

Statement of the Prime Minister of Montenegro, Mr. Željko Šturanović, at the 12th session of the General Conference of UNIDO, Vienna, 3 December 2007

Mr. Director-General Yumkella,
Excellencies,
Ladies and Gentlemen,

Allow me to first express my pleasure at the opportunity to speak on behalf of Montenegro at such an important juncture and on such an important occasion. Let me recall, this is the second time that a senior Montenegrin official is a guest of UNIDO at a General Conference. Last year, when Montenegro became a member of UNIDO, it was the President of Montenegro and this year I have the honour to share with you our views and assessments in regard of some topical issues of global importance. It is indeed important in this regard to hear the voice of small nations, of small systems that can be highly successful, dynamic and vital even in a time of global economy.

The ongoing global economic developments are such to make us all, big and small, rich and poor, interdependent, inseparably intertwined as we face the same problems and tasks. The issues of climate change, depletion of natural resources, environmental pollution, need for new energy sources and the so-called clean production are indeed topical since we are now addressing them for the first time in a serious and comprehensive fashion, but they are related to the fundamental human values, while determining our survival. Hence the situation we are in calls for new

responses, a different technology and co-operation among nations.

At a time when the oil price at the world market is nearing 100 dollars per barrel and the ozone layer is dangerously threatened due to emissions of poisonous gases into the atmosphere, new technologies and new energy become a matter of survival, rather than choice. Perhaps nowhere like in this field can we realize how interdependent we all are, vulnerable or strong together, depending on the direction that our present and future efforts will take in our search for solutions to the energy challenges.

Economic development is bringing a growing awareness that development is intrinsically linked to the environment in which we live and that excessive industrialisation has a disastrous impact on it. That is why investment into sustainable energy projects has more than doubled globally in the past two years: namely, from 27.5 billion dollars in 2005 to 70.9 billion dollars in 2006, while forecasts for this year go beyond 85 billion. At the same time, as you know, the European Commission has adopted a renewable energy promotion strategy aimed at increasing to 20% the share of these sources in the total EU energy mix by 2020.

This situation doubtless calls for new modes of co-operation and closer links in regional and global terms. This implies a network of different stakeholders: the government and the NGO sector, big companies and specialized international organisations. UNIDO is an important global player in this field. It is unavoidable when it comes to the implementation

of the Montreal Protocol or of projects backed by the Global Environmental Fund (GEF).

The importance of the UNIDO and its role in the field of energy is reaffirmed by the recent decision under which the Director-General of UNIDO, Mr. Kandeh Yumkella, will take over on 1 January 2008 the chairmanship of the UN-energy body. This body brings together experts and senior officials of different organisations from the UN family. I should like to take this opportunity to congratulate the Director-General on this appointment and wish him success in his efforts in co-ordinating a comprehensive response of UN agencies to the energy supply and production challenges. We all know how important this issue is today at a global level.

The relevance of UNIDO is not in our view limited to these fields. Drawing on its forty-year-long experience, this Organisation has ample opportunities to develop different projects in the field of production and food quality control, clean industry, renewable energy, enhancing competitiveness of the economies of developing countries, and so forth. Continuing to maintain its universal character of a specialized UN agency, UNIDO is relevant not only for the developing countries, but it can also provide an invaluable assistance to countries in transition such as Montenegro.

Ladies and Gentlemen,

Montenegro is a young and a small nation, which is facing, as part of the global developments, the same or similar

challenges in defining directions of its future economic development. Under her Constitution Montenegro is defined as an ecological state, which for us implies an additional obligation to give a particular attention to the issues of sustainable development and environmental protection.

In the post-independence period the socio-economic situation in Montenegro has been characterized by political stability and fast economic growth, with tourism as the main engine of overall economic growth. Montenegro has been the leader in the region in terms of foreign direct investment per capita and the GDP growth for the first 9 months of this year has been 7.1%. A number of parameters indicate that the tendency of fast economic growth will continue in the next year, too. In addition to this, Montenegro has recently signed the Stabilization and Association Agreement with the EU, which opens new development prospects for us and implies new tasks. Full-fledged EU membership is one of the main goals of our foreign policy and our economic development .

On this road Montenegro needs to address a number of pending tasks: revitalizing the economy, adopting the necessary regulations and implementing the stringent EU standards, tackling the issue of energy supply and of diversification in energy production, strengthening production of organic food, developing an enhanced tourist product and so forth.

In view of this, we believe that there is room for a successful co-operation between Montenegro and UNIDO. Projects that are being implemented and promoted by UNIDO are fully

in line with the ideas and the development strategy of Montenegro and can also be useful on our European integration road. Montenegro has been stressing its wish to work together with UNIDO and other international players, as well as other South East European countries in creating an economically sustainable, biologically healthy and clean environment that should be the hallmark of this region. Conscious of their value, we have supported a series of UNIDO projects that are to be implemented in our region: starting from the food quality control, protection against industrial pollution, reduction of pollution of water resources and so on.

When we talk of bilateral co-operation, given our size, comparative advantages and competitiveness, as well as the challenges that we are facing, Montenegro stands ready to develop specific pilot projects with UNIDO. My country and UNIDO are not acquaintances that met yesterday. I will take this opportunity to highlight just a few projects in which UNIDO and Montenegro have been co-operating closely:

In view of the obligations resulting from the Montreal Protocol on Reduction of CFCs that affect the ozone layer, UNIDO has in co-operation with the Government of Montenegro successfully conducted a technology conversion project at the company "Obod", which is the only manufacturer of refrigerators and freezers in our country. The introduction of the new technology means compliance with high environmental standards and a greater competitiveness of the company and its products.

Another example of technical co-operation is the ongoing UNIDO technical assistance with a view to setting up a National Cleaner Production Centre in Montenegro.

The energy supply issue is one of the greatest challenges for Montenegro at this juncture. Montenegro on average has a shortage of one third of electric power, which incurs an annual cost of 60 million dollars. Speedy economic growth driven by the development of tourism and the service sector, as well as development of agriculture and other industrial sectors is just fuelling the demand for energy, placing this issue into the focus of our development strategy. In view of the aforementioned arguments Montenegro wants its energy development strategy based on modern principles of sustainable development. At this time UNIDO is providing technical assistance to the Montenegrin Government with formulating and elaborating a National Energy Development Strategy for Montenegro with an accompanying Action Plan for its implementation.

These three examples show the scope for joint action that lies ahead. It is up to us to put in place such a co-operation that will benefit Montenegro, speed up our progress towards the EU and allow UNIDO to demonstrate its valuable guidance and expertise in the areas that have a global impact. We would like to assure you once again that in this regard you will find Montenegro a reliable and whole-heartedly supportive partner.

Thank you.