

Statement by Mr. Jan Kubis, Executive Secretary of the UNECE,
to the UNIDO General Conference
Vienna, 7 December 2009

Mr. Chairman,
Mr. Director-General,
Distinguished delegates,

It is a great pleasure and honor to address this 13th session of the General Conference of UNIDO where you will in particular discuss crucial issues relating to the global economic recovery and the greening of industrial development. This is particularly topical and timely in view of both the impact of the financial and economic crisis, and the uncertainty relating to the outcome of the Copenhagen Conference on Climate Change.

UNIDO and the UNECE not only share such major concerns but also, in order to address them as well as other challenges, have a number of common strategic directions such as the promotion of norms and standards, the partnership with the private sector, the support to a competitive sector and the importance attached to sustainable development. We also appreciate the fact that UNIDO has long been an active partner of countries of Eastern Europe, Caucasus and Central Asia.

Based on such commonalities of views and work directions, I would like to highlight a number of areas of activities where cooperation between our two organizations could be further developed.

The development of norms facilitating trade is one of these areas. An integral part of a country's productive capacity is the capacity of its business sector to comply with technical regulations in force on their main export markets. With traditional barriers to trade – such as tariffs and quotas – being progressively eliminated, this capacity is becoming a key factor of success.

The UNECE is itself a normative organization, developing recommendations and standards that are used not just in our region but throughout the world. One illustration is the UNECE agricultural quality standards, used internationally by Governments, producers, traders, and international organizations to promote high-quality production, increase profitability and protect consumers. UNIDO also plays a key role in standard setting, for example as regards the quality infrastructure that countries need for assessing compliance with technical norms.

In this regard, the partnership between UNIDO and UNECE on the normative aspects of trade could deliver important results and be extended to new areas, especially: 1) market surveillance; and 2) risk assessment and management.

Market surveillance is the main regulatory response to ensure that products placed on the market, whether imported or produced locally, conform to national technical regulations. As such, it plays a vital role in stopping the proliferation of dangerous and counterfeit goods, which not only pose a serious threat to human health and to the natural environment, but also determine local industry. UNECE developed best practice in this area for a number of years and is a natural partner for UNIDO's network of national offices that are present in the local markets and understand the challenges.

Risk assessment and management is a basic element in defining technical regulations and in ensuring their implementation. At UNECE, we are in the first phases of a programme to better understand how risk assessment and management tools can assist regulatory authorities, including market surveillance authorities. Here again, we believe partnership with UNIDO would be useful as the work takes shape and moves forward.

Another important area of common concern is the support to sustainable energy. A global consensus seems to be growing that energy efficiency is the most effective method of mitigating climate change. This is because there is a vast potential for efficiency improvements to reduce CO₂ emissions which can be implemented very quickly, cheaply and reliably. In this regard, the UNECE has developed a programme on the formation of an energy efficiency market in Eastern Europe and Central Asia so that cost-effective investments can provide a self-financing method of reducing global greenhouse gas emissions through its Energy Efficiency 21 Project (EE21). Dedicated financial instruments have been promoted for this purpose, such as the European Clean Energy Fund (ECECF) raised by SwissRe / Conning and Company under a mandate of the EE21 Project. By the end of 2009, over 60 percent of the ECECF had been committed to clean energy investment projects in Europe.

Within this framework, a specific sub-project called 'Financing Energy Efficiency Investments for Climate Change Mitigation' operates in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Republic of Moldova, Romania, Russian Federation, Serbia, the former Yugoslav Republic of Macedonia and Ukraine. This is largely supported by the United Nations Foundation (UNF), the Global Environment Facility (GEF), the French GEF (Fonds Français pour l'Environnement Mondial) and the European Business Congress. The EE21 Project also has sub-projects on new and renewable energy sources in the Russian Federation and the countries of the Commonwealth of Independent States (CIS) as well as the Global Energy Efficiency 21 Project which seeks to promote energy efficiency trade and cooperation through the four other Regional Commissions of the United Nations system.

In view of these activities on our side and the large programme of UNIDO on energy efficiency in Eastern Europe and the Newly Independent States, there is room for a substantial cooperation between our two organizations - in particular on the development of energy efficiency and renewable energy investment project proposals in Central Asian countries. UNIDO experts could also participate in energy policy seminars and workshops associated with the EE21 project. Finally, UNIDO would be most welcome to participate in the Global Energy Efficiency 21 Project either directly or through UN Energy and in particular in the first session of the Ad Hoc Group of Experts on Global Energy Efficiency 21 to be held on 2-4 March 2010.

Furthermore initial contacts have been made for cooperation between ECE and UNIDO on improving energy efficiency and reducing greenhouse gas emissions through the promotion of modern biomass energy systems. In a region where most countries remain heavily dependent on imported fossil energy (take the western Balkans, for example, where imported energy accounts for between 65% to 85% of total energy needs), there is huge scope to support the development of renewable energy, especially woody biomass. This would bring economic, social and environmental benefits, reducing negative trade balances, boosting employment in fragile rural areas thereby reducing poverty and cutting back on greenhouse gas emissions, to mention but a few. Wood faces a big challenge in overcoming negative perceptions and being

taken seriously as a fuel for the future and not a fuel of the past. The rewards are there to be reaped.

In the field of environment *per se*, the UNECE undertakes Environmental Performance Reviews (EPRs) in countries with transition economies. An EPR is an independent, external evaluation of the performance of a country in reducing its overall pollution burden, in managing its natural resources, in integrating environmental and socio-economic policies, in adjusting and in implementing its environmental policies and strategies, and finally, in strengthening the international cooperation. Each chapter of the EPR is covered by an international expert. To ensure the quality of the report and to guarantee that the recommendations are well-targeted and country specific, the EPR team is intentionally made up of experts with diverse backgrounds: Governments, international organizations and private consultants.

In this framework, UNIDO could contribute with its expertise to a particular chapter of an EPR such as on international cooperation and/or the chapter on compliance and enforcement of environmental legislation. The focus could be on the Conventions for which UNIDO has activities in the reviewed countries such as those financed from the Montreal Protocol Fund or it could be related to UNIDO projects to assist countries in the formulation of the National Implementation Plans to eliminate POPs and reduce the hazardous effect of the most toxic chemicals to the environment in line with the Stockholm Convention.

The housing sector is one of the priority areas with regard to energy efficiency in the UNECE region – not only because it consumes a large amount of energy (up to 50 percent of total final consumption in individual member States in some of the recent years), but also because it remains remarkably wasteful. While the state of existing technology provides a high potential for drastically reducing energy use in housing, the sector currently maintains outdated inefficient practices, and is one of the drivers of high levels of energy consumption. This means that at the time being, the penetration of efficiency technology in housing is low and much of the related business potential is untapped. In a recent study on “Green Homes”, UNECE has outlined the economic, social and environmental impacts of high energy consumption in the housing sector and considered current policies, solutions and barriers to effective policies in this respect. In particular, it discussed policy responses that Governments should develop.

The study serves as foundation for the development of an Action Plan for Energy Efficient Housing in the UNECE Region. This Action Plan is a practical tool which aims to allow countries to seize the opportunities that energy-efficient housing offers in mitigating climate change. In view of the work of UNIDO on promoting energy efficiency in all sectors, I would like to invite your organization to provide comments to the Action Plan and actively participate at the High Level Meeting of the ECE Committee on Housing and Land Management in September 2010. Modalities for joint work could be considered, if appropriate, to assist countries of EECCA and SEE in the implementation of the Action Plan once adopted.

Finally, the UNECE's has also a programme focusing on policy, financial and regulatory environment conducive to economic growth, innovation, knowledge-based development and higher competitiveness of countries and businesses in the UNECE region. More specifically, the main thematic areas of the subprogramme are: 1) innovation and competitiveness policies; 2) entrepreneurship and enterprise development; 3) financing innovative development; 4)

promoting public-private partnerships; 5) commercialization and protection of intellectual property rights.

In these areas, we provide a forum for high-level international policy dialogue and exchange of experience and good practices. These collaborative efforts are mostly oriented towards the development of practical solutions (such as practical guidelines, policy recommendations, toolkits, etc.). Both the thematic orientation of this subprogramme (towards the knowledge-based economy) and its geographic focus (mostly towards the countries with economies in transition) provide opportunities for cooperation between the UNECE and UNIDO. In particular, we see a scope for possible future cooperative efforts in technical cooperation activities aimed at raising the national capacity of those countries in areas such as: 1) support to the diffusion of innovation and new technologies; 2) assessment of national innovation systems and competitiveness; 3) policy support for competitive industries; and 4) support to enterprise development and entrepreneurship.

We could, for example, consider the possibility of organizing jointly capacity building activities and joint country studies with a view to disseminating best practices, exchanging experiences and formulating relevant policy recommendations. The Central Asian region can be a special focus of such activities.

In conclusion, our organizations share many common goals and it is incumbent on us to find ways in which we can cooperate and thus enhance our capacity to support a sustainable path of sustainable development in the European space and beyond.

I wish you every success in your deliberations.