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Japan

Permanent Mission of Japan to the International Organizations in Vienna

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**Statement by
H.E. Mr. Mitsuru Kitano, Permanent Representative,
Ambassador Extraordinary and Plenipotentiary of Japan
at the 43rd Session of the Industrial Development Board
23-25 June 2015**

<First Plenary, 23 June>

Agenda item 3. Annual Report of the Director-General for 2014 ;

Mr. Chairman,

I would like to begin by congratulating you on your election as Chair of the forty-third 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, Ambassador Tebogo Joseph Seokolo of South Africa, together with his Bureau, for their devoted work.

Mr. Chairman,

Japan commends UNIDO's policy engagement in promoting Inclusive and Sustainable Industrial Development (ISID) and operationalizing the Lima Declaration, as well as its strong commitment towards formulating the post 2015 development agenda. Japan shares UNIDO's belief in the role of industrialization in poverty reduction and economic development. We highly value the industrial development support provided by the Organization to its Member States.

Japan praises UNIDO's efforts in aligning its operational services with the ISID mandate. In this connection, Japan notes with satisfaction that UNIDO's continued fund mobilization activities have led to a notable result for the year 2014, with the overall volume of voluntary contributions for services towards Member States reaching 191.3 million USD.

In this context, I would like to briefly touch upon our recent contributions towards UNIDO's activities. In the past 5 consecutive years, the Government of Japan has funded technical cooperation projects in African countries through UNIDO worth over 30 million USD in addition to its contribution to the regular

budget. These projects provide vulnerable groups such as youth and women with vocational training in order to increase their employment chances and enhance local economic development. The long-term aim of these projects is to raise and diversify the population's income, and promote self-reliance for these vulnerable communities. In the past years we have expanded our assistance and are now also supporting communities in the Middle East.

Furthermore, we have continued to cooperate with UNIDO in the field of energy and environment. Japan allocated over 10 million USD to activities in this area, including Low Carbon Low Emission Technology Transfer projects in Ethiopia, Kenya and India. These projects aim to increase access to sustainable energy by using low-head micro hydropower mini grids, and to promote rapid deployment and dissemination of our low carbon technologies in developing countries. We are pleased that Japanese technology and technical know-how are contributing towards reaching these goals.

This March, I visited two African countries, Ethiopia and Kenya. The trip reconfirmed my notion of UNIDO's strength and expertise in providing industrial development assistance. In my perspective, the underlying factors for the Organization's success are (1) its proximity to the private sector, (2) its role as a platform for donor cooperation enabling targeted partnerships and (3) its strength in recipient countries' key sectors such as food processing, Agro-industry, renewable energy, and capacity building of SMEs.

In this connection, we have the pleasure to report that the Director-General successfully visited Japan last month to engage in high level policy dialogues giving direction to our future partnership. We hope to expand our collaboration based on the viewpoints gained during his visit.

Mr. Chairman,

Japan welcomes the consensus reached at the last PBC on the amount designated for the Programme and Budgets 2016-2017. We commend the Director-General for his excellent leadership as well as the Bureau for its devoted work in achieving this outcome. Due to the time difference between Vienna and our capital, Japan reserved its position on the Conclusion 2015/4 (Programme and Budget 2016-2017) during the Committee's session. However, we supported the decisions of the PBC and joined in the consensus.

We are of the view that the size of the next biennium budget is realistic, and accommodates both UNIDO's need for resources in order to deliver services to its Member States, and the decrease in assessed contributions. The budget also

reflects the Director General's dedication to the ongoing reform, and qualifies as a measure to reverse the trend of withdrawal of Member States.

Japan continues to call upon UNIDO to prioritize its activities, and pursue its management reform with the aim to further increase the Organization's effectiveness and efficiency. We rely on the Director-General's strong leadership in this regard.

Mr. Chairman,

Now, let me touch upon some of forward-looking agendas.

2015 is a significant year for UNIDO since it is in this year that the international community is to formulate the post-2015 development agenda and we are to enhance our efforts to address global development challenges.

Japan hopes that field structure adjustments will lead to a more optimal utilization of available resources, and that synergies will be created as a result of UNIDO's involvement in the UNRC system. We also trust that UNIDO's reform will produce favorable outcomes when it comes to delivering not only a large number of projects, but also ensuring their continuous high quality.

In order to maintain the quality of technical cooperation services, a sound financial base grounded on the regular budget of the Organization is essential. Japan thus joins the Secretariat in urging Member States and former Member States that have not yet paid their assessed contributions to do so without delay, in the interest of all involved.

I would like to conclude by reaffirming Japan's ongoing commitment to the Organization and its activities. Japan remains a supporter of UNIDO's role in industrial development, and we continue to offer our constructive partnership to the Organization in identifying and formulating the best way forward and securing capacities to fulfil the mandates of the Lima Declaration and the post 2015 development agenda.

Thank you.

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Agenda item 4. Report of the Programme and Budget Committee (sub item (a)&(e))

Mr. Chairman,

Please accept my congratulations on your election as Chair of the 43rd session of the IDB. I am sure that this session will prove to be successful under your leadership.

Mr. Chairman,

We consider the Report of the External Auditor on the accounts of UNIDO for the financial year 2014 to be very useful and appreciate its circulation. The external auditor has identified several points that are to be followed up on and we encourage the UNIDO Secretariat to take necessary measures in order to proceed accordingly in the next biennium budget.

Mr. Chairman,

We note with satisfaction UNIDO's continued fund mobilization efforts, and highlight the achievement of mobilizing \$191.3 million in voluntary contributions for UNIDO technical cooperation programmes in 2014, exceeding the amount reached one year prior.

In this connection, we would like to emphasize that UNIDO Technical Cooperation services should be effective and provide tangible results, and

that the UNIDO Secretariat should continue to enhance the visibility of its projects. In addition to this, we request that the UNIDO Secretariat further endeavor to improve the monitoring and evaluation of its projects, and report to Donors on its TC services in a regular and timely manner.

Thank you.

Agenda 6. Medium-term Programme Framework 2016-19

Mr. Chairman,

We highly value UNIDO's role in supporting the industrial development of Member States. Industrial development is essential for strengthening economies, reducing poverty and raising living standards. The Medium-term Programme Framework (MTPF) 2016-2019 is 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. We also highly value that, as is the case with the current MTPF, the next MTPF includes the concept of human security, which focuses on providing assistance to socially vulnerable groups and has the capacity to secure their future. We are of the opinion that the MTPF should be based on a policy of measurable, institutional outcomes. From this point of view, we welcome the Secretariat's idea to introduce performance indicators in the MTPF.

We would however like to request further consideration of the following point.

Building on the fact that effective and efficient management is indispensable for the organization's performance, we must point out the lack of concrete indicators to evaluate the organization's efficiency, apart from ERP. For further improvement in organizational efficiency, we are of the view that UNIDO should implement as many cost saving measures as possible, not limiting this to the introduction of ERP. In this connection, we would like to request that the UNIDO Secretariat identify appropriate indicators for measuring organizational efficiency.

Thank you.

Agenda item 7. Implementation of the Lima Declaration: Towards inclusive and sustainable industrial development.

Mr. Chairman,

We take note of document IDB43/12 and commend the promotion of UNIDO's new partnership approach (PCPs) and the Organization's active participation in the debate on formulating the post 2015 development agenda.

We hope that UNIDO will briskly pursue its important mandate, so that the concept of Inclusive Sustainable Industrial Development (ISID) is incorporated in the outcome document of the Open Working Group for the Sustainable Development Goals.

In this connection, we would like to request that UNIDO enhance the result-based management (RBM) approach in order to become a more result-oriented, transparent and efficient partner to its Member States in the post-2015 era.

Furthermore, we anticipate that PCPs will lead to favourable results for Member States and other stakeholders involved. In this connection, we request the UNIDO Secretariat to present as early as possible a more elaborate action plan for PCPs for the coming months and the next year, than the version presented to Member States in April.

Thank you.

Agenda item 9. Activities of the Joint Inspection Unit

Mr. Chairman,

We welcome the report of activities of the Joint Inspection Unit. Furthermore, we note with satisfaction that, according to the JIU's evaluation from 2011-2014, UNIDO remains an organization with a consistently strong level of acceptance and implementation as mentioned in paragraph 7~8 of Document IDB.43/14.

Thank you.

Agenda item 10. Personnel Matters

Mr. Chairman,

We take note of document IDB43/15 and would like to request that the UNIDO Secretariat carry out a rigid staff performance evaluation. This evaluation should be done on the principle that hard work is rewarded and not left unnoticed. We believe that the UNIDO Secretariat will be able to save regular budget costs through this measure and that it will further enhance the efficiency of the Organization.

Thank you.