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ASIAN GROUP'S STATEMENT
at the 13th Session of the UNIDO General Conference
in Vienna, 07 – 11 December 2009

delivered by
Ambassador Khurshid Anwar,
Permanent Representative of Pakistan to UNIDO

Mr. President,

Distinguished Heads of States and Governments,

Honourable Ministers and vice-Ministers,

Excellencies,

Worthy Delegates,

Respectable Ladies and Gentlemen,

1 I have the honour to deliver this statement on behalf of the Asian States in List A of Annex I to the Constitution of UNIDO, namely the Asian Group.

2 The Asian Group would like to express its sincere congratulations to you, Excellency Ambassador Ali Asghar Soltanieh, Permanent Representative of the Islamic Republic of Iran to UNIDO, on your election as the President of the current session of the General Conference. The Group extends its felicitations also to the other Officers of the Session on their election.

3 The Group avails itself of this opportunity to acknowledge the leadership of your predecessor, Ambassador Omar Zniber, Permanent Representative of the Kingdom of Morocco in successfully steering the work of the previous session of the General Conference.

4 The Group acknowledges the presence of Heads of States and Governments and high level dignitaries from several states at this session and extends to them a very warm welcome. This, surely, is a

manifestation of the importance of UNIDO in promoting and accelerating industrialization of developing countries.

5 The Group would like to acknowledge and appreciate the efforts put in by the Secretariat in making elaborate arrangements for this Session.

Mr. President,

6 In view of the multiple crises the world is faced with at this moment in history, this Session of the General Conference is taking place at an important juncture. Thus, while assuring you of our support and cooperation in the accomplishment of your work, the Group looks forward to meaningful and results-oriented deliberations under your leadership and guidance.

7 The Asian Group would like to express its views on agenda items 7 through 22 except 8, 14, 18, 19 and 20.

Agenda Item 7. Annual reports of the Director-General on the activities of the Organization for 2007 and 2008

1. The Asian Group commends the efforts of the Director-General and his staff for the well-presented and comprehensive Annual Reports for the years 2007 and 2008.
2. The Asian Group appreciates the continuing focus of the Organization on its three thematic priorities. The Group is satisfied to note the unprecedented levels of funds mobilization in 2007 and 2008. At the same time, the Group would encourage the Organization to enhance its technical cooperation delivery commensurate with the level of funds mobilized.
3. The Group welcomes the emphasis of the Director-General in his foreword to the two Annual Reports, that the core of UNIDO's work remains the reduction of poverty through sustainable industrial development and international industrial cooperation. Amidst the current global economic slowdown, encouraging the growth of industry in the fight against poverty has assumed an even greater urgency. The Group therefore invites UNIDO, with the support of the donor community, to undertake more programmes addressing poverty reduction.

4. To maximize the value of UNIDO's programmes, the Group encourages the Organization to continue and enhance its coordination and cooperation with the United Nations systems organizations, partner governmental institutions, international financial institutions as well as with bilateral aid agencies, private enterprises, civil society and academia.

5. The Group recognizes the reforms initiated by the Director-General including the organizational restructuring, streamlined business practices and results-based management (RBM), human resource management initiatives, and improving the capacity of field offices. The Group would like to see these reforms being instrumental in consolidating the positive achievements of the Organization.

6. The Group is confident that UNIDO's participation in the One-UN initiative will help advance the effectiveness, efficiency and impact of its programmes and projects. The Group appreciates the Director-General's dynamic leadership as the Chair of UN-Energy and hopes that this will help achieve greater coherence and efficiency within the UN family in the field of energy.

7. There have indeed been a number of accomplishments by UNIDO in 2007 and 2008 under its three thematic priorities. The Group urges the Organization to continue forging ahead to meet its mandate of accelerating and promoting industrial development in a world facing a number of crises and challenges.

8. The Asian Group looks forward to seeing a more productive UNIDO and an even better Annual Report for 2009.

Agenda Item 9. Forum on industrial development issues

1. The Asian Group takes note of the document GC.13/9 entitled Forum on Industrial Development issues. The Group would like to express its appreciation for the Secretariat's efforts in holding this Forum.

2. The Group is of the opinion that the document contains valid observations with regards to the needs of developing countries in tackling the effects of the global economic slowdown. The Group hopes that the Forum will strive to identify the best ways to address these challenges.

3. The Group notes with interest the theme of green recovery and believes that this Forum provides a good opportunity for important discussions. However, the Group would like UNIDO to remain seized of its other two thematic priorities as well, namely poverty alleviation through productive activities and trade capacity building.

4. The Group regards with value the discussions and exchanges at the Forum and hopes that its outcome and recommendations will be given due consideration while formulating UNIDO's programmes and projects. The Group underscores that the relevance of the Forum would only be justified if it adds value in enhancing UNIDO's Technical Cooperation delivery to Member States.

Agenda Item 10. Financial matters:

(a) Scale of assessments of Member States;

1. The Asian Group takes note of the document IDB.36/3 entitled Scale of assessment for the fiscal period 2010-2011.
2. Recalling General Conference resolution GC.10/Res.1, the Group encourages the Secretariat to undertake efforts towards bringing back former member states so as to minimise the variance between the UN and UNIDO scales of assessments.
3. The Group requests the Secretariat to keep Member States informed of its efforts in this regard through relevant documentation at the governing bodies' sessions.

(b) Financial situation of UNIDO;

1. The Asian Group takes note of the document GC.13/12 entitled Financial situation of UNIDO.
2. The Group takes note of the information that the regular budget's implementation as well as the assessed contributions' collection rates are comparable with the corresponding previous periods. With a view to undertaking all the activities envisaged in the programme and budgets, the Group urges the Secretariat to work towards realizing higher collection rates, which are achievable in view of the fact that collection rates in excess of 90% have been achieved in recent years.

3. The Group welcomes the information that 81 Member States, including 11 LDCs, have already made full payment for their assessed contributions for the year 2009, while partial payments have been received in respect of another 25 Member States, including 05 LDCs.
4. The Group appreciates that Afghanistan, the only country from Asian States in List A to have concluded a multi-year payment plan, has successfully completed payments under its plan and has settled all its outstanding assessed contributions.
5. The Group is disappointed to note that the number of Member States without voting rights has risen over the previous year. The Group is also dismayed to note that the amount of outstanding assessed contributions for prior years continues to remain above the Euro 100 million mark.
6. The Group appeals to all Member States having long-standing/large financial obligations to the Organization to consider benefiting from the modality of multi-year payment plan to settle their arrears. At the same time, appreciating its efforts towards this end, the Asian Group encourages the Secretariat to intensify its efforts to effect full payment of the outstanding amounts.

(d) Accounting standards;

1. The Asian Group takes note of the document GC.13/10 entitled International Public Sector Accounting Standards.
2. The Group thanks the Secretariat for provision of information on UN system-wide IPSAS project and the role of UNIDO.
3. The Group would like to recall that during the previous session of the General Conference, it expressed
 - a) support for effectiveness and cost efficiency in the process of implementation of the International Public Sector Accounting Standards (IPSAS),
 - b) expectation that IPSAS implementation would be within the timelines set in the Director General's Programme and Budgets Proposal 2008-2009.

4. The Group urges for the earliest possible completion of the IPSAS implementation project and gaining of the fully IPSAS-complaint status by UNIDO.

5. The Asian Group also requests the Secretariat to keep Member States informed of the progress in the matter at the respective sessions of the Policy Making Organs.

Agenda Item 11. Implementation of the medium-term programme framework, 2008-2011, including:

- (a) Regional programme for Latin America and the Caribbean;**
- (b) Regional programme for Africa;**
- (c) Arab regional programme; and**
- (d) Other regional programmes**

1. The Asian Group takes note of document GC.13/5 on the implementation of the medium-term programme framework, 2008-2011 and would like to reiterate its position as expressed on this agenda item during the 36th Session of the Industrial Development Board.

2. Under the thematic priority area of “poverty alleviation through productive activities”, the Group encourages UNIDO to continue promoting development of the private sector and agro-business, transfer of suitable modern technologies, and better access to energy for developing countries to advance the pace of their industrialization.

3. As regards trade capacity-building, the Group encourages UNIDO, while pursuing “Aid for trade” initiative, to increase technical cooperation activities by placing primary focus on technology and know-how transfer conducive, inter alia, to a diversification of production and an achievement of compliance with international standards.

4. With respect to the thematic area of “Environment and Energy”, the Group requests UNIDO, whenever possible, to give due consideration to the Manila Declaration on Green Industry in Asia in the formulation and implementation of new programmes and projects in all the Asian regions and the Arab region. The Group encourages UNIDO to explore avenues of cooperation with the newly established International Renewable Energy Agency (IRENA) while formulating its projects in the field of renewable energy.

5. The Group re-emphasizes the importance of South-South industrial cooperation and hence encourages UNIDO to promote and synergize the measures undertaken in this respect to optimize such cooperation.
6. The Group takes note of the activities carried out by UNIDO in terms of improving the industrial development in the Arab countries of West Asia. The Group requests the Secretariat to continue drawing on the recommendations of the regional Arab Round Table as adopted by the 12th session of the UNIDO General Conference in December 2007, and to supplement them with the outcome of the 2009 Arab Round Table.
7. The Asian Group urges UNIDO to enhance its technical cooperation activities in Central Asia with emphasis on productivity growth, industrial modernization and trade capacity building in the sub region. The Group requests the Organization to mobilize necessary financial resources for this purpose by intensifying dialogue with donors.

Agenda Item 12. Medium-term programme framework, 2010-2013

1. The Asian Group takes note of the document IDB.35/8 and Add.1 entitled Medium-term programme framework (MTPF), 2010-2013.
2. The Group understands the significance of MTPF as an important and flexible tool in providing UNIDO with a comprehensive and coherent programmatic framework for implementing its mandate. The Group expresses its appreciation to the secretariat for the formulation of the MTPF 2010 -2013.
3. The Asian Group takes note of the new format and structural innovations of the MTPF 2010-2013 which are aimed at introducing results-based management and strengthening its operational relevance for the biennial preparation of programme and budgets. The Group urges UNIDO to brief Member States at regular intervals on how these novel features benefit the Organization in tangible terms while implementing the MTPF 2010-2013.
4. The Group notes with appreciation the Organization's continued emphasis on strengthening strategic partnerships with both United Nations and non-United Nations entities to build greater synergies and enhance the impact of its programmes and activities.

5. The Asian Group takes note of the programme for Asia and the Pacific region in the MTPF 2010-2013, which presents the main challenges to be addressed in the region and UNIDO's response strategies. The Group is of the view that programmes and projects in the fields of agro-industry, technology transfer, and green industry are of special relevance to the region. The Group urges for the allocation of required resources for effective implementation of the Asia and Pacific regional programme. The Asian Group requests the Secretariat to arrange, at regular intervals, briefings to the Group on the implementation of its regional programme.

6. While welcoming the establishment of the new South-South industrial cooperation centres, the Asian Group encourages UNIDO to promote industrial South-South cooperation within Asia and between Asia and other regions in areas such as investment promotion, technology transfer and sharing of development experiences.

Agenda Item 13. UNIDO major conferences

1. The Group takes note of the document number GC.13/13, entitled "UNIDO major conferences" that furnishes information on the major conferences organized by UNIDO in the years 2008 and 2009.

2. The Group appreciates the thematic focus, geographical distribution as well as the level of participation in these conferences. The Group welcomes arrangement of several of these events in the region including those held in India, Cambodia, Bahrain and the Philippines. It is heartening to note that these conferences deliberated upon issues of importance to developing countries generating important proposals and recommendations.

3. The Group hopes that not only will there be a follow-up of these conferences but also that their outcomes will be taken into account in planning and implementing Organizational activities. The Group believes that greater and better technical cooperation in the field by the Organization should be viewed as the ultimate tangible benefit of these conferences.

4. The Group requests the Secretariat to formulate an appropriate research agenda on the basis of the principles outlined in documents GC.10/14 and GC.10/CRP.4 in order to provide an analytical and conceptual framework for its global forum and TC activities.

5. The Asian Group also encourages the Secretariat to continue undertaking such activities, in consultation with Member States, as are required to realize Organization's global forum functions. The Group recommends that the Member States be kept informed of their outcomes.
6. The Group would appreciate inclusion of this agenda item in the agenda of regular sessions of the general Conference.

Agenda Item 15. Cooperation Agreement with the United Nations Development Programme

1. The Asian Group takes note of the documents GC.13/CRP.1 entitled Joint terminal evaluation of the implementation of the cooperation agreement between the UNIDO and the UNDP, GC.13/6 entitled Cooperation agreement with the UNDP - Executive summary of the joint terminal evaluation as well as GC.13/7 entitled Joint management response to the joint terminal evaluation of the cooperation agreement with UNDP.
2. The Group would like to thank the joint terminal evaluation team for the accomplished mission and the useful findings and suggestions.
3. The Group takes note of the three over-arching findings highlighted by the joint terminal evaluation, which are:
 - a) The opening of the UNIDO Desks enabled the Organization to expand its field presence; contribute to the work of the United Nations country teams within the One-UN Initiative; and help respond to requests for assistance from countries where it previously had no field presence.
 - b) The expanded UNIDO field presence is increasingly important to the Organization and it can be achieved by using national staff.
 - c) The joint UNDP-UNIDO Private Sector Development Programme did not achieve the intended results, and is in large measure rendered less relevant in the context of system-wide efforts to achieve coherence and to deliver increasingly "as one".

4. The Group also takes note that the 2004 bilateral cooperation agreement between UNDP and UNIDO has become less relevant to the delivery of country-level technical cooperation, given the fact that since then there has been a significant enhancement in the UN system approach to country-level cooperation and coherence. Moreover, the mandate of the General Assembly resolutions has been in place, especially that related to the triennial comprehensive policy review (TCPR) of operational activities for development which further calls for system wide coherence among UN specialized agencies.
5. The Group takes note with appreciation of the recommendation by the joint evaluation team regarding the UNIDO desks. The Group also acknowledges the readiness of UNIDO and UNDP to continue consultation on ways to strengthen their collaboration.
6. The Group is of the view that UNIDO should undertake expansion of its field representation in a carefully planned, step by step approach, taking into account the recommendations of the joint evaluation team, and in consultation with Member States.

Agenda Item 16. UNIDO activities in agro-related industries and agribusiness

1. The Asian Group takes note of the document GC 13/14 prepared by the Secretariat and the Report of the President of the 36th session of the Industrial Development Board on its decision IDB.36/Dec.16.
2. The Group believes that UNIDO's activities in agro-related industries and agribusiness can make a large impact on the development of the countries in the region specially by addressing the problems related to food insecurity and poverty.
3. The Group welcomes the release of the book "Agro Industries for Development", a co-publication by the FAO, IFAD and UNIDO which was prepared as a follow up of the first Global Agro Industry Forum organised in April 2008 in New Delhi.
4. While noting with serious concern and disappointment the persistent lack of funding for the projects in the field of agro-industry, the Group urges the donor community to attach due importance to the sector in order to avoid future food crisis. The Group also expresses its support to Director General's proposal for creating the Trust Funds (the rationale

for which is explained in the document IDB.36/12/Add.1,chapter III A) which would enable the design of quality programmes and possibly resulting in a multiplier effect on actual TC delivery.

5. The Group hopes that UNIDO would continue to forge partnerships and work closely with FAO, IFAD, AfDB, IDB and other such organisations on the promotion of agro-related industries and agribusiness.

6. The Group believes that UNIDO's efforts in this field should result in the following benefits for the developing countries:

- a) Quality advisory services from UNIDO addressing the core issues detailed in the publication mentioned above;
- b) Scaling up of TC programmes and mobilization of funds for better TC delivery;
- c) Technology transfer and capacity building resulting in ownership of the development process by the beneficiary countries.

Agenda Item 17. UNIDO activities in the field of energy and environment

1. The Asian Group welcomes the inclusion of this item on the agenda of the current session of the General Conference as the discussions under this item would help UNIDO to refocus on its priorities within the field of energy and environment and also to underscore the need for a balance among its three thematic priorities in general.

2. The Group believes that UNIDO's efforts in this field should result in the following benefits for the developing countries:

- a) Increased access to modern energy supplies, especially based on renewable energy for supporting the development of productive capacities;
- b) Improvement in efficient use and management of energy, natural resources and materials by transfer and deployment of new energy efficient technologies;
- c) Implementation of programmes involving changes in product design and technology which maximize the reuse and recycling of waste materials;

- d) Technical assistance in the implementation of international environmental agreements.

3. The Group appreciates the Secretariat's efforts in organising the conferences in the field of energy and environment in 2009 and encourages it to ensure proper follow up on these so that the Member States could see the direct advantages emanating out of holding these conferences.

4. The Group welcomes the "International Conference on Green Industry in Asia: Managing the Transition to Resource-efficient and Low-carbon Industries" that was hosted by the Government of the Philippines and co-organized by UNIDO, UNEP and UNESCAP from 9 to 11 September 2009 in Manila. The Group looks forward to the Secretariat's plan to carry out the actions contained in the Declaration and the Framework of Action adopted by the Conference.

5. The Group hopes to see better cooperation and coordination of UNIDO with other recognised International organisations active in the field of energy and environment in order to create synergy among their respective actions and to avoid duplication of efforts.

Agenda Item 21. Matters related to intergovernmental, non-governmental, governmental and other organizations

1. The Asian Group takes note of the document GC.13/11 entitled "Matters related to intergovernmental, non-governmental, governmental and other organizations".

2. The Group expresses its satisfaction at the review undertaken by the Secretariat of the cooperation status between UNIDO and about 200 intergovernmental, non-governmental, governmental and other organizations.

3. The Group takes note of the low (i.e., less than 20%) response level from these organizations and is surprised to note that some of the organizations are not traceable. In view of the revealing results of the review, the Group suggests that similar reviews be undertaken periodically to enable Member States' deliberations and possible decisions on the matter.

4. The Group would like the Secretariat to consider possible ways of benefiting from the agreement/consultative status of these organizations for the purpose of enhancing UNIDO's visibility.

Agenda Item 22. Appointment of the Director-General

1. The Asian Group would like to extend its heartiest congratulations to Dr. Kandeh K Yumkella on his appointment as the Director-General of the United Nations Industrial Development Organization for a second term.

2. During his first term of office, Dr. Yumkella served the Organization with distinct dynamism and vitality. He has introduced important reforms and policies in the Organization aimed at making it a more effective, efficient and useful Organization for the Member States.

3. The Group believes that his re-appointment, a manifestation of the trust which all the Member States repose in his leadership, would contribute towards further strengthening UNIDO for the greater fulfilment of its important mandate.

4. The Asian Group would like to assure Dr. Yumkella of its full support and cooperation in accomplishment of his assignment and wishes him success in his second term.

Thank you Mr. President
