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UNIDO AND THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT FINDING COMMON GROUND

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO AND THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT

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Finding Common Ground

FOREWORD

The emerging rule-based international economic order has been designed with a view to smoothing the path towards globalisation rather than enabling developing countries to benefit from it. This presents the international community with the need to address the implications of the current international system for development, including those regulating social and environmental global negatives.

Concerted action is required to assist those most threatened with exclusion, not just by means of poverty-alleviation programmes, but also by helping them to master the key ingredients of wealth creation and productivity growth. They need skills, capabilities and institutions that would enable them to put new technologies, including less polluting ones, at the service of development.

UNIDO technical cooperation efforts are focused on two Millennium Declaration priorities, development and poverty eradication, and on protecting the common environment. To reach these goals, the United Nations system needs to draw on the tremendous potential for increased system-wide efficiency and effectiveness. This can only be achieved with clear leadership roles and the collaborative involvement of several United Nations agencies with specific competencies for supporting the sustainable development initiatives of developing countries. UNIDO is already implementing such an approach to market access in partnership with the International Trade Centre and expects to be able to count soon on the participation of other agencies.

The World Summit on Sustainable Development (WSSD) offers the international community yet another chance to identify opportunities in the United Nations system that would strengthen environmental protection in ways that are also supportive of socio-economic development. UNIDO welcomes the opportunity of working with developing country governments, industry and the business sector and its partners in the United Nations system as we collectively prepare for the Johannesburg Summit 2002.

Carlos A. Magarinos
Director General

INTRODUCTION

Two major global initiatives underway are directly affecting the extent to which industry can contribute to sustainable development. These are trade liberalization and global environmental protection. *Finding the common ground* between these two global initiatives has the potential to enhance the contribution of industry to sustainable development.

Most developing countries are increasingly marginalized in these two global initiatives. First, the majority of developing countries are not benefiting from trade liberalization. Quite the opposite, only one region, East Asia, shows competitive dynamism in manufactured trade (see table 1). Only 13 countries accounted for 88 per cent of the total manufactured exports from the developing world in 1998, and their share has risen from 77 per cent in 1985.

Table 1. Share of manufactured goods exported from developing countries
(percentage)

Region	1985	1998
East Asia	56.9	69.0
South Asia	4.5	3.8
Latin America and Caribbean	23.1	19.3
Western Asia & North Africa	12.9	6.0
Sub-Saharan countries*	2.6	0.8

*Excluding South-Africa

Source: UNCTAD

Secondly, the majority of developing countries are not participating in the global trend to reduce the pollutant intensity of their manufacturing sector. Their discharges per unit of industrial output are on average more than double those of industrialized countries.

How can the success of those 13 countries, for example in Brazil, China, Indonesia, the Philippines and Turkey, that are benefiting greatly from trade liberalization and to some extent from global environmental protection efforts be accounted for? Although there are many country-specific factors that need to be considered, the one factor that appears to be common to all these countries is the ability of their manufacturing sector to improve its competitive position through the successful application of new techniques (including organizational arrangements) and technologies, which also tend to be less polluting.

In the light of the strong evidence of the benefits of technology change and learning, the WSSD might wish to consider specific proposals on how the new round of trade talks agreed to at Doha and the existing and emerging multilateral environmental agreements could be more complementary to the quest for sustainable development. If developing countries are to achieve the maximum benefits from greater market access, they need enhanced capacities to take advantage of these opportunities in ways supportive of fairer and more environmentally responsible development. If they are to benefit fully from the funding available for implementing multilateral environmental agreements, more holistic approaches are needed in programme and project formulation to achieve maximum pollutant reduction and to take full advantage of their potential contribution to socio-economic development.

Technical cooperation programmes and projects are needed to help ensure that all parts of the world, including the least developed countries, are integrated into global economic and environmental networks in mutually beneficial ways. UNIDO is working to ensure such integration with its ongoing 44 integrated programmes covering 39 countries and Palestine, all of which are building export potential and generating employment in ways that do not harm the environment. The Organization is also assisting many countries to implement industry-related projects supportive of the pollutant reduction goals of the Montreal Protocol, the Kyoto Protocol and the Stockholm Convention in ways that also enhance export potential. *Expanding the common ground* between developmental and environmental efforts has the potential to maximize the contribution of industry to fairer and more socially responsible sustainable development.

UNIDO stands ready to accelerate its efforts with developing countries along the lines stated above and as suggested in the national and regional reports that it has sponsored as background information for the WSSD preparatory process.* It looks forward to identifying during the preparatory process ways that will expand the synergistic potential in its integrated programmes supportive of sustainable development. UNIDO's input, in line with its established expertise, will focus on technology transfer, solid waste and energy for sustainable development.

**Copies of the reports and additional information on UNIDO's preparatory work in support of WSSD can be found at www.unido.org (events)*

**Table 2: PORTOFOLIO OF PROJECTS (INCLUDING SPPD*): SHARE OF ENVIRONMENTAL PROJECTS
(DELIVERY IN MILLION US\$)**

Year	1992	1993	1994	1995	1996	1997	1998	1999a/	2000a/	2001a & b/
Environmental related projects	3.1	5.8	6.4	8.2	8.0	7.5	8.7	9.1	9.3	14.0
<i>c/</i>										
<i>Share to total (%)</i>	<i>2.3</i>	<i>4.8</i>	<i>6.3</i>	<i>7.5</i>	<i>8.7</i>	<i>7.6</i>	<i>10.6</i>	<i>10.8</i>	<i>13.3</i>	<i>17.0</i>
Montreal Protocol projects	0.1	0.7	2.4	16.6	25.1	29.0	33.3	35.3	27.2	32.0
<i>Share to total (%)</i>	<i>0.1</i>	<i>0.6</i>	<i>2.4</i>	<i>15.1</i>	<i>27.3</i>	<i>29.5</i>	<i>40.6</i>	<i>41.9</i>	<i>38.8</i>	<i>39.0</i>
Industrial capacity projects	136.7	115.0	92.8	84.7	58.9	62.0	40.2	39.9	33.5	36.0
<i>Share to total (%)</i>	<i>97.6</i>	<i>94.6</i>	<i>91.3</i>	<i>77.4</i>	<i>64.0</i>	<i>62.9</i>	<i>48.9</i>	<i>47.3</i>	<i>47.9</i>	<i>44.0</i>
Total	133.5	121.5	101.6	109.5	92.0	98.5	82.2	84.3	70.0	82.0

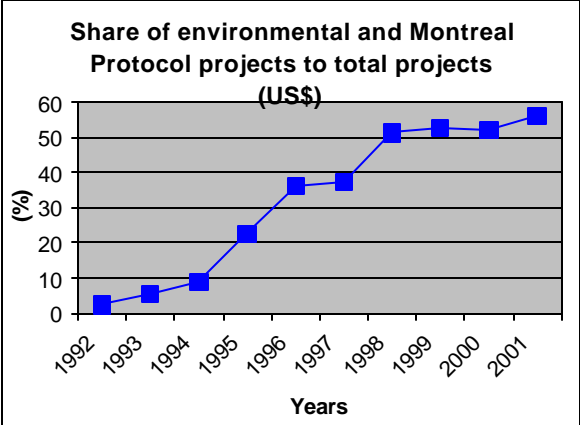
Source: UNIDO Financial System

* SPPD: Support Service for Policy and Programme Development

a/ GEF funded implementation was US\$1.3 million 1999, US\$0.3 in 2000 and the forecast for 2001 is US\$2.0 million

b/ Forecast for total delivery for 2001 is US\$82 million, which excludes SPPD

c/ Excluding Montreal Protocol Projects



ENHANCING EXPORT POTENTIAL/ RESPECTING THE ENVIRONMENT

Industrial policy, Côte d'Ivoire

The Industrial Policy Programme of UNIDO assisted Côte d'Ivoire in 1996 in making a thorough revision of the *Schéma Directeur d'Industrialisation de la Côte d'Ivoire* designed in 1988 with the assistance of UNIDO to lay the ground for the future industrial policy of the country. The deep economic crisis in the early 1990s followed by the steep devaluation of the local currency in 1994, the changing terms-of-trade and the discovery of new oil and gas resources made substantial shifts necessary. Assistance was given through sectoral studies of more than twenty industries, economy-wide tools to measure the short-term impact of policy decisions and capacity building initiatives on growth. Special attention was given to the export-oriented sectors with a view to enhancing their export capabilities by producing higher value-added products and complying with international quality standards and environmental regulation. In addition, the study focused on the need to restructure existing institutions, establish a new one in charge of environmental issues, promote environmentally sound investments and create a network of organizations to address environmental issues.

Technology upgrading in the textile sector, Guatemala

The UNIDO programme for technology upgrading in the textile sector builds institutional capacity to assist enterprises to improve their competitiveness in domestic and international markets. One example is the recently established Computer-Aided-Design/Computer-Aided Manufacturing (CAD/CAM) Centre for the garment industry in Guatemala. Computer-aided technologies reduce cutting waste in the production of garments by 10 to 15 per cent, and by a further 5 per cent by using highly precise computer-controlled cutting machines. The reduced cloth consumption is lowering costs, improving product quality and shortening delivery times. Four months after inauguration, the CAD/CAM Centre has more than 20 clients, rendering its operation self-sufficient.

The reduced consumption of cloth is not only beneficial to the garment manufacturers, but also has a positive environmental impact because less oil is required to produce synthetic fibres, less water and chemicals to dye, print and finish the fabrics, less energy to produce yarns and fabrics, and less effluent to be treated.

Food safety, Kenya, United Republic of Tanzania, and Uganda

Important considerations for the export of food are safety and quality of the products, which are fostered by UNIDO in several Sub-Saharan countries and in numerous food sectors (fish, fruit and vegetables, cereals, animal and dairy products including meat, fats and oil and honey). Fortunately, for Kenya, United Republic of Tanzania and Uganda, UNIDO's technical support started before an EU ban in 1999 on fish exports from Lake Victoria as a result of shipments of contaminated Nile Perch fillets. This ban reduced exports by 50 per cent and half a million people lost partly or totally their incomes. UNIDO assisted these fish industries to meet the EU requirements for safety and quality by focusing on risk assessment and management principles. It supported the establishment of a reliable fish inspection and quality control system through the implementation of good hygiene practices and hazard analysis at critical control point on boats, landing sites and in processing plants to ensure safety of exported products. As a consequence, the EU lifted the ban and fish exports resumed, regaining their share in the EU market and expanding to new markets, in particular, the United States of America. The project also contributed to the environmental performance of the enterprises, some of which have implemented environmental management systems.

Quality, standardization and metrology, Sri Lanka

The UNIDO Quality, Standardization and Metrology Programme has been operating for 15 years to build infrastructure that improves product quality and enhances export capabilities through standards, metrology and testing. Without these capacities, technical barriers to trade (TBT) have the potential to replace traditional trade barriers in a globalized market. In Sri Lanka, for instance, UNIDO is

upgrading testing laboratories, technical skills and management capabilities at the Sri Lanka Standards Institute, the Industrial Technology Institute and the Textile Training & Service Centre with the aim of facilitating the accreditation of chemical testing and microbiology testing laboratories. This will be a major boost to Sri Lanka's exports, in addition to heightening consumer safety through compliance to standards and conformity assessment. The upgrading programme includes developing national capacities for setting up Environmental Management Systems (EMS) according to the ISO 14000 international standards. It is providing training support to auditors and consultants, and lends direct assistance to 10 enterprises to launch EMS schemes.

Investment and technology promotion, Senegal

As a part of UNIDO's investment promotion projects, the UNIDO Investment and Technology Promotion Office (ITPO) in Paris aims at developing industrial partnership and bridge-building between French enterprises and developing countries. The objective is to identify industrial projects in developing countries that are in need of foreign technology, know-how and capital, and to promote them in France. This will enhance developing countries' export capabilities and access to the global production system and market. Therefore, UNIDO has developed a special investment appraisal methodology, using COMFAR software (Computer Model for Feasibility Analysis and Reporting) that also takes into account environmental aspects. In 2000, this ITPO reported 84 projects either concluded, under implementation or operational, representing an estimated total investment of US\$75 million in 28 different countries. In Africa, nine projects were concluded. Six of them were concluded with Senegal: US\$3.6 million was invested in hydraulic, construction, agro-industry and information and communication technologies.

Industrial subcontracting and supply chain management, Turkey

UNIDO fosters international networking and cooperation at the manufacturing level through its Subcontracting and Partnership Exchanges (SPX). These are technical information, promotion and

match-making centers for industrial subcontracting and partnerships that enable small and medium-sized enterprises to have access to the global market and production systems. For example, the Istanbul SPX has more than 1,000 members. About 82 per cent of them are export-oriented and between 200 and 400 match-making operations take place every month. Most of the contracts have been concluded thanks to the participation of the SPX in international fairs. In addition, it provides other services to its members such as promotional activities, market research and reports, training programmes and consultancy services. These include environmental services to help members to comply with environmental regulations. Furthermore, the adoption of “cleaner” technologies and processes has become a requirement for subcontractors and suppliers.

Small and medium-sized enterprises support, Nicaragua

Under the framework of its Cluster Programme in Nicaragua, UNIDO is creating a basis for optimal mobilization of skills, resources and capacities in the small and medium-sized industrial sector. Small enterprises in Nicaragua generally compete by offering low wages and using cheap raw materials, which leads to poor quality and little product diversification. Consequently, they barely survive with narrow profit margins and no growth, having thus a limited impact in terms of poverty alleviation and job creation. To counteract this trend, UNIDO promoted networking and linkages amongst Small and medium-sized enterprises (SMEs) and among these and larger firms. About 36 SME networks (involving 300 companies) have been created as well as 13 supplier networks between SMEs and larger companies. As a result, profits increased for most of the participating enterprises, production efficiency improved and new products were launched also on the export market. Cooperation with larger firms has also facilitated SME’s technological upgrading. The economies of scale and the gains of efficiency resulted in a positive impact on the environment, in terms of pollutant reduction, water and raw material savings and energy efficiency.

PROTECTING THE ENVIRONMENT/ ADDING TO EXPORT POTENTIAL

Montreal Protocol, Syrian Arab Republic

Turning to environmental protection, UNIDO has executed over 750 projects and disbursed US\$170 million in 60 countries since 1992 as an implementing agency for the Multilateral Fund for the Implementation of the Montreal Protocol. One example of UNIDO's work is with the Al Hafez Company, which has about 40 per cent of the domestic market and accounted for 65 per cent of ozone-depleting substances (ODS) use in the refrigerant sector in the Syrian Arab Republic. The Multilateral Fund provided financing for its refrigerant and foam operation and the company itself contributed additional financing for additional renovations. As a result, the use of ODS was completely phased-out of the production process. In addition, the plant improved the quality and energy efficiency of their newly designed models of refrigerators, putting it in a position to be certified for ISO 9002. As a result Al Hafez has been able to maintain its leading market position in Syria and to effectively compete with European exports to the Middle East.

United Nations Framework Convention on Climate Change, India

With the added impetus from the United Nations Convention on Climate Change (and its Kyoto Protocol), UNIDO is focusing more of its subsectoral assistance on reducing the energy intensity and thus emissions of greenhouse gases. One example of this new focus is the support it is giving the Centre for Development of the Glass Industry (CDGI) in Firozabad, India. Since 1991, the Centre has improved the technologies and skills of glass manufacturers in Firozabad, which accounts for 70 per cent of glass production in India in the small-scale sector. As a first step towards implementing both energy efficiency and energy-saving measures, UNIDO has designed a process control software for maintaining optimum temperature in glass-melting furnaces. In the two units where it has been implemented, fuel use has been reduced by 18 per cent and 22 per cent respectively, resulting in a reduction in the release of greenhouse gases. Moreover, as a result of additional advice provided

by the Centre, the industry is convinced that it can improve the quality of glass and produce new glass products (lighting equipment and vacuum flasks), further enhancing export and local market competitiveness.

Stockholm Convention on Persistent Organic Pollutants, China

The Stockholm Convention on Persistent Organic Pollutants calls on countries to prepare, as a first step, national implementation plans, which describe how production and use of these pollutants can be reduced and eventually eliminated. UNIDO is currently initiating efforts in more than 20 countries to prepare national implementation plans and will certainly have a competitive edge compared to other United Nations agencies in implementing phase-out projects given its experience working with industrial processes in developing and transition economy countries. For example, UNIDO in the mid-1990s launched a pilot demonstration project with Shandong Chenming Paper Holdings Ltd. to demonstrate the feasibility of reducing the discharge of chlorinated organics (dioxins) from processes using agro-residuals (e.g. straw) as raw material, which account for around 42 per cent of the raw material used for pulp production in China. The new technology has also reduced energy consumption. Furthermore, this technological change has assisted the company to improve its marketing edge with chlorine-free paper, which sells at a premium price.

Cleaner production, Tunisia

The basic premise of the UNIDO/UNEP National Cleaner Production Centre (NCPC) Programme is that appreciation of cleaner production and therefore its application can only come about if the concept is promoted by professionals in the beneficiary country and adjusted by them to local conditions. Building capacity to do this by establishing new centres and strengthening existing ones is the main objective of the NCPC programme. To date, this Programme has funded centres in 23 countries, with an investment of US\$21.0 million, one being the Centre de Production plus Propre in Tunisia. Before this project was launched, the Centre was operational but not sustainable.

Strengthening the Centre led to its acceptance and funding by the government and private industry. One Centre project, which trained cleaner-production assessors and worked with ten enterprises, yielded annual financial savings of US\$0.6 million as a result of reduced gas use, water consumption and solid waste disposal for an investment of US\$0.4 million. In some enterprises, the NCPC effort has also resulted in a streamlined product mix and improved product quality, which has contributed to increased export potential in the European market.

Tannery pollution control, Zimbabwe

In the framework of the regional programme for the leather industry, UNIDO assisted several tanneries in Zimbabwe to upgrade their effluent treatment facilities, one being Imponente Tanning. It is one of the country's largest tanneries and approximately half of its production is exported to Europe, Australia and neighbouring African countries. Several interventions were performed to improve the treatment of the daily 450 m³ effluent discharge. Structural modifications and new equipment have produced remarkable achievements, such as high-exhaustion chromium tanning and a very low water consumption, thus reducing effluent and sludge volume. The volume of solid waste could be reduced by 75 per cent and the Chemical Oxygen Demand concentration of the treated effluent by 50 per cent. In addition to enabling the tanneries to comply with the environmental regulation in place, this UNIDO project has allowed them to retain and win export outlets by complying with international environmental standards and with the growing expectations of the global market to use environmentally friendly technologies.

Corporate responsibility, India, Pakistan, Sri Lanka and Thailand

UNIDO has launched a new programme, the Responsible Entrepreneur Achievement Programme (REAP), to assist exporting enterprises in responding to the social and environmental requirements of international buyers in ways that will minimize the impact of such requirements on their competitive position. The initial phase of the programme is formulating and testing an approach to corporate

responsibility that is appropriate for small and medium-sized enterprises drawing on the cleaner production audit and improvement methodology of UNIDO. The REAP software package and approach is being tested in four countries, India, Pakistan, Sri Lanka and Thailand, mainly with exporting firms in the textile sector. The first step in the REAP approach is a gap analysis that compares a firm's current performance with both national and international environmental and social norms. The second step, underway with firms in Sri Lanka and Pakistan, has already resulted in environmental improvements and clarified measures that might improve social performance. The third step will be a verified report on the improved performance of the firms, which can give to international buyers.

Annex 1: UNIDO's Contributions to the WSSD Preparatory Process

At the national level, UNIDO has supported the preparation of 17 national overview reports on the contribution of industry to sustainable development and on programmes that are facilitating the transfer of environmentally sound technology. The 17 countries are: Bolivia, Cameroon, Chile, China, Columbia, Czech Republic, Egypt, Ethiopia, Indonesia, Nigeria, Pakistan, the Philippines, Sudan, Tunisia, Turkey, Viet Nam and Zimbabwe. These reports, which can be accessed through UNIDO's website at www.unido.org are intended as inputs into the national assessments that these Member States are preparing for the Summit and as examples for other Member States on how they could report on the industrial dimension of sustainable development. In addition, UNIDO is providing funds, where requested, for a one-day industrial stakeholder workshops to solicit the comments of industry and business on national assessments

At the regional level, UNIDO has supported the preparation of a regional overview on the contribution of industry to sustainable development for the ECA region and has cooperated with UNEP in the preparation of similar reports for the ECLAC, ESCAP and ECSWA regions. It has participated in the industry fora sponsored by UNEP regional offices to review these reports and to formulate industry statements to be presented at the regional ministerial meetings (Africa: Nairobi, 15-18 October; Latin America and the Caribbean: Rio de Janeiro, 23-24 October; West Asia: Cairo, 24-25 October; and Asia and the Pacific: Phnom Penh, 27-29 November). It has commented on the regional assessments prepared by the regional commissions and has attended all regional ministerial meetings. At these meetings, the UNIDO perspective on the draft ministerial statements was presented by a UNIDO representative. More information is available at the UNIDO website at www.unido.org

At the global level, UNIDO is in the process of preparing background material and reports on technology transfer issues and opportunities as inputs for the global substantive reviews next year. These include:

1. a review of how the **United Nations Development Assistance Framework (UNDAF)** addresses, or could address technology transfer issues;
2. a joint effort with the **World Business Council for Sustainable Development** to examine the technology transfer aspects in several 50 case studies on member corporations;
3. **sector-specific surveys in nine countries** [leather—Kenya and Zimbabwe, iron and steel—Mexico; pulp and paper—Brazil, China, India and Viet Nam and textiles—Thailand and Tunisia] to identify the most effective drivers for the uptake of environmentally sound technology over the past ten years. In line with its recognized comparative advantage, UNIDO will also emphasize the importance of solid waste management and of energy for sustainable development, as reflected in UNIDO's programs in these areas;

4. **corporate responsibility for SMEs:** the formulation and testing of an approach in four countries—India, Pakistan, Sri Lanka and Thailand;
5. **Journal of Cleaner Production** Special Edition, that reports on several international technical cooperation programmes in support of cleaner production, including the UNIDO/UNEP National Cleaner Production Centres Programme; and
6. **a WSSD industrial source book** that summarizes the 17 national overviews sponsored by UNIDO, extracts relevant information from the UNIDO and UNEP regional industry reviews, identifies relevant industry related information from the regional commission background documents and statements and provides selected data on the contribution of industry to sustainable development over the past ten years.

Annex 2: Decision, adopted by the 9th General Conference of UNIDO, on UNIDO's Participation in Major International Processes

GC.9/Res.2 FINANCING FOR DEVELOPMENT AND WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: THE FUTURE ROLE OF UNIDO

The General Conference,

Taking note of document GC.9/14 of the Director-General,

Stressing the importance of the forthcoming United Nations Conferences on Financing for Development (Monterrey, Mexico, 18-23 March 2002) and the World Summit on Sustainable Development (Johannesburg, South Africa, 26 August - 4 September 2002),

Confident that both conferences will lead to a more effective implementation of the goals set out in the Millennium Declaration,

Recognizing that the main role of UNIDO lies in providing technical cooperation to the developing countries, in particular the least developed countries, and the countries with economies in transition, in relation to those support functions in which the Organization has a competitive advantage, such as strengthening of industrial capacities and cleaner sustainable industrial development and also giving assistance to those countries to participate effectively in international trade,

1. *Calls upon the UNIDO Secretariat in the preparatory stages of the conferences and beyond, to continue its efforts to liaise constructively with all relevant actors and stakeholders;*
2. *Requests the Director-General to inform Member States of the contribution UNIDO intends to make to the Conference on Financing for Development and the World Summit on Sustainable Development and to provide a follow-up report to the Industrial Development Board after each meeting.*

*8th plenary meeting
7 December 2001*

Annex 3: Work in Progress:

UNIDO Initiative on Technology Transfer: Assessing Needs – Promoting Action

1. In the context of the World Summit on Sustainable Development, the state of international cooperation on technology transfer will be a high-priority topic.
2. UNIDO's mandate is uniquely suited for a key role on technology transfer.
3. UNIDO therefore – together with other suitable players (international organizations, business NGOs, private business, interested governments, academia) – proposes to mobilize a special effort to assess needs in the area of technology transfer and to promote focused action to address the needs identified.
4. This initiative – to be launched at Johannesburg - would combine a well-founded assessment report on the topic with a global, regional and sectoral outreach effort. The assessment report would be elaborated under the responsibility of an independent editorial board.
5. The outreach effort would build multi-stake-holder alliances to promote action to address the needs identified.
6. Since the initiative is to be launched at Johannesburg, the next nine months can be used to build a strong coalition to carry forward the initiative in the years following Johannesburg, as part of the implementation process and guided by the outcome of the World Summit on Sustainable Development.
7. Reactions from various stake-holders who have been consulted informally have been encouraging.
8. The general response being positive, UNIDO is moving to define the parameters of the initiative in a more specific manner.
9. The following ideas are being entertained and feed-back is welcome:
 - The assessment report might be sub-divided into UN-regions (or, if warranted sub-regions) and corresponding outreach-processes in the regions or sub-regions would seem desirable;
 - In terms of organizing principle the main environmental and social problems identified for a given region through authoritative documents (such as UNEP's Global Environmental Outlook, or the Report on the World Social Situation, or the Development Report etc.) could be taken as point of departure;

- Three or four burning issues for each region could be chosen and it could be examined how technology transfer could alleviate the problem; which kinds of technology would be needed; how the transfer processes would need to be done in order to yield optimum results, etc.
- At this stage sight, it appears that the assessment report should look at the regional (or subregional level), perhaps with some national examples. The report could be complemented with a handbook (or a series of handbooks) for technology transfer issues at the company level and with a training component;
- The initiative should have a strong South-South dimension;
- Introductory parts of the assessment report would summarize the state-of-the-art thinking on how technology transfer, up-take, adaptation and innovation in general happen and what is required to promote these phenomena on the side of those who transfer the technologies and on the side of those to whom the technologies are transferred.

Next Steps

10. A first version of terms of reference for the assessment report and outreach process will be drawn up (Desirable Deadline: **end of January**);
11. This version will be discussed with potential partners; once agreement with the partners is found, the search for a suitable editorial board would begin and the funding would be sought (Desirable Deadline: **March/April**).
12. The editorial board would be asked to do a more detailed outline for the assessment report (Desirable Deadline: **May**).
13. Once that outline is done, the outreach process would be organized in cooperation with the regional commissions and other suitable entities; funding for the individual events of the outreach process would have to be found (Timeframe: **May-August 2002**)
14. The Initiative (assessment report and outreach process) is launched at Johannesburg and implemented in the years to come.

UNIDO encourages feedback on the outlined initiative. Please address your comments, queries or suggestions to

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Annex 4: Countries with UNIDO integrated programmes

Algeria, Armenia, Burkina Faso, Bolivia, Brazil, Colombia, Côte d'Ivoire, Cuba, Egypt, Eritrea, Ethiopia, Ghana, Guatemala, Guinea, Honduras, Islamic Republic of Iran, Jordan, Lao People's Democratic Republic, Lebanon, Madagascar, Mali, Morocco, Mozambique, Nepal, Nigeria, Pakistan, Palestine, Russian Federation (Federal), Russian Federation (Moscow Oblast), Russian Federation (St.Petersburg), Russian Federation (Bashkortostan), Russian Federation (Komi), Rwanda, Saudi Arabia, Senegal, Sri Lanka, Sudan, Tajikistan, Thailand, Tunisia, Uganda, United Republic of Tanzania, Uzbekistan, Yemen.

Annex 5: Short description of UNIDO's activities

The United Nations Industrial Development Organization (UNIDO) helps developing countries and countries with economies in transition in their fight against marginalization in today's globalized world. It mobilizes knowledge, skills, information and technology to promote productive employment, a competitive economy and a sound environment.

UNIDO is responding to the challenge of sustainable industrial development by serving as a global forum and providing technical cooperation services. In its global forum function, UNIDO generates and disseminates knowledge relating to industrial matters and provides a platform for the various actors to enhance cooperation, establish dialogue and develop partnerships. As a technical cooperation agency, UNIDO designs and implements programmes to support industrial development efforts.

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