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**Statement on behalf of the Asian Group at 37th session of the
Industrial Development Board of UNIDO**

Mr. President,

1. I would first like to congratulate you on your election as President of the 37th session of the UNIDO Industrial Development Board (IDB) as well as the other members of the Bureau. The Asian Group is confident that under your able guidance this session will produce fruitful results, and assures you of its full support and cooperation throughout the session.
2. The Group also extends its appreciation to Ambassador Jerry Ugokwe of Nigeria, President of the 36th session of the IDB, for his contribution to the successful work of the last year's session.
3. The Group welcomes the reelection of Dr. Kandeh Yumkella as Director-General of the UNIDO and wishes to express its appreciation for his continued dedication to the work of the Organization and also for his efforts in making the Organization efficient and effective. The Group would also like to convey its thanks to the staff of the Secretariat at headquarters and in the field alike for their hard work.

(Agenda Item 3: Annual report of the Director-General for 2009 on the activities of the Organization)

4. The Group welcomes the opening remarks of the Director-General which provide Member States with a comprehensive outline of UNIDO's activities and performance undertaken during last year. The Asian Group takes good note of the Annual Report 2009 contained in the document IDB.37/2. The report covers information on the implementation of the medium-term programme framework, with reference to its activities in support of achieving the Millennium Development Goals (MDGs) in its three thematic priorities. Also highlighted are accomplishments in improving the overall approach of the United Nations system's development cooperation in support of national development priorities and strategies and national capacity-building.
5. As rightly pointed out in the report, 2009 was a challenging time for global development efforts. Indeed, the existing and emerging crises such as the food-fuel-financial crises, unequal globalization and climate change have severely affected both developed and developing countries. The Group recognizes that despite the global

turmoil, UNIDO has taken a proactive approach in the right direction and wishes to see renewed commitment on the part of UNIDO for the years to come.

6. More than ever before, the diverse needs of the Member States as well as the complex and fast-changing environment requires UNIDO to take a more multidisciplinary and integrated approach in tackling the issues confronting the entire membership. In this regard, the Group welcomes the Change Management Initiative as an effort to enhance the Organization's ability to effectively deal with the challenges by adopting a Programme of Change and Organizational Renewal (PCOR). The Group looks forward to regular briefings by the Secretariat on the status of the implementation of the PCOR. The Group encourages UNIDO to promote the increased internal coordination and teamwork in order to generate the growth in the volume and developmental impact of its services.
7. At the same time, UNIDO, as a technical cooperation agency, should continue to focus its resources and expertise in supporting developing countries in their efforts to achieve sustainable industrial development. UNIDO should be able to design and implement programmes covering the three thematic priorities in response to global development priorities.
8. In this connection, the Group is pleased to note that the positive trend in the funding for technical cooperation continued in 2009, increasing up to USD 183 million, which is 20 per cent higher than in 2008. The Group also recognizes increasing diversification of the sources of funding, which indicates growing appreciation among the donors for the cause of UNIDO's work. The Group encourages the Secretariat to sustain its efforts for funds mobilization through securing voluntary contributions and finding additional sources.
9. The Group duly recognizes the efforts of the Organization to strengthen its field presence. The number of Professional staff in the field increased from 35 to 60 in 2009, resulting in a 67 per cent increase in field presence since the launch of the Field Mobility Policy in April 2006. We believe that the performance of the field offices is a key to delivering more effective technical cooperation.
10. The Group wishes to comment briefly on the programs undertaken under the three thematic priorities. Under the thematic priority area of "Poverty reduction through productive activities," the Group encourages the Secretariat to continue promoting development of the private sector, agro-industry, transfer of technology, capacity-building in the field of investment promotion and better access to energy for developing countries to promote and accelerate their industrialization. The Group believes that UNIDO's activities in agro-related industries and agribusiness are

important for both developing countries and least developed countries (LDCs) as these may address the objectives of enhanced food security and poverty alleviation simultaneously. In this context, the Group welcomes the co-publication of the book "Agro Industries for Development" by the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD) and UNIDO, which can contribute to providing the policy advice and designing the Technical Cooperation programmes.

11. The Group would like to reiterate its position that technology transfer and capacity-building are among the main functions of UNIDO, which can help developing countries to achieve real progress with a sense of ownership. In this context, the Group encourages UNIDO to scale up its projects in this field, such as the establishment of rural technology centres.
12. Under the thematic priority area of "Trade capacity-building," lack of competitive supply capacity and adequate quality infrastructure prevents developing countries from reaping the full benefits of global trade. The Group urges UNIDO to further develop programmes to address this problem, including upgrading and competitiveness, quality and conformity infrastructure as well as Aid for Trade programme.
13. In the field of "Environment and energy," the Group takes note of the UNIDO's activities to achieve growth through greening industry, renewable energy and the transition to a low-carbon economy. As a provider of services for improved industrial energy efficiency and sustainability, UNIDO should assist developing countries in implementing multilateral environmental agreements and in simultaneously reaching their economic and environmental goals.
14. The Group attaches importance to South-South cooperation which enables developing countries to benefit from the experience of one another. We are happy to note that new South-South Industrial Cooperation Centres will be established in the region and anticipate that cooperation among the Centres will be developed in order to benefit from synergy effects.
15. The Asian Group reiterates its support for the strengthening of UNIDO's technical cooperation activities in Central Asia with emphasis on productivity growth, industrial modernization and trade capacity building, and requests the Secretariat to make efforts to mobilize the necessary resources for this purpose.
16. The Group also recognizes the ongoing measures of the Secretariat in human resource development, particularly through gender mainstreaming and the Young Professional

programme aimed at rejuvenation of the workforce. In 2009, 46 per cent of new recruits at the Professional level were female compared with 25 per cent for 2008. Considering that one of the MDG goals is to promote gender equality, this positive trend needs to be continued. The Group also considers the ability and efficiency of the working force as a priority in recruitment, while taking heed of the importance of geographical distribution.

17. To conclude, Mr. President, the Asian Group of the Member States of UNIDO underlines its commitment to the goals of UNIDO to promote and accelerate sustainable industrial development in developing countries. To this end, the Group is looking forward to working closely with you and Member States.

(Agenda Item 4: Cooperation with UNDP and UNIDO's field representation)

18. The Asian Group takes note of the documents IDB.37/6 entitled "Cooperation with the United Nations Development Programme and UNIDO field representation" and IDB.37/6/Add.1 entitled "UNIDO field representation."
19. The Group recognizes UNIDO's commitment to make the field presence an integral part of its technical activities, which has led to an increase in national and international technical staff capacities since the introduction of the field mobility policy in April 2006.
20. The Group believes that the performance of UNIDO field operations is a key to deliver more effective technical cooperation. With reference to General Conference resolution GC.13/Res.7, the Group reiterates its position to encourage the Director-General to continue undertaking measures towards decentralization.
21. At the same time, while recognizing that the empowering of the field representation through decentralization is required to maximize the results of technical cooperation, the Group urges UNIDO to keep in mind the necessity of: i) enhancing better mechanisms allowing an efficient follow-up of project implementation and ensuring close coordination among UNIDO Representatives and relevant counterparts and, ii) developing an accountability system.
22. The Group is of the view that decentralization should begin by fully utilizing and optimizing the potential and capacities of existing field offices before envisaging further increases in field representation.
23. In this regard, the group believes that UNIDO should undertake a carefully planned step by step approach in considering increasing its field representation, in consultation

with Member States, without affecting the resources designated to technical cooperation and after the in-depth analysis of the field network following the principles of the result-based management.

(Agenda Item 5: MDGs : UNIDO's contributions)

24. The Group believes that UNIDO can contribute substantively to achieving the Millennium Development Goals (MDGs) by promoting a competitive and environmentally sustainable industry which plays a crucial role in accelerating economic growth and reducing poverty.
25. The Asian Group welcomes the Director-General's report on this subject contained in the document IDB.37/4 and appreciates in particular UNIDO's valuable contributions aimed at achieving Goals 1, 3, 7 and 8.
26. The Group recognizes UNIDO's contributions to the achievement of Goal 7 related to environmental sustainability through its projects under its third thematic priority. At the same time, the Group encourages UNIDO to sustain its interventions through technical cooperation to help achieve Goal 1 of eradicating extreme poverty and hunger.
27. On a related note, the Group notes the conclusion of the Evaluation Group that while UNIDO implements many interventions that foster poverty reduction, the actual contribution to poverty reduction is not always demonstrated or reported. In this regard, the Group supports UNIDO's contribution and participation in the United Nations Development Group MDG Task Force in drawing attention to the need to systematically include targets and indicators pertaining to the productive sectors.

(Agenda Item 8: Activities of the Evaluation Group)

28. The Group takes good note of document IDB.37/5 on the activities of the Evaluation Group, particularly its evaluation of 10 integrated programmes and country service frameworks and 39 stand-alone projects.
29. The Group is pleased that the five major thematic evaluations of the Evaluation Group recognize the contribution of UNIDO's expertise and initiatives to industrial development and economic growth in developing countries. In particular, the Group encourages continued UNIDO interventions towards SME development, entrepreneurship, vocational training and private sector development by exploiting the full potential of the organization's cluster and networking development initiatives;

services for SMTQ or standards, metrology, testing and quality; South-South cooperation; and ITPOs network.

30. The Group, therefore, welcomes evaluations on results at outcome and impact levels of UNIDO's activities, as well as the incorporation of information on performance and lessons learned into management and strategic planning processes.

(Agenda Item 9: Activities of the Joint Inspection Unit)

31. The Asian Group duly takes note of document IDB.37/3 presented by the Secretariat on the Activities of the Joint Inspection Unit (JIU).
32. Compared to the status of the implementation of JIU recommendations at UNIDO for the period 2006–2008 with the previous period, the Group notes that the number of accepted recommendations remained stable while the number of those rejected was reduced. Further, the number of recommendations in progress or already implemented declined slightly whereas the number of recommendations not started increased.
33. The Asian Group welcomes the assessment that UNIDO remained one of the "best practice" organizations mentioned by the JIU with regard to the status of consideration of reports by its governing bodies.
34. Regarding corporate sponsoring in the United Nations System, contained in JIU/NOTE/2009/1, the Group concurs with the views of the JIU that the United Nations System, given its core universal values and high visibility in the world wide media, is a privileged partner for private sector firms and that such partnerships can help to strengthen the work of the United Nations. With regard to the comments by the JIU that there are risks such as the possibility, real or perceived, of a loss of autonomy and independence of United Nations systems organizations and damage to their reputation or image associated with the selection of non-appropriate partners and/or activities, the Group encourages UNIDO to pay due attention to both benefits and potential risks related to partnerships with the private sector.
35. The Group notes that JIU made recommendations for the internships programs of UNIDO in which 251 interns participated for the period 2006–2008. The Group recommends that UNIDO continue the implementation of such programs with due consideration to equitable geographical distribution.

Thank you, Mr. President.