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**Statement by Ambassador A L A Azeez, Permanent  
Representative of Sri Lanka  
at the 43<sup>rd</sup> Session of the Industrial Development Board,  
UNIDO**

Mr. President,

My delegation is pleased to see you chairing this crucially important session of the Industrial Development Board today. We assure you of our fullest cooperation and support in your tasks ahead.

Several delegations have spoken at this session today including Regional Groups and high level delegates. Most of them seem to have echoed the concern that UNIDO, at present, is at a crossroads and it needs to face the challenges before it with vigour and vision. The emphasis, invariably, has been on the Organization taking forward its programmes and projects in a practical and meaningful manner in fulfilment of its mandate, overcoming constraints.

We also heard Director General LI Yong making a presentation of his report to the IDB today.

All these clearly point to where the Organization stands, what it performs and what it intends to do in the future. These are critical inputs for making the Organization work more effectively.

UNIDO is already doing good work both in the field and in Vienna. Most of the initiatives it had introduced over the years were both creative and pragmatic, and have yielded benefits for people around the world. Further, using its convening power imaginatively, UNIDO has also launched a number of platforms on all conceivable themes under its purview. The Vienna Energy Forum, which had just concluded on a positive note, is a case in point. Directors and staff who had worked hard to ensure the success of these initiatives deserve our special compliments.

Nevertheless, the current reality remains that the Organisation is faced with a number of impediments, both structural and operational, as also constraints that are internal and external. These need to be addressed with a sense of urgency and by all stakeholders including, primarily the Secretariat in a transparent and participatory manner.

As the focus on a new Development Agenda and SDGs is beginning to intensify, it is quite logical that the thrust of our deliberations also shifts to the question of a level playing field for industrial development. It is time to strive to ensure that

industrial development is taken forward in an equitable, inclusive and sustainable manner.

At UNIDO, we often spend quite a lot of time talking about Inclusive and Sustainable Industrial Development, packaged as it is, in the proposed SDG 9. It is termed as “innovation, infrastructure and inclusive and sustainable industrialisation”. This is a salutary achievement for which all member states that have contributed to the Lima Declaration and to its follow up should take credit. A supportive environment within the UN, made possible by a Group of Friends of ISID, also contributed towards the concept being recognized as a critical component of the proposed SDG 9.

As we advance towards the month of September to have the new development agenda and SDGs adopted by the United Nations, and thereafter, towards their implementation beginning 2016, it is important that UNIDO address its mind urgently to evolving a suitable strategy and approach, which could put the proposed SDG 9, on a high pedestal. In the meantime, we must concede that no strategy or approach could be effectively visualized and implemented unless we are also aware of the challenges as well as the opportunities ahead of us and address them as appropriate.

Transforming challenges into opportunities is an important tenet in any management culture. It is equally important, though, that while awaiting opportunities, one must not be too complacent not to anticipate challenges at all. UNIDO has faced such a dilemma several times in the past. It is timely therefore to absorb the less palatable lessons thus learnt, into its strategic planning and management philosophy.

Within UNIDO, all this calls for strengthening not just the organizational structure, but especially programmatic and institutional components within. This is essential if UNIDO is to be able to deliver effectively on the proposed SDG and on the other components of its mandate.

In strengthening the Organization, a host of factors plays a pivotal role. This ranges from predictability of funding, certainty and sustainability of partnership and engagement, prudence of management, efficacy of coordination, to resilience and coherence. Lack of engagement and outreach with member states and other stakeholders including donors, would only reveal a signal failure of advocacy and public diplomacy. This in turn would lead to a slide in confidence enjoyed by an Organization among its membership. It is important for UNIDO to continue to engage with all its stakeholders, especially with those members that are prone to withdrawal, following an Early Engagement approach. Those who withdraw have done and do,

citing financial and economic situations and austerity compulsions, or national re-prioritization of their policies and programmes, at inauspicious times for UNIDO. Any defect or default in the Organization, perceived or real, only goes to strengthen their urge to depart.

Advocacy and public diplomacy beginning from the Chief of the Organization is required in these circumstances, to play a pre-emptive, pro-active imaginative role, even co-opting supportive media organizations and other partners, to bring confidence back to the donors and to the rest of the membership. The continued ability of UNIDO to deliver effectively on its tasks and programmes and its seriousness in reforming itself remain at the core of such an approach. Bringing out success stories from the field – which could be done effectively through co-opting such supportive media organizations - is an important component of such a strategy. We should be mindful that one more withdrawal would be the last straw that breaks the back of the camel.

Let us see this from the viewpoint of a worse case scenario. Take for granted, that the UN General Assembly this year adopts the proposed SDG 9 as part of a new set of SDGs. Imagine there is no multilateral body strong, viable and credible enough to facilitate the realisation of SDG 9. What will happen to SDG then will be any body's guess. This demonstrates that the future

of SDG 9 to a larger extent depends on the future of UNIDO. A UNIDO, much weakened due to its own defect or default or due to withdrawal of donor countries, or a mix of both, will no doubt throw SDG 9 to the wind. It is necessary to guard against such a scenario.

This takes us to the vital question of how UNIDO could be strengthened from within. It needs to seriously look at the challenges, incisively, introspectively, intra-organizationally, and come up with right solutions and arrangements demonstrating its continued relevance in the Post 2015 Development context, and in the new era of industrial development.

First, UNIDO must reinvigorate its advocacy and public policy role. Engagement remains key to sustained relations, and confidence building is essential for any credible approach with a win-back thrust. Engagement and confidence building need to go hand in hand.

Lack of engagement and lack of a strategy and vision for addressing challenges would only be counterproductive for the work that UNIDO does, as an Organization built on efficacy and legitimacy.

Second, there is yet to be a meaningful and sustained review of all internal policy and decision making processes and

mechanisms. Avoiding of overlapping areas of function, duplication of efforts, and compartmentalization lacking in an efficacy of inter-branch consultations and coordination is important. A measure of introspection with a view to arriving at an objective assessment in this area and effective goal-orientation are all too important.

Third, in the past one year or so, strains are also observed in the recruitment system. It is timely that recruitment methods and practices are streamlined, with provision for full transparency.

Fourth, evaluation – an independent process- is pivotal to ensuring the continued efficacy of programmes and projects undertaken by UNIDO. The position and stature of the officer undertaking evaluation needs to be higher so that he or she would remain independent in proceeding with the work.

Last but not least, overdue management reforms specially focusing on the senior management level needs to be carried out without further delay. The employment of personnel from countries, which ceased membership, can only be transitory for the time being. Reform has been misunderstood within the Organization as one requiring changes at the field level only. In addition, a management culture, which is engagement-prone, imaginative, contributory to a refined vision of the Organization, innovative in terms of ideas and not warped in time thereby

continuing the pitfalls of the past, is imperative. I am pleased that DG LI Yong emphasized the need for avoiding “silos” mentality.

It is our expectation that evolving along the lines of these constructive suggestions and other proposals made by member states, UNIDO will gain added strength to be able to better deliver on all aspects of its mandate, especially as the post-2015 development landscape would call for a radical shift in the attitude and approaches of international organizations.

Finally, let me take the opportunity to thank Director General LI Yong, an energetic, enthusiastic and dedicated chief of UNIDO, for his continued stewardship of this important Organization, and express our unreserved support for his efforts to turn things around, keeping in view the critical time factor.

Thank you, Mr. President