

**STATEMENT BY AMBASSADOR TEBOGO SEOKOLO, OUTGOING
PRESIDENT OF THE INDUSTRIAL DEVELOPMENT BOARD OF UNIDO
43RD SESSION OF THE IDB, 23 JUNE 2015, VIENNA, AUSTRIA**

Excellencies,

Distinguished delegates,

It has been a privilege for my country South Africa, to have served as President of the 42nd session of the Industrial Development Board of UNIDO. I remain greatly indebted to the African Group for mandating us to execute this important task on their behalf.

Distinguished delegates,

2015 is a historic year in the international calendar. It is the 70th anniversary of the establishment of the United Nations. More importantly – and of direct relevance to us here at UNIDO - it is a year during which a new development framework: the post - 2015 Development Agenda will be adopted. We are thus called upon to ensure that this new framework has as its economic development centre piece: *inclusive and sustainable industrialisation*. This is an objective that we should all work towards, both collectively and individually.

In this regard I wish to commend DG Li Yong and his team for their tireless efforts which resulted in the adoption of *inclusive and sustainable industrialisation* as one of the Sustainable Development Goals. Indeed we should thus all work together so that this milestone is not reversed.

Another important aspect related to the post-2015 Development Agenda and in our case ***inclusive and sustainable development*** is the issue of the means of implementation. Without the necessary financial resources, transfer of technology and capacity building there is no way the new development framework will be implemented. In this regard we are looking forward to the upcoming conference in Addis Ababa in July, on Financing for Development. We hope that innovative solutions will be designed to tackle this challenge.

This is also relevant to us here in UNIDO in view of the challenging financial situation that the organisation finds itself in. During the recent meeting of the Programme and Budget Committee, the DG provoked us to think creatively about how to address this matter. I urge delegations to continue to reflect on this question even during this current session of the IDB, and beyond.

As I conclude, I wish to make this observation: serving as the President of the IDB of UNIDO has brought to my attention many challenges that this organisation is grappling with. But I have also come to know of many exciting opportunities and activities that UNIDO has initiated in recent years. I have no doubt in mind that if the current programmes were to be solidified, we would in the not too distant future reap the benefits of the investment we have made.

Finally, I wish to thank my colleagues in the Bureau for having responded positively to the call to serve UNIDO at this level. In particular, I wish to acknowledge the contribution of Ambassador Konrad Max Scharinger who served as one of the Vice Presidents of the Board. During the 42nd session of the IDB Konrad efficiently facilitated the informal consultations. I have also had the privilege of working with him in many other roles. As you may know, Konrad will soon be leaving us for a well-deserved retirement. I am sure I speak on your behalf when I thank him for his outstanding and commendable contribution to our work.

I also extend our appreciation to the DG, Ms Fatura Haidara and her team for the professional support they extended to us.

I thank you.

**STATEMENT OF THE SOUTH AFRICAN DELEGATION: 43RD SESSION
IDB (23 TO 25 JUNE 2015)**

AGENDA ITEM 3: Annual Report of the Director-General 2014

Mr President,

Let me join other delegations in congratulating you and other members of the Bureau, and the excellent manner in which deliberations of this session are going.

My delegation welcomes the Director General's annual Report on UNIDO's activities for the year 2014, and further commends the organisation for the sterling work delivered during this period, amidst difficult global economic conditions and the organisation's diminishing financial resources.

My delegation would therefore like to reconfirm South Africa's support to UNIDO as it implement the mandate entrusted to this organisation in Lima: *Towards Inclusive and Sustainable Industrial Development*.

One of the significant milestones achieved during the preceding year was the incorporation of inclusive and sustainable Industrialisation as Goal 9 in the outcome document of the Working Group on Sustainable Development Goals (SDGs), paving the way for the finalisation of the post-2015 framework. UNIDO's active engagement in this process is highly commendable.

Similarly we have welcomed UNIDO's interventions in Ethiopia and Senegal, respectively, in the context of the Programme for Country Partnerships (PCP). We welcome this initiative, and look forward to an update on the implementation process in the two pilot countries, with the anticipation for it to be expanded to other countries. We particularly appreciate that the pilot project was launched in two African countries, reinforcing UNIDO's commitment towards the development of the Least Developed Countries, most of which are on the African continent.

Mr President,

My delegation welcomes UNIDO's hosting of two ISID Forums last year in June and November, respectively. The ISID Forum held in June focussed on strategies and instruments to promote ISID, including the new generation industrial parks. The issue of industrial parks is of particular interest to South Africa, as the country's Industrial Policy Action Plan identifies Industrial Parks as growth engines towards industrialisation and employment creation. We look forward to working with UNIDO in exploring areas of cooperation in this field.

My delegation wishes to further highlight the success of the second ISID Forum which was held in November which gave birth to the Programme for Country Partnerships, focused on the establishment of innovative partnerships-based business models to implement strategies for ISID.

My delegation is pleased to note that the Annual Report highlights concrete projects that took place in South Africa during this period, inter alia, a project that builds capacity for the production of HIV vaccines in South Africa, and the Organisation's partnership in developing our industrial policies.

While we appreciate UNIDO's activities in South Africa, my delegation is of the view that there is a need to strengthen this cooperation in order to align it to our countries new development programmes.

South Africa, through its Development Plan, is committed to a long-term sustainable development trajectory that is economically, socially and environmentally sustainable, but requires scientific, technological and innovation capabilities, supported by strategic partnerships such as with UNIDO.

Our Government recently launched Operation Phakisa, a project to among others unlock the economic potential of our oceans, which will be implemented over the next five years.

With a coastline of 3900 kilometres, Operation Phakisa seeks to unlock the vast opportunities in our ocean economy. The identified opportunities are in marine transport and manufacturing, offshore oil and gas exploration, aquaculture as well as marine protection services and ocean governance. In this regard, we look to UNIDO for support in implementing this programme.

Mr President

The African Union has just recently concluded a successful Summit in Johannesburg, South Africa, where key strategic decisions were made to move towards inclusive and sustainable industrial development. The theme of the Summit was “2015: Year of Women’s Empowerment and Development Towards Africa’s Agenda 2063”, which is in line with UNIDO’s endeavors to increase participation of women in productive sectors through improved access to economic resources and opportunities.

Mr President

The African Union Summit also adopted the First Ten-Year Implementation Plan of Agenda 2063 and its Financing Mechanism, as a step towards Africa’s collective vision for the level and depth of integration and development that the continent must achieve in the next 50 years.

Africa's challenge is to move away from an economic growth path built on consumption and commodity exports, onto a more sustainable developmental path based on industrialization. Africa's ongoing initiatives to advance regional integration and infrastructural development are vital. In this regard A tripartite Free Trade Area agreement was recently signed between three Africa trade blocs – the Southern African Development Community (SADC), the East African Community (EAC), and the Common Market for Eastern and Southern Africa (COMESA)

The agreement joins the three blocs to create the Tripartite Free Trade Area (TFTA), effectively creating a common market that encompasses 26 African countries and a population of 625 million people. It is without any doubt, that taking into account the size of the African market, and the huge potential that the continent boasts, inclusive and sustainable industrial development will be achieved. We look forward to UNIDO's support in implementing this Continental programmes.

Mr President

The African Union Summit in Johannesburg further launched the negotiations on the Continental Free Trade Area (CFTA), aimed at integrating Africa's markets in line with the objectives and principles enunciated in the Abuja Treaty Establishing the African Economic Community, Which will further enhance the industrialization process of the African continent.

In this regard my delegation would like to thank the UNIDO for organizing the third ISID Forum that will take place in Ethiopia in July, on the sideline of the International Conference on Financing for Development. We hope that deliberations in Ethiopia will further enhance UNIDO's partnership with the African Continent.

With these comments my delegation welcomes the Annual report for 2014.

**AGENDA ITEM 4 (b): FINANCIAL SITUATION OF UNIDO, INCLUDING
UNUTILIZED BALANCES OF APPROPRIATION**

Mr President,

As we all know, the 2013 UNIDO General Conference that was held in Lima, entrusted the Organisation with a new mandate: Inclusive and Sustainable Industrial Development (ISID). Following the adoption of this mandate, UNIDO played an important role in the adoption by the Working Group on SDGs, on a special goal dedicated to inclusive and sustainable Industrial development.

In September this year, the international community will adopt the post 2015 development Agenda. It is our hope that Inclusive and Sustainable Industrial Development will constitute an integral part of the new development framework. Accordingly, UNIDO will be expected to play a leading role, especially in the implementation of the relevant aspect of this framework.

In the face of this increased responsibility by UNIDO, the organization faces a difficult financial situation. The withdrawal of some of the key donors has had a huge net impact on the overall budget of the organisation. This dire financial situation is further compounded by the late payment of assessed contributions by members of UNIDO, resulting in the situation of unutilized balances. In this regard we call upon those member states that have not done so, to pay their assessed contributions in full and on time. Further, we urge the DG to continue his efforts to effect the collection of arrears from both current and former members of UNIDO.

Mr President,

We wish to remind delegates, about the Strategic Guidance Document, which serves as the primary instrument of guidance in the elaboration of programmatic and budgetary frameworks by (UNIDO). In this document, the organization is tasked with identifying and optimizing under-utilized resources and pursue innovative sources of financing, while seeking to further generate

AGENDA ITEM 5: Programme and Budgets 2016-2017

Mr President,

My delegation welcomes the outcome of discussions between the African group and the DG on the issue of special resources for Africa and funding for projects in Africa in general. We welcome the fact that the special resources for Africa will be retained within the regular budget. We welcome the DG'S undertaking to continue to support industrialization on the African continent, especially as demonstrated in plans closely aligned with regional priorities and complementing existing initiatives such as activities of the AU Commission, the Conference of African Ministers of Industry, and NEPAD initiatives. My delegation further welcomes particularly UNIDO's programmes in Ethiopia and Senegal, in the context of the Programme for Country Partnerships project.

Mr President,

My delegation welcomes the draft decision to approve estimates of the regular budget to be financed from assessed contributions. Further, my delegation welcomes the draft decision to approve estimates of gross expenditure for the purpose of the operational budget for the biennium 2016-2017 to be financed from voluntary contributions and other income.

Mr President

Bearing in mind that the majority of member states are developing countries, and least developed countries, ^{my delegation} would like to encourage the DG to continue to mobilise extra budgetary funds and other ways of generating funds for the full implementation of ISID.

*South Africa
Item 7*

AGENDA ITEM 7: LIMA DECLARATION

Mr President

My delegation welcomes the Director General's report on UNIDO's assistance to Member States towards achieving enhanced levels of ISID.

As part of his opening remarks during the General Conference of UNIDO in 2013 in Lima, Peru, Secretary-General Ban Ki Moon reiterated the importance of the Lima Declaration, and the important mandate of UNIDO within the UN System, especially in shaping the implementation of the post 2015 development agenda.

Mr President,

My delegation commends UNIDO for the actions taken to implement the Lima Declaration Mandate. In particular, my delegation welcomes UNIDO's hosting of the two ISID Forums that enhanced the visibility and relevance of UNIDO as a catalyst in sustainable development and poverty alleviation, and further note with satisfaction, the Director General's future participation at the Third International Conference on Financing for Development in July, in Addis Ababa.

As the organization is mandated to implement the Lima Declaration through Inclusive and sustainable Industrial Development, and the elaboration and implementation of the post 2015 Development Agenda where the organization's mandate will be fully embedded in the new development agenda, my delegation calls upon member states to contribute towards a sound financial situation of UNIDO.

My delegation appreciates that UNIDO will not only be responsible to carry out the work of Goal 9 of the SDGs, as there are synergies with other ISID related Goal such as Goal 8, which is 'sustained economic growth and employment', goal 12, which speaks to 'sustainable consumption and

production', and goal 17 which is 'strengthening the means of implementation and revitalize the global partnership for sustainable development'. My delegation appreciates UNIDO's continued open dialogue with member states throughout this process.

My delegation notes that 18.7% of Technical Cooperation services were aimed at social inclusiveness, through services in poverty alleviation through job creation, particularly in rural areas. And a further 14% allocated to the promotion of the competitiveness of SMMEs.

However, my delegation notes with concern that the Secretariat does not have complete control over the thematic allocation of its TC Resources, as these depend on the willingness of external sponsors such as multilateral funds and bilateral donors. My delegation is of the view that the DG should investigate this matter further, as we believe that member states' national priorities should determine TC, and not donors.

Mr President,

It is also important to note the increased flow of voluntary contributions not only from developed countries, but from developing countries and large emerging economies. We further encourage a business model that encourages TC resources to be strategically invested to leverage larger, parallel flows of public and private investment by governments, multilateral development banks, and large and small private sector actors.

A development Agenda without addressing adequate Means of Implementation will be meaningless. South Africa calls upon member states to engage in a genuine partnership, in order to achieve Inclusive and Sustainable Industrial Development, as underlined in the Lima declaration.