

**Statement by the Permanent Representative of the Republic of Korea
at the 42nd Session of
the Industrial Development Board of the UNIDO
Vienna, 25–27 November 2014**

Thank you, Mr. President.

Allow me at the outset to congratulate you and the new officers on your election to the Bureau of the 42nd session of the UNIDO Industrial Development Board. I am confident that your able leadership will facilitate productive deliberations, and I assure you of my delegation's full support and cooperation throughout this session. My delegation also wishes to thank Director General Li Yong and his staff for their organization and support of this meeting.

Mr. President,

My delegation notes with satisfaction the valuable contributions UNIDO has made and continues to make under new leadership in fulfilling its mandate to promote inclusive and sustainable industrial development in line with the Lima Declaration. The Organization is well situated to play an important role in the on-going global dialogue on the Post-2015 development agenda, and we look forward to the successful outcome of measures to ensure its strategic position and enduring relevancy in the shifting development landscape.

In this regard, I would like to highlight UNIDO's recent efforts to formulate strategies and policies that promote inclusive and sustainable industrial development and strengthen dialogue among a wide range stakeholders, including recipient governments, international organizations, the private sector, financial institutions, academia, civil society and NGOs through the two ISID Forums, as well as other multilateral and bilateral

outreach activities in 2014.

As an example of the possibilities of such initiatives, Korea was able to showcase at the UNIDO forum on Green Industrialization and Cooperation with Provincial Governments in Gyengsangbuk-do, Korea in October this year, its exemplary partnership model for encouraging SME involvement in the industrialization of the developing countries by offering business opportunities to them in the field of green industry, including renewable energy.

Mr. President,

Fulfillment of our respective responsibilities is the best means of minimizing negative outcomes in light of a zero growth budgetary environment and the expected departure of some Member States. With this in mind, I would like to emphasize the need for continued and systematic efforts by the Secretariat to mobilize alternative sources of funding and encourage non-Member States to join or rejoin the Organization.

My delegation welcomes the efficiency gains that have been realized through the implementation of the Program for Change and Organizational Renewal and anticipates that the Secretariat will continue to further increase productivity and improve quality of UNIDO services. In addition, I would also like to urge all Member States to fully cooperate with the Organization for the fulfillment of its mandate through full and timely payment of assessed contributions and settlement of arrears.

Mr. President,

In partnership with UNIDO, Korea has been working to share its own development experience with developing countries facing the

constraints of scarce resources through promotion of production-capacity building, trade-capacity building and sustainable production. In particular, Korea is actively engaged in promoting environmental friendly and energy efficient technology in the industrial development process, as evidenced in the two projects with UNIDO and private sector in Cambodia on the 'Transfer of Environmentally Sound Technology' and 'Creating Employment Opportunities and Ensuring Effective e-Waste Management'. My delegation believes that these efforts represent a model of eco-friendly development and an example of partnership with private sector in the process of industrial development.

Korea looks forward to continuing its cooperation with UNIDO and Member States in this and other areas with a view to reducing poverty through inclusive and sustainable industrial development. In closing, let me reiterate my delegation's support for your presidency and the success of this session.

Thank you, Mr. President. /END/

Agenda Item 4: Report of the PBC

(Efficiency gains)

Thank you, Mr. President.

My delegation welcomes the report of the Director General on efficiency gains achieved through the implementation of the Programme for Change and Organizational Renewal (PCOR) and the introduction of the ERP system. We would like to note that the volume of Technical Cooperation delivery, a key function of the organization, has increased despite static staffing levels and a declining regular budget.

We also take note that, first, savings in the administrative costs amounted to 5.2 million Euro and, second, efficiency and transparency gains became visible in several areas of the procurement and contracting process. Third, introduction of the integrated ERP solution enhanced cost-effectiveness and efficiency in business process.

However, as a survey on the ERP system indicated an approval rating of only 66 percent, we have to make a close review of the current system before we discuss the proposal of the Secretariat to invest another 6.5 million Euro by 2019 to expand the areas of application of the ERP system. We believe this approach will prevent us from making unnecessary investments under the current constraint of limited resources.

Thank you. /END/

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Agenda Item 5: Provisional outline of the medium-term programme framework, 2016–2019

Thank you, Mr. President.

My delegation appreciates the well organized provisional outline of the thematic programme, management and budgetary framework for 2016 to 2019.

My delegation finds that the thematic program framework follows the guidance provided by the Lima Declaration, and we welcome the efforts to provide a comprehensive and coherent set of services to address the three dimensions of sustainable development. We agree that the proposed programs of UNIDO to improve productive capacity, trade and technical capacity, and sustainable production and industrial resource efficiency will help create shared prosperity, advance economic competitiveness and safeguard the environment. We look forward to concrete proposals under this thematic program framework containing details for implementation.

My delegation also welcomes the internal management guideline and principles that meet the need for the management framework to reflect the 'Strategic Guidance Document' and be in alignment with the Quadrennial Comprehensive Review Policy (QCRP).

Mr. President,

Realizing this ambitious program will not be easy in light of the difficult financial situation facing UNIDO with the withdrawal of some Member States and requests to adhere to the budgetary principle of Zero Real Growth or Zero Nominal Growth. In order to bring these plans to fruition, we request the Secretariat, as a preliminary step, to present concrete figures, taking into account strict cost saving and streamlining measures, as well as strategic prioritization of activities.

For its part, my delegation is ready to make constructive contributions in the process of discussion for the finalization of the MTPF 2016–2019.

Thank you. /END/

Republic of Korea