

Japan

Permanent Mission of Japan to the International Organizations in Vienna

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Statement on behalf of the Japanese delegation at the 42th Session of the Industrial Development Board 25-27 November 2014

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Agenda item 4. Report of the Programme and Budget Committee

(c) Mobilization of financial resources

Mr. Chairman,

As I take the floor for the first time during this Board, first of all, I would like to address my sincere congratulations to your election as the chair and our delegation looks forward to continuing constructive discussion with you and other members of the bureau for good management of the Organization.

Mr. Chairman,

Japan welcomes the addendum report (IDB.42/6/Add.1) as a supplement to the report on UNIDO's financial contribution to the United Nations Resident Coordinator (UNRC) system presented to the thirtieth session of the PBC. Furthermore, Japan appreciates the comprehensive explanation provided in the addendum report on the significance and usefulness of UNIDO's contributions to the UNRC system.

However, we would like to emphasize that a careful examination should be conducted on the source of the contribution bearing in mind the current level of the regular budget. Our understanding is that this addendum report does not include the amount foreseen for UNIDO's contribution towards the

UNDG cost sharing arrangement from the 2016-2017 biennial budget. We look forward to discussing this further during the upcoming PBC next year.

Agenda item 6. Activities of the Office for Independent Evaluation

Mr. Chairman,

Japan welcomes the report of the Office for Independent Evaluation and appreciates its conclusion that UNIDO's projects are aligned to Member States' national priorities and strategies.

We would like to request that UNIDO continue its work on improving the problematic areas mentioned in the report.

Japan especially regards the delay in implementation of programmes as a critical issue that should be resolved as soon as possible. Japan requests that UNIDO make a special effort to encourage its staff to ensure rapid implementation of programmes.

Thank you.

Agenda item 7. Activities of the Joint Inspection Unit

Mr. Chairman,

Japan welcomes the report of the Joint Inspection Unit and appreciates UNIDO's active engagement in the JIU meetings. Furthermore, Japan notes with satisfaction that, according to the JIU's evaluation, UNIDO remains one of the organizations with a consistently strong level of acceptance, as mentioned in paragraph 8 of Document IDB.42/11.

We would like to request that UNIDO continue its consideration of the matters raised by the JIU.

Thank you.

Agenda item 8. UNIDO activities in environment and energy

Mr. Chairman,

Japan welcomes UNIDO's continued efforts and initiatives in the fields of environment and energy.

Japan has also engaged actively in these fields. Most recently, Japan hosted the 3rd East Asia Low Carbon Growth Partnership Dialogue with the participation of UNIDO's Deputy Director General. We appreciate UNIDO's continuous support for this dialogue.

We would also like to touch briefly upon Japan's cooperation with UNIDO in these fields. Japan is currently implementing a project in rural India with the aim to increase the number of people with access to sustainable energy by using low-head micro hydropower mini grids. Furthermore, Japan will contribute the additional amount of USD 2.7million this month to further support UNIDO's Low Carbon Low Emission Clean Energy Technology Transfer (LCET) programme that aims to promote rapid deployment and dissemination of new low carbon technologies in African countries.

Japan believes that, with these contributions, UNIDO's activities in the areas of environment and energy will be strengthened and will produce tangible results.

Thank you.

Agenda item 9(a) UNIDO's assistance to Member States towards achieving enhanced level of inclusive and sustainable industrial development

Mr. Chairman,

To begin with, I would like to commend UNIDO's activities in promoting ISID and operationalizing the Lima Declaration. Japan shares UNIDO's belief in the important role of industrialization in poverty reduction and economic development.

For this reason, we welcome the two successful ISID forums that took place this year. We are pleased that Ambassador Suzuki from the Embassy of Japan in Ethiopia contributed to the 2nd ISID forum, by encouraging relevant partners to cooperate with UNIDO's initiative in pilot countries.

Japan notes with satisfaction UNIDO's continued fund mobilization efforts. We thank UNIDO and its staff for their ongoing efforts in delivering such a large number of projects. We hope that UNIDO will continue to take appropriate measures in order to ensure the high quality of technical cooperation services in future years.

As is the case for all technical cooperation projects, ISID partnerships should not only be established, but should also be monitored, evaluated and respective reports should be shared with Member States. In this connection, we request that UNIDO prepare indicators for the monitoring and evaluation of these partnerships. This serves as an important tool for fostering greater investments and cooperation towards achieving ISID.

Thank you

Agenda item 9(b) UNIDO and the post 2015 development agenda

Mr. Chairman,

I would like to commend UNIDO's policy engagement and its active participation in the debate on formulating the post 2015 development agenda on various occasions. We believe that the concept of ISID will contribute to the post 2015 development agenda, and we hope that UNIDO will provide meaningful input to the intergovernmental negotiations by sharing its point of view in the upcoming process.

Thank you.

Agenda item 9(c) Implementation of the recommendations relating to the management criteria contained in the “Strategic Guidance Document”

Mr. Chairman,

First of all, we commend UNIDO’s efforts in following up the Strategic Guidance Document’s recommendations.

Results-based management plays an important role, not only in the implementation of projects, but also in the development, planning, monitoring, and reporting of programmes and activities. We welcome UNIDO’s focus on the implementation of an RBM-oriented strategy, and hope that the next MTPF and upcoming biennium programme budget will contain consistent indicators.

With regard to operational management, Japan welcomes the PCOR’s steady progress and imminent completion. We also thank UNIDO for informing Member States on the efficiency gains achieved through PCOR. We hope that UNIDO will continue with its structured follow-up activities, determining the remaining tasks in a further action plan in order to ensure continuity and the consolidation of reforms.

With regard to financial management, Japan takes note of the financial situation of the Organization and appreciates the efforts being made by Member States in serving their financial obligations. Japan urges Member States and former Member States that have not yet paid their assessed contributions to do so without delay, for the sake of the financial stability of the organization, and to ensure the smooth continuation of UNIDO’s activities, which is in the interest of all.

With regard to the Director General’s proposal on creating a Major Capital Investment Fund as a way to strengthen the Organization’s financial base by

mobilizing alternative sources of funding, allow me to state Japan's viewpoint.

Japan believes that in order to continue and strengthen technical cooperation activities, it is imperative that UNIDO have a sound and sustainable financial basis. We are ready to discuss with fellow Member States how this goal can be attained under severe budgetary constraints. Indeed, the idea of MCIF would be one of the options that deserve consideration. We look forward to being informed of more details of UNIDO's proposal so that this issue can be examined and discussed carefully among Member States in the next PBC. For the time being, we would like to reaffirm our support for the principle that Member States should only renounce their share of the unutilized balances of appropriations on a voluntary basis, even if the establishment of this fund leads to UBs being considered as an additional source of funding.

With regard to human resource management, we commend UNIDO's efforts in strengthening succession and staff planning, recruiting qualified candidates, and retaining motivated staff in order to meet the programmatic requirements of ISID. Geographic consideration shows room for improvement and we would like to emphasize that recruiting in under-represented countries is key for UNIDO to ensure the diversity of its human resource base.

With regard to field operations management, we thank UNIDO and its staff for their continuous efforts in delivering enhanced technical cooperation services. We are pleased to note that Japan supported UNIDO's activities last year with a significant contribution amounting to over 16 million USD. Japan hopes that this will assist UNIDO in producing tangible results and will increase the organization's visibility. In this connection, we would like to request that UNIDO stay in close communication with our Embassies in the relevant countries in order to follow the PDCA cycles of our projects, including the relevant reporting.

Thank you.

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**Statement by
the H.E. Mr. Mitsuru Kitano, Permanent Representative,
Ambassador Extraordinary and Plenipotentiary of Japan
at the 42th Session of the Industrial Development Board
25-27 November 2014**

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<Second Plenary, 26 June>

Agenda item 5. Provisional outline of the medium-term programme framework,
2016-2019

Mr. Chairman,

I would like to begin by congratulating you on your election as Chair of the forty second session of the Industrial Development Board. I am sure that this session will be successful under your able leadership. I would also like to thank the outgoing Chairman, together with his Bureau, for their devoted work.

Mr. Chairman,

Japan values highly UNIDO's role in supporting industrial development of Member States. Industrial development is essential for strengthening economies, reducing poverty and raising living standard. Japan supports Director General Li Yong's initiative to focus on Inclusive and Sustainable Industrial Development, since this concept indicates clearly the basic direction industrial development should be. On the provisional outline of the Medium-Term Programme Framework (MTPF) for 2016-2019, we find it generally consistent with both the

Lima Declaration and the Strategic Guidance Document developed by the informal working group on the future, including programmes and resources, of UNIDO. Addressing three sustainable dimensions, namely economic, social and environmental dimensions, are reasonable approach in pursuing ISID. We also support to focus on four functions, namely i) technical cooperation, ii) analytical and research functions and policy advisory services, iii) normative functions and standards- and compliance-related activities, and iv) convening and partnerships for knowledge transfer, networking and industrial cooperation.

In this connection, Japan wishes to emphasize the importance of human security. In order that industrial development should be inclusive and sustainable, it should give due consideration to socially vulnerable groups such as youth and women. Thus, UNIDO's activities are to include providing these socially vulnerable groups with capacities to secure their futures. This is nothing but the consideration under human security. We would therefore like to request that UNIDO includes the concept of human security in the next MTPF as in the case with the current MTPF.

Japan considers this outline to be a good starting point for discussions on UNIDO's future activities and policy engagement.

Nonetheless, we must also comment on the budgetary framework proposed in the provisional outline of the MTPF. While detailed discussion on budget should be carried out during the upcoming PBC, the indicated regular budget ceiling is of concern to us from several standpoints.

First, this proposed budgetary framework does not reflect the withdrawal of two Member States which will be effective at the end of this year. The withdrawal of

two Member States is a matter of regret. At the same time, the absence of two important contributors to UNIDO is a sad reality which should be fully taken into account in the future budget formulation. Otherwise, this would impose additional burden to those who remain in the organization. In this context, we should be reminded that IDB.41/Decision 12 clearly indicated that upon the announced departure of any Member State, the organization's regular budget shall be readjusted so as not to increase the assessed contributions of the remaining Member States. It is an important principle to avoid further pressure for withdrawal.

Secondly, our basic position on UNIDO's regular budget is that it should be formulated based on zero nominal growth. An increase of over 10% in the regular budget is a clear departure from this principle. Here, we should be reminded that IDB. 41/ Decision 12 also expected that the Director General would actively pursue additional efficiency gains and cost-savings. We seriously wonder how over 10% increase of the regular budget can be justified in relation to such a decision.

Taking these points into consideration, and given that the proposed budgetary framework is unacceptable to us, from the reasons I mentioned, Japan would like to request that the Secretariat reconsiders the budgetary framework, and prioritize its activities in the MTPF. Prioritization and selection of activities which can be implemented with a reduced regular budget is indispensable for UNIDO to adapt to the current environment. We stand ready to discuss this matter further in more concrete terms during the upcoming PBC.

Thank you.