

**Statement of the Asia and Pacific Group
at the 40th Session of the UNIDO Industrial Development Board,**

Vienna, November 20-22, 2012

**Delivered by HE Ambassador Rachmat Budiman,
Permanent Representative of the Republic of Indonesia**

Mr. President, (H.E. Ambassador Balázs CSUDAY, PR of Hungary)

1. I have the honour to speak on behalf of the Asia and Pacific Group in the UNIDO. The Asia and Pacific Group congratulates you on your election as the President of the 40th Session of the Industrial Development Board. The Group would also like to congratulate the other members of the Bureau. We are confident that under your able guidance and with your excellent skills and experience, you will guide the work of this Board to a fruitful conclusion. The Asia and Pacific Group assures you of its fullest cooperation in this regard.
2. The Group would also like to convey its appreciation for the opening statement by the UNIDO Director General, Dr. Kandeh Yumkella, and thank the Secretariat for the preparation of the documents for this meeting. The Group would also like to thank the Director General for the Annual Report for 2011. The Asia and Pacific Group will make statements on Agenda items 3, 4, 7, 8 and 11 in the course of discussions on each item.

~~Thank you Mr. President.~~

Agenda Item No. 3

Report of the Director General for 2011 on the activities of the Organization.

Mr. President,

1. The Asia and Pacific group takes note of the document IDB.40/2 regarding the 2011 Annual Report of the Director General of UNIDO and commends the Secretariat for its preparation. The Group appreciates the performance of the Organization in achieving an increase of project portfolio amounting to \$448.8 million in 2011, which shows an increase of \$63.3 million over 2010. The Group expresses its support for UNIDO's continued efforts in promoting sustainable industrial development in its member countries, and hopes that the Organization will continue to maintain its

effectiveness and efficiency in implementing its activities based on the three thematic programmes.

2. The Group is of the view that the joint efforts in eradicating poverty are also connected to the improvement of employment opportunities for women and youth. In this regard, the Group welcomes UNIDO's initiative in developing the entrepreneurial and industry related programmes that target women and young people. The Group wishes for similar programmes to be developed periodically in the whole area of the Asia and Pacific region, in order to create decent and durable employment opportunities through productive capacities.
3. The Group welcomes the establishment of the UNIDO Institute Capacity Building in October 2011, as one of the Organization's main instruments for building capacities in Member States for the design and effective management of the industrial development process. The Group is confident that this will not only help in producing better human resources for the Member States but will also help strengthen the imparting of training and capacity building in developing countries. The Group requests the Organization to provide more elaborate information regarding the aforementioned Institute, including the opportunities for the Member States to participate and to receive the optimal benefit from the establishment of this Institute.
4. Recalling the endorsement of the Green Bridge partnership programme by the Economic and Social Commission for Asia and the Pacific at its 6th Ministerial Conference on Environment and Development and by the Economic Commission for Europe at its 7th "Environment for Europe" Ministerial Conference, both of which were hosted by Kazakhstan, and referring to the outcome document of the United Nations Conference on Sustainable Development (Rio+20), entitled "The future we want", the Group has the pleasure to advise UNIDO to become a partner of the Green Bridge partnership programme.
5. Noting that the Green Bridge partnership programme and UNIDO's Green Industry initiative are mutually complementary in terms of goals and key areas, the Group believes that by joining the Green Bridge partnership programme, which is intended to network the pan-European and the Asia and the Pacific regions in order to shift towards greener, more competitive and more inclusive development, UNIDO could make an essential contribution to global efforts to transition to a green and sustainable development

by providing technical assistance in transferring the best management experience, green technologies and innovations.

Thank you Mr. President.

Agenda Item No. 4. Report of the Programme and Budget Committee

a. Report of the External Auditor

Mr. President,

1. The Asia and Pacific Group takes note of the information provided in document IDB.40/3, pertaining to the Report of the External Auditor on the accounts of UNIDO for the year 2011.
2. The Group would like to thank the External Auditor for his useful and comprehensive report and appreciates his valuable contributions to the improvement of the financial viability, transparent management and operations, and the overall performance of UNIDO. The Group is encouraged that the External Auditor has placed unqualified opinion on UNIDO's financial statement and has found no material weaknesses or errors for the reporting period.
3. The Group supports the External Auditor's observations on improvements in important areas such as decentralization, application of the PCOR, regular audit investigation of field offices and the implementation efficiency of Technical Cooperation (TC) projects. In accordance with the observations of the audit, we request that the Organization, in consultation with Member States, strengthen the supervision of technical cooperation projects and training, and subject TC projects to continuous and periodic review by the Audit teams.
4. The Group reaffirms its hope that adequate measures would be taken by UNIDO for the redressal of concerns raised in the External Auditor's report and implement the recommendations contained therein in the following years.

b. Financial situation of UNIDO

Mr. President,

1. The Asia and Pacific Group takes note of the information provided in document IDB.40/4-PBC.28/4. The Group is satisfied to note that the biennial budget is being implemented as planned and that the

rate of implementation of both the regular and operational budgets is comparable with that of previous years.

2. The Group is encouraged that as of ^{10 November} ~~March~~ 2012 the collection rate was ^{88.1 %} ~~39%~~ compared to the previous year's rate of ~~26.4%~~ ^{27.7%}. This figure is comparable to corresponding figures in the past and the Group urges all Member States to reaffirm their support and commitment to the organization to enable it to perform even better.
3. The Group welcomes the information that a total of 42 Member States, including eight Least Developed Countries (LDC's) have made full payments and that 69 Member States including 11 LDC's have made partial payment for the year 2012. Given that this was achieved in the period up to March 2012, it is an encouraging sign.
4. The Group appeals to all Member States to fulfill their obligations towards the Organization. It encourages those Member States, as well as Former Member States in arrears, to consider submitting payment plans to steadily reduce their outstanding assessed contributions to the Organization. At the same time the Group calls upon Member States to respect the payment plans they submit to the Organization.
5. The Group is encouraged by the decrease in the outstanding assessed contributions. Furthermore, the Group encourages the Secretariat to redouble its efforts to realize full payment of the outstanding amounts.

c. Strengthening UNIDO programmes through unutilized balance of appropriations

Mr. President,

1. The Asia and Pacific Group takes note of the information provided in document IDB.40/8-PBC.28/8 on unutilized balances of appropriations in compliance with General Conference decision GC.14/Dec.14. The Group notes with satisfaction that a total of 27 Member States renounced their share of unutilized balances thereby making available about 13.6 million euro for implementation of UNIDO programmes.
2. The Group encourages the allocation of the available unutilized balances to one of four programmatic areas as indicated in document GC.14/18. Therefore, the Group welcomes the establishment of the trust fund for youth employment, and looks

forward to the positive results from the implementation of projects from this fund.

3. The Group wishes that the available trust funds can continue to be utilized effectively and efficiently, bearing in mind the large number of trust funds that have been created. The Group calls on Member States to make further voluntary contributions for these funds, and awaits regular briefing from the Secretariat on the allocation and use of the funds.

d. Mobilization of financial resources

Mr. President,

1. The Asia and Pacific Group takes note of the information provided in document IDB.40/9-PBC.28/9 on Mobilization of Financial Resources. The Group is satisfied that volume of the extra budgetary funds mobilized in the year 2011 continued to increase rapidly, reaching \$230 million (including the net change in the level of future payments due under signed agreements), and reaching \$247.5 million net funds made available for implementation.
2. The Group recognizes the increasing diversification of the sources of funding, which indicates growing appreciation among the donors for the organization's capacity in responding to the key goals of promoting sustainable industrial development. The Group is encouraged by the continuous focus of UNIDO on its three thematic priorities, namely the poverty reduction through productive activities; promotion of trade capacity building; and improving access to energy and the protection of the environment.
3. The Group encourages the Secretariat to improve its efforts for funds mobilization through voluntary contributions and funding additional sources, by further exploring the organization's comparative advantages in its three thematic priorities.
4. The Group is of the view that it is important to maintain balance in the implementation between UNIDO's three thematic priorities, and therefore would like to stress the need for equitable resource mobilization among the three thematic areas of the organization.
5. Recognizing the shortage of technical cooperation delivery programmes in Central Asia, the Group notes the importance of mobilizing donor funds for the purposes of developing programmes

in the Region, focused on environment and energy/climate change, as well as trade capacity-building.

Thank you Mr. President.

Agenda Item No. 7

UNIDO Activities in Environment and Energy

Mr. President,

1. The Asia and Pacific Group takes note of the documents IDB.40/15 and IDB.40/16, pertaining to UNIDO's activities in the fields of energy and environment.
2. The Group welcomes UNIDO's activities under all three thematic areas, including energy and environment for promotion of sustainable production and consumption patterns under the Green Industry Initiative. An integrated, holistic and balanced approach to the achievement of sustainable development objectives is imperative. The consistent efforts by UNIDO to promote sustainable development through global and regional forums and technical cooperation projects are laudable. UNIDO's ranking as the top implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol for the nine consecutive times is a testament of the organization's effectiveness in this area.
3. The Group is encouraged by UNIDO's contribution to capacity building and development of strategic and inter-agency partnerships for the promotion of green growth and industry. The Group calls for working out integrated programmes for respective regions on targeted industrial sectors and devising creative solutions to offset environment and energy related problems.
4. The Group notes with appreciation UNIDO's efforts in cooperation with relevant organizations in organizing the Global South-South Development Expo 2012 held in Vienna from 20 to 22 November 2012, participation in the Sustainable Energy for All Initiative and organization of various side events at the Rio+20 Conference. The Secretariat should ensure follow-up of the proceedings of these events to improve upon the present momentum and convert the political progress made into tangible and measurable outcomes.
5. The Group further welcomes UNIDO's activities, in collaboration with other international organizations, under the Resource Efficient and Cleaner Production (RECP) programme, its efforts at optimization of production and resources through the programme on Transfer of

Environmentally Sound Technologies (TEST), and contribution to assist developing and transition economy countries in preparing their national implementation plans (NIPs) under the Stockholm Convention.

6. The Group is of the firm view that the creation of a sustainable energy sector with universal access to modern energy sources and energy diversity are indispensable for the achievement of economic growth and sustainable development. The promotion of increased use of renewable energy and energy-efficient processes in the industrial sector is wholly dependent on technology transfer and access to predictable financial resources. In this regard, UNIDO should continue its efforts toward mobilization of resources and expansion of its renewable energy portfolio. The organization's endeavours should be aimed at helping developing countries advance their development objectives while effectively applying sustainability concepts and maintaining low environmental footprint.
7. The Group looks forward to a comprehensive and balanced renewable energy strategy at the end of the year to promote UNIDO's Green Industry Initiative. Likewise, any medium to long term strategy for UNIDO should be directed at employing the opportunities created by the development of green industry to accomplish its targets in its three thematic areas, to help promote sustainable development, and achieve Millennium Development Goals, including those related to environmental sustainability.

Thank you Mr. President.

Agenda Item 8.

Review of the progress of the deliberation of the informal working group

Mr. President,

1. The Asia and Pacific Group takes note of document IDB.40/10-PBC.28/10 pertaining to review of the progress of the deliberations of the informal working group. The Group is of the view that this Working Group is important as a medium for discussion between the Member States and the Organization, to provide guidance on the future of UNIDO, including its programmes and resources. The Group expresses its wish that the Working Group can provide a tangible and substantive outcome, as a basis for streamlining the focus and the work of the Organization. Mindful that the Informal Working Group has completed its SWOT analysis, the Group envisages a comprehensive and inclusive strategy, which takes into

consideration the views expressed by all Member States, regional and other groups during the course of deliberations.

2. Furthermore, the Group would like to applaud the two Co-Chairs of the Informal Working Group for their hard work and good leadership in guiding the Working Groups.

Thank you Mr. President.

Agenda Item 11.

Selection Process for the post of the Director-General: Introduction of a candidates' forum

Mr. President,

1. The Asia and Pacific Group welcomes and congratulates Director General Yumkella's appointment as Special Representative of the UN Secretary General and CEO of the "UN Sustainable Energy for All Initiative." We anticipate that this appointment will help UNIDO to further strengthen its commitment to activities in the energy sector.
2. Regarding the leadership transition, the Group is of the view that the process should be inclusive and transparent to enable a smooth handover based on the established statutory procedures and maintain the good health of the Organization as a whole.
3. The Group takes note of the documents IDB.40/21 and IDB.40/21/Add.1 concerning the selection process for the post of the Director-General. The Group appreciates the efforts made by the Secretariat to follow through and implement the recommendations made by the JIU. Through the candidates' forum we expect an elevation in the transparency and credibility of the selection process, as all concerned parties will be fully exposed to the ideas and qualifications of the various candidates.
4. The Group appreciates the note by the Secretariat regarding the legislative procedure contained in document IDB.40/26 and which lays out two possible scenarios. The Group is of the view that the shorter transition period is desirable in order to better ensure the ongoing stability of the Organization. We hope to find the best and most efficient way forward by reaching a consensus through discussion during this session.

Thank you Mr. President.