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**Swedish Presidency of
the European Union**

**Statement by Sweden on
behalf of the European Union**

United Nations Industrial Development Organization

**UNIDO General Conference,
13th session,
7-11 December 2009**

FINAL VERSION- Check against delivery

Thank you, Mr Chairman,

1. I have the honour to speak on behalf of the European Union. The Candidate Countries Turkey, Croatia, the Former Yugoslav Republic of Macedonia, the Countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, Montenegro, Serbia, as well as Armenia, the Republic of Moldova and Ukraine associate themselves with this statement.
2. At the outset, we would like to reiterate our strong support to the Director General of UNIDO, Dr Kandeh Yumkella, and that we fully endorse the recommendation of the 36th Session of the Industrial Development Board to re-appoint Dr Yumkella for a second period. In our view, Dr Yumkella is doing excellent work as the Director General for UNIDO and we look forward to continuing to cooperate with him for the next four years.
3. Industrialization is an essential driver of sustained economic growth, sustainable development and poverty eradication in developing countries and countries with economies in transition, including through the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process.
4. The EU stresses that eradicating poverty, particularly in Africa, is one of the greatest global challenges facing the world today. Special and sustained



attention is also needed to support post-conflict countries in their rebuilding and development efforts.

5. The European Union has agreed to provide, collectively, 0.56 per cent of GNP for ODA by 2010 and 0.7 per cent by 2015. As the largest donor, we reaffirm the essential role that ODA plays, as a complement to other sources of financing for development, in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals.

Energy, environment and climate change

6. Mr Chairman, the European Union has recently initiated a discussion regarding opportunities for new approaches that the economic and financial crises is presenting, such as green recovery and new technologies for low-carbon growth, by shifting to an Eco-efficient Economy. By this we mean a safe and sustainable low carbon, resource-efficient economy, based on sustainable production and underpinned by more sustainable life-styles, using fewer natural resources and with a less negative impact on the environment. The Eco-efficient Economy is recognition of the fact that issues of economic development, environment and energy are intrinsically linked to each other.
7. The objective of facilitating a transition into an eco-efficient economy also aligns itself very well with the theme of the Forum of this year's General Conference as well as with the Round Table discussions this week.
8. The EU, jointly with the G77, proposed to add the item on "Energy and Environment" to the agenda of the current Session of the General Conference in order to open a constructive debate among different Regional Groups to encourage UNIDO to continue its activities in this field along the lines agreed by all Member States. In this regard, we take note of document GC13/18 UNIDO Activities in the Field of Energy and Environment. Hopefully the debate will finally reach a successful conclusion with the adoption of a



Resolution, which is the result of joint work between the EU and the G77 and supported by Japan and Norway.

9. The EU believes that UNIDO should continue to assist beneficiary countries in promoting awareness of cleaner, resource efficient and sustainable low carbon systems of production and to foster the use of renewable energy sources as well as sustainable and clean industrial technologies. In this regard, the EU would like once again to emphasize the important contribution of renewable sources of energy in the efforts to fight climate change, while significantly addressing concerns with energy access and increased energy security.
10. The EU welcomes the collaboration with GEF and the UN Framework Convention on Climate Change. We recognize the need for the Organization to make all necessary efforts in order to accelerate the implementation of the initiatives financed by the Global Environment Facility (GEF), and to intensify discussions on co-financing, both with beneficiary countries and all possible Donors and multilateral funding institutions.
11. The EU would like to congratulate UNIDO for again being the highest performing implementing Agency of the Montreal Protocol in 2008. We also encourage UNIDO to give further contribution to climate change policy objectives, fostering the climate benefits of its activities, also exploiting the increasing funding opportunities available, including the carbon market mechanisms, for the global fight to climate change.
12. The EU would also like UNIDO to make full use of the Investment and Technology Promotion Offices, the National Cleaner Production Centres, the International Centre for Science and High Technology and the Renewable Energy Observatory for Latin America and other field offices, in particular to facilitate the access of beneficiary countries to the appropriate advanced technologies. The National Cleaner Production Centres should be used to foster sustainable bio-energy and to enhance the capacity to shift from



traditional to modern bio-energy; while ensuring that they do not affect food security.

13. In order to improve efficiency and maximise results the EU encourages UNIDO to coordinate and strengthen its cooperation through Agreements or Joint Working Programmes in the implementation of projects and initiatives, within UN Energy and with other international organizations in the field of energy and environment.

14. We note with satisfaction that under the able chairmanship of Dr. Yumkella a number of important conferences have been held that we believe have contributed to the promotion of system-wide cooperation in the area of energy. We look forward to receiving more information on the outputs and follow-up activities of conferences contributing to UNIDO's objectives for Global Forum Activities. The EU reaffirms its support for the Director General in his role as the chairman of the inter-agency mechanism UN-Energy. In this respect, the EU looks forward to having more information about UN-Energy initiatives, with special reference to best practices and joint programmes in energy-related activities.

Trade

15. Let me say a few words about trade. Although trade has been an integral part of UNIDO's agenda since 2005, trade related capacity building has not been a major topic in UNIDO-meetings and conferences during the last year. Maybe this is a reflection of the smooth developments of UNIDO's operations in this field, and the fact that there have been other crucial current themes to discuss such as food, finance, energy and budget related matters. Nonetheless, the development of productive capacities for trade and the capacity of women and men producers in poor countries to make use of trade for their own economic development continues to be an essential part of the development equation. Trade Capacity Building to access international markets, associated to other essential policies, such as technology transfer



and investment promotion, can actually play a crucial role in assuring the long term sustainability of UNIDO interventions along entire value chains. It is an area that the EU attaches great importance to and the cooperation between the EU and UNIDO is accordingly close and substantial in this area.

16. UNIDO plays a significant role in the multilateral system in assisting developing countries' trade opportunities both in terms of strengthened supply side and as regards capacity to live up to technical and sanitary standards. Important achievements were made this year. UNIDO reported that it is one of the biggest providers of trade related capacity building in the UN-system and after many years discussion, UNIDO could take the welcome step to become a partner in the Integrated Framework for trade related technical assistance to Least Developed Countries. The fact that UNIDO hosted the LDC-conference which focused on trade is also an example of UNIDO's engagement and importance for these issues and for the poorest countries.

Agro-industry

17. The facilitation of technology transfer in the field of agro-industries forms an important part of UNIDO's work, and the European Union believes it should continue to do so.

18. It should also be acknowledged that many other areas of UNIDO's work are of great relevance to the development of agro-industries, and that agro-industries have an important role in terms of poverty reduction. In fact, the majority of services provided by UNIDO in all of its three thematic priority areas are oriented towards the promotion and development of agro-industries which represent the core business of most developing countries.

19. The EU therefore welcomes UNIDO's intention to strengthen its capacity to provide high-level advisory services in the field of agro-industry to Member States, based on its successful programmatic activities and global forum functions. In doing so, UNIDO should concentrate on activities in which it has



a comparative advantage and, in particular, on the upgrading of the factors of production along entire value chains, thus contributing to the generation of additional job opportunities and to the creation of wealth.

20. The EU strongly supports a comprehensive approach to food security and the fight against hunger. In order to ensure that UNIDO focuses its efforts in alignment with broader international efforts in this area we encourage the Organisation to continue to cooperate with UN bodies that are mandated to promote agricultural development, in particular FAO and IFAD.

21. We would also like to express our appreciation for the way in which the Secretariat has organized informal consultations on the topic of agro-industries. We encourage the Secretariat to continue with this practice, and to extend it also to other branches of UNIDO's work, as it has proven useful for Member States to understand the complexities of various programmes. The EU looks forward to seeing the results of this reflection translated into strengthened effectiveness and impact of UNIDO technical assistance in the field of agro-industry.

Gender equality

22. Mr Chairman, integrating a gender perspective is a key component of the core values and development policies of the European Union. Gender mainstreaming is more than a matter of equity, democracy and justice. It is a well documented fact that empowerment of women brings a number of development gains. Sustainability of development interventions in areas such as economic well-being depend on active participation of women. We therefore appreciate UNIDO's emphasis on economic empowerment of women. We would also like to ask the secretariat to keep the Member States updated about how it intends to cooperate with the new Gender Entity, which the UN General Assembly decided to establish earlier this year.



UN reform and delivering as One

23. The EU has always been a strong advocate of the UN reform process. We take note of the statement from the Kigali meeting in October on Delivering as One calling on UN organisations and their governing bodies to support reform processes and work to realise change where possible, including in simplifying reporting. We welcome the proactive stance taken by the Director General and his staff aimed at advancing System Wide Coherence. Our experience has been that System Wide Coherence requires leadership from the highest levels in the UN system for it to work and we are calling on the Director General and his staff to continue to use their influence to make UN reform a success. We further welcome the UNIDO contributions in the framework of the Chief Executive Board for Coordination to climate change initiatives in collaboration with the UN Department of Economic and Social Affairs. In this regard the EU strongly supports UNIDO and UNEP efforts to expand and strengthen their National Cleaner Production Centres that facilitate the adoption and diffusion of cleaner production technologies in developing countries.
24. In the context of One UN reforms, we note the progress that UNIDO has made to comply with the International Public Sector Accounting Standards (IPSAS). According to the progress report of the secretariat, UNIDO will achieve full IPSAS compliance during 2010. This will signify an important component in UNIDO's contribution to the "Delivering as One"-agenda.
25. The early phase of the UN Delivering as One Initiative has been focused on planning and programming. The EU is aware of the fact that when moving towards the implementation phase, challenging obstacles may appear. In this respect it is important that the lessons learned from the pilot countries are well taken into consideration. We concur with the assessment that UNIDO will have to set up clear priorities, streamline its business practices and raise staff productivity to be able to cope with the increasing amount of requests for programming support from the field. The EU supports activities of UNIDO in addressing these challenges and appreciates the timely information provided



by the organisation on the progress towards system wide coherence achieved. Two key priorities in 2010 on Delivering as One are the country led evaluations of the pilot country programmes and the establishment of a new Gender Entity. We encourage UNIDO's engagement with both processes. In order to continue to provide support to UNIDO in this area the EU is keen to know what are UNIDO's key priorities in this area in 2010 especially on the harmonisation of business practices and in ensuring adequately skilled staff to respond to the demand for technical input on UNIDO related business.

26. The EU takes note of the information provided in the joint terminal evaluation of the cooperation agreement between UNIDO and UNDP and encourages the Director General to replace the existing cooperation agreement with a memorandum of understanding.

Results based management

27. The EU continues to underline the necessity of implementing Result Based Management, RBM, throughout UNIDO. This is crucial for a targeted and effective delivery of development assistance, and is also a necessity for cooperation with other UN agencies, key partners and donors. We commend Dr Yumkella and his staff for their on-going efforts to streamline working practices, simplify and increase the effectiveness of its business processes, and improve decision making, transparency and accountability within the organisation. We encourage UNIDO to continue the efforts to develop indicators for easier follow up of results achieved both at project level as well as regards the contribution to UNIDO's overarching objective.

28. In this context, we also welcome the new and user friendly format of the Medium Term Programme Framework for 2010-2013. Its alignment with UNIDO's budget and the introduction of an aggregate results matrix represent steps in the right direction.

29. Mr. Chairman, finally I would like to say something about an issue that has



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received much attention, and rightly so, in the preparations before the General Conference, the Change Management proposal initiated by the Director General. In this regard we thank Ambassador Böck for his tireless efforts to try to reach a consensus decision on the way forward on this issue. The EU believes that the feasibility study on Change Management includes some important findings as regards possibilities for real improvements in UNIDO's project cycle process, monitoring of results, budget structure and procurement as well as systems for human resources and IT. The EU has a great interest in changes that improve the results and increase the efficiency of UNIDO's operations. We hope that these changes can be carried out and that UNIDO can continue to develop and become even more relevant and efficient in its support to beneficiary countries efforts to promote their industrial development in a sustainable way.

Thank you very much for your attention.