Katanga Mukumadi Yamutumba, Ministre de l'Economie Nationale, Industrie, Petites et Moyennes Entreprises	M. Kambilo Kambilo, Conseiller Juridique au Cabinet du Ministre	M. Tambwe Shungu, Directeur chargé de l'Industrie M. Mwenda Bambanganila, Directeur chargé des Organisations Internationales
ZAMBIA	H.E. Hon. Mr. S. Syamujaye, M.P. Deputy Minister of Industry, Ministry of Commerce, Trade and Industry	Mr. D.M. Mauzu, Deputy Director, Ministry of Commerce, Trade and Industry H.E. Mr. P.N. Sinyiza Ambassador	Mr. R.K. Zulu, Ag. Director of Operations, Development Bank of Zambia Mr. D. Musokotwane Director, Bank of Zambia

MEMBER STATES OF THE UNITED NATIONS OR OF SPECIALIZED AGENCY OR OF IAEA
 ETATS MEMBRES DES NATIONS UNIES OU D'INSTITUTION SPECIALISEE OU DE L'IAEA
 ESTADOS MIEMBROS DE LAS NACIONES UNIDAS O DE UN ORGANISMO ESPECIALIZADO O DE
 L'IAEA

COUNTRY PAYS PAIS	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
KIRIBATI	Mr. Iamti Rakautu, Assistant Secretary, Ministry of Commerce, Industry and Tourism		
SAMOA	Mr. Falani Chang Tung, Secretary, Ministry of Trade Commerce and Industry		

UNITED NATIONS NATIONS UNIES NACIONES UNIDAS			
	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
UNDP	Mr. Paolo Galli, Senior Programme Officer, UNDP Private Sector Development Programme, New York		
United Nations	Mr. George Puthuppally, Special Assistant to the Director-General, UNOV		

SPECIALIZED AND RELATED AGENCIES INSTITUTIONS SPECIALISEES ET ORGANISATIONS APPARENTEES ORGANISMOS ESPECIALIZADOS Y ORGANISMOS AFINES			
	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
THE WORLD BANK	Mr. Magdi R. Iskander, Director, Private Sector Development Department	Mrs. Silvia B. Sagari, Division Chief, Industry and Energy Division, Department of West Africa	

INTERGOVERNMENTAL ORGANIZATIONS ORGANISATIONS INTERGOUVERNEMENTALES ORGANIZACIONES INTERGUBERNAMENTALES			
	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
OAU (Organization of African Unity)	H.E. Vijay S. Makhan, Ambassador, Assistant Secretary General for Economic Development and Cooperation Department	Mr. A.M. Dirar, Director of EDECO Department Mr. Libère Buzingo, Head, Industry, Energy and Mineral Resources Division	
OECD	M. Jean Bonvin, Président du Centre de Développement de l'OCDE		
OPEC	Dr. Shokri Ghanem, Director, Research Division		

NON-GOVERNMENTAL ORGANIZATIONS ORGANISATIONS NON GOUVERNEMENTALES ORGANIZACIONES NO GUBERNAMENTALES			
	REPRESENTATIVE(S) REPRESENTANT(S) REPRESENTANTE(S)	ALTERNATE(S) SUPPLEANT(S) SUPLENTE(S)	ADVISER(S) CONSEILLER(S) CONSEJERO(S)
ECTI (Echanges et Consultations Techniques Internationaux)	M. Maurice Storage, Directeur Relations Extérieures		
Global Projects and Services Ltd. New Delhi	Dr. J.S. Juneja, Chairman		

Responsible Substantive Officer from the UNIDO Secretariat:

Mr. Mohamed Touré, Chief, LDC Unit, CSPD/OMD/LDC

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***Third Ministerial Symposium on the Industrialization of the Least Developed Countries
Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in LDCs***

Agenda

Wednesday, 29 November 1995

14.30-17.30 ***Registration for Third Ministerial Symposium and sixth session of the General Conference - VIC Rotunda***

Thursday, 30 November 1995

8.30 ***Registration continued***

9.15 ***Minister and Delegates are invited to participate in informal consultations in the Meeting Room (UNIDO Board Room C04)***
Election of the bureau

9.30 ***Welcome address by the Director-General***
Statement of the Chairperson
Presentation of the draft document proposed by the Expert Group Meeting for the Preparation of the Ministerial Symposium entitled "Programme of Action for Sustainable Private Sector Development and Accelerated Growth of Industrial Enterprises in LDCs" by the speaker of the Expert Group Meeting, by H.E. Dr. K.K. Yumkella, Secretary of State Trade, Industry, and State Enterprises Sierra Leone
Debates on the draft document

12.30 ***Lunch break***

14.30 ***Debates on the draft document continued***

17.30 ***End of the plenary session.***

Friday, 1 December 1995

9.30 ***Preliminary briefing on UNIDO Reform by the office of the Director-General***

10.30 ***Coffee break***

11.00 ***Panel discussions on LDCs and UNIDO's Human Resource, Enterprise and Private Sector Development Division***

12.30 ***Lunch break***

- 15.00 *Adoption of the draft Programme of Action for Sustainable Private Sector Development and Accelerated Growth of the Industrial Enterprises*
Adoption of the draft resolution for submission to the Sixth Session of the General Conference
Adoption of the draft decision requesting the Chairperson to submit the draft to the Sixth Session of the General Conference
- 17.30 *Address by the Director-General of UNIDO*
- 18.00 *Reception hosted by the Director-General in the VIC Restaurant*

Monday, 4 December 1995

- 10.00 *Opening of the sixth session of the General Conference*
 15.00 -18.00 *Participation in the Plenary of the sixth session General Conference*

Tuesday, 5 December 1995

- 08.45-10.00 *Briefing by the Director-General on UNIDO reform*
 10.00-18.00 *Participation in the sixth session of the General Conference continued*
*Individual meetings of LDC Ministers at UNIDO Headquarters (upon request)**

Wednesday, 6 December 1995

- 9.00-10.00 *Special session of Third Ministerial Symposium for adoption of the report of the Third Ministerial Symposium in the Austria Center in Conference Room C, 02 level*
- 10.00-13.00 *Participation in the sixth session of the General Conference continued*
 15.00-18.00 *Address on behalf of the LDCs by the Chairperson of the Third LDCs Ministerial Symposium on the industrialization of the LDCs at the sixth session of the of the General Conference*
Individual meetings at UNIDO Headquarters
*(upon request)**

Thursday, 7 December 1995

- 10.00-13.00 *Participation in the sixth session of the General Conference (continued)*
 15.00-18.00 *Individual meetings at UNIDO Headquarters (continued)*
*(upon request)**

Friday, 8 December 1995

- 10.00-13.00** *Participation in the Sixth Session of the General Conference (continued)*
15.00 -18.00 *Adoption of resolution by the sixth session of the General Conference on industrialization of the LDCs, including annex of recommendations of Third Ministerial Symposium.*
18.00 *Closing of the sixth session of the General Conference*

*** For individual meetings with Senior and Technical Staff of UNIDO please contact the office of Mr. Touré, Chief, LDC Unit, located in C0419 extension 4660 (from 30 November - 1 December 1995) and C 251 Level 02 in ACV (from 4-8 December 1995).**