

Revised

**Statement of the Asian Group
delivered by H.E. Ambassador M.M. Jaffeer
Permanent Representative of Sri Lanka
38th Session of the Industrial Development Board of UNIDO
Vienna, 24 November 2010**

Mr. President, Ambassador Helmut Böck,
Hon. Ministers,
Mr. Kandeh K. Yumkella, Director General of UNIDO,
Your Excellencies,
Ladies & Gentlemen,

1. On behalf of the Asian Group, I take great pleasure, to extend congratulations to you, Mr. President and are pleased to see you preside over the 38th Session of the UNIDO Industrial Development Board. We are confident that under your able stewardship, this session will come to a successful conclusion and the Group would like to assure you of its fullest support in your tasks ahead.
2. The Group would like to thank Dr. Kandeh Yumkella, Director-General of UNIDO, for his insightful opening statement. The Group appreciates his dynamic leadership and efforts in guiding this Organization. The Group also wishes to thank the Secretariat for the preparation of the documentation for this session.
3. The Group will be making comments on Agenda items 2,4,6,7,8,9 and 10 in the course of discussions on these items.

Item 2(c) Unutilized balances of appropriations: Programme for Change and Organizational Renewal (change management initiative) and technical cooperation activities:

1. The Asian Group takes note of document IDB 38/9 and IDB 38/9 Add. 2e. regarding the Programme for Change and Operational Renewal and the briefing provided for member states on 17th November 2010.
2. The Group notes from the briefing that the programme would be spread over a four year period. While, the Group supports any initiative which improves the efficiency of the organization, it hopes that the tangible dividends in the form of measurable improvements in efficiency and enhancement in technical

cooperation delivery capacity would come during this process and member states would be kept informed of these gains.

3. The Group expresses its satisfaction on the progress achieved on the trust fund for food security. The Group looks forward to UNIDO's efforts in mobilizing resources for the designed projects for the selected countries, to achieve the promised leverage effect and implementing the idea of coordination between the agro branch and the renewable energy branch.
4. The Group takes note of the briefing given by the Director General on the status of the trust fund for renewable energy and would like to see the development of initiatives on the trust fund early.

Item 4: Progress Report on regional programmes:

Item 4 (c): Arab regional programme:

Mr. President

1. The Asian Group welcomes the activities carried out by UNIDO (progress report IDB.38/12) and requests the Secretariat to continue drawing on the recommendations of the regional Arab Round Table as adopted by the 12th session of the UNIDO General Conference in December 2007 (GC.12/Res.2), and to supplement them with the outcome of the 2009 Arab Round Table held during the thirteenth session of the General conference.
2. The group appreciates the continuing effort of UNIDO to integrate the Arab Region into its global South-South cooperation Programme.
3. In this respect, the Group commends the South-South advisory and technical assistance services provided by the Egyptian Traceability centre for Agro-Industrial Exports (Etrace) to its neighboring countries, and which contributed to enhance the efficiency of several Arab countries agro-industrial value chain.
4. In the light of the growing rates of youth unemployment in the Arab region, The Group stresses the important role of UNIDO in

enhancing SMEs development in the region and strengthening the agro-related industries, as these activities:

- May address the twin objectives of enhanced food security and poverty alleviation.
 - Present a high potential of labour absorption and jobs creation.
5. The Group encourages UNIDO, while implementing its regional strategy for the Arab region to continue to take full account of the economic diversity of countries within the region, and the resulting differences in the industrial challenges facing them.
 6. The Group takes note of UNIDO's efforts in the thematic area of energy and environment in the Arab Region. The Group highlights the success of UNIDO in mobilizing more than 10\$ million in 2008 under the Montreal Protocol Programme, and in partnership with UNEP, to support the phase out of ozone depleting substances in number of Arab countries and expects the development of new similar projects to promote alternative technologies in Jordan, Kuwait, Lebanon, Qatar, Syria and Tunisia.
 7. However, the Group notes a deficiency in the promotion of renewable energy programmes in the Arab Region, and thus requests UNIDO to explore the diverse ranges of alternative energy sources in the Arab region and to convert its findings into adequate national and country level projects.
 8. In this regard, the Group looks forward to an active participation of UNIDO in the World Future Energy Summit to be held in Abu Dhabi in January 2011 which has evolved as the world's foremost gathering for the renewable energy and environment industry.

Item 4 d) Other regional programmes – Asia and the Pacific

Mr. President

1. The Asian Group takes note of document IDB.38/12 entitled progress report on regional programmes, particularly the regional programme for Asia and the Pacific.
2. The Group welcomes UNIDO's work in the region within the context of its three thematic priorities, notably activities aiming to increase and improve production efficiency among smallholders; creating an enabling environment for competitive agro-industries; strengthening national capacities for standards, metrology, testing and quality for trade capacity-building; and promoting adoption of cleaner production techniques and environmentally sound management processes.
3. In preparation for the next generation of UNIDO technical cooperation projects in the region, the Group trusts that the Secretariat would undertake some measures in order to ensure UNIDO's projects remain responsive to the needs of the region, namely:
 - a) As noted by external evaluation reports, due attention should be given to the sustainability and impact assessment of technical cooperation programs in the region.
 - b) Finally, but most importantly, the Group requests the Secretariat to prepare, in consultation with the members of the Group, and or present, if there is one already, a strategic framework and general directions of the Regional Programme within a particular time frame. Such Regional Programme Framework should serve as the main programmatic guideline to steer both country-specific interventions and multi-country projects towards agreed results.

Agenda item 4 d) Other regional programmes – Central Asia

1. The Asian Group also *takes note* of document IDB. 38/12, in its part entitled Regional Programme for Europe and the Newly Independent States (NIS), dealing with UNIDO activities in Central Asia.

2. The Group appreciates UNIDO's active participation in the organization of the *Sixth Ministerial Conference on Environment and Development in Asia and Pacific* held in Astana, Kazakhstan and encourages UNIDO to continue its activities to boost green industry in Central Asia.

3. The Group requests UNIDO to-
 - Promote sustainable industrial development in the subregion by convening meetings with international experts
 - provide expert advice addressing the needs for diversification of economy
 - support the transition towards a private-sector-led diversification of the economy
 - pilot a comprehensive programme to strengthen manufacturing SME's in Kazakhstan to be subsequently extended to other countries in the Central Asia subregion.
 - establish the Investment Promotion and Monitoring Platform for Central Asia and the Caucasus and *reiterates its request to the Secretariat to intensify the Organization's dialogue with donors for the mobilization of the necessary financial resources for this purpose.*

4. Finally, recognizing the lack of technical cooperation delivery programmes in Central Asia, the Asian Group underscores the importance of developing programmes with emphasis on productivity growth, green industry, diversification of economy and trade capacity building.

Thank you.

Agenda Item 6 : UNIDO field representation

Mr. President,

1. The Asian Group takes note of the document IDB.38/13 on UNIDO field representation.

2. The Group takes note with satisfaction the efforts of the Organization in strengthening UNIDO field representation, and in particular, human resources development through different training courses in the field offices, as well as the decentralization

of financial operations through the provision of their own imprest accounts to field offices.

3. The Group would also like to commend the Organization for an introduction of a new concept of country evaluations. The Group looks forward to the formulation of the guidelines for implementation of these country evaluations and the Group hopes that this would be an effective mechanism to improve the efficiency and effectiveness of UNIDO's programmatic operations in the field.
4. The Group is also of the view that, in these country evaluations, the economic and social impacts, where possible, as a result of UNIDO's technical cooperation delivery in the respective country should also be taken into consideration.
5. The Group holds that to date, the Organization has done reasonably well in delivering technical assistance according to the needs of Member States. However, the information about the concrete outcomes of those efforts, both economically and socially, are not sufficiently made public and evaluated. This limits the potential benefit that might accrue to other member states by replicating the successful projects elsewhere.
6. The Group thus would encourage the field offices to identify concrete outcomes as a follow up, upon the completion of technical cooperation projects and programmes in the respective country. This activity should then be included as part of the evaluation of the performance of field offices.
7. With respect to the recommendations by the independent process evaluation of the field mobility policy conducted in April 2010, the Group looks forward to a progress report on actions and improvement of certain operational aspects of the field mobility policy being implemented by the Secretariat.
8. As regard to UNIDO's idea on converting the UNIDO desks and the Heads of UNIDO Operations (HUOs) into country offices and National Country Directors (NCDs) respectively, the Group takes note of the information with concern of the financial implications due to the requirement of considerable increase in national programme staff. In this regard, the Group urges the Secretariat to propose a draft work plan on this issue in the future in

consultation with Member States, taking into consideration list of criteria as mentioned in document IDB.38/13, paragraph 16 , page 6 as a guidance.

9. While recognizing that the empowering of the field representation through decentralization is essential to maximize the results of technical cooperation, the Group urges UNIDO to keep in mind the need:

i) Enhancing better mechanisms to allow an efficient follow up of projects implementation and ensuring a tight coordination among UNIDO Representative (UR) and relevant interested parties, including the diplomatic missions in Vienna.

ii) Improving the accountability system.

10. The Group also urges UNIDO to bear in mind the comments made by the External Auditor with respect to Operations of UNIDO Field Offices, and particularly those pertaining to the lack of coordination between some Regional and Country Offices, Project Managers and Project Teams.

Agenda Item 7: UNIDO contributions to achieving the Millennium Development Goals

1. The Asian Group takes note of document IDB.38/14 and Add.1 on UNIDO contributions to achieving the Millennium Development Goals.
2. The Group would like to thank the Director General, Dr. Kandeh Yumkella and UNIDO for playing an active role to participate in the exchange of views and ideas for accelerating progress towards the MDGs by 2015 during the High-level Plenary Meeting on the Millennium Development Goals (MDG Summit), held at the United Nations in New York in September 2010.

Item 8: UNIDO support in fostering local pharmaceutical industry

1. The Asian Group takes note of the Director General's report presented in the document IDB. 38/15 on UNIDO's support in fostering local pharmaceutical industry in developing countries, with special regards to essential health products and expresses its appreciation for introducing this important initiative of UNIDO to the member states.
2. The Group takes note of the document IDB.38/15 titled: UNIDO support in fostering local pharmaceutical industry in developing countries, with special regard to essential health products. The Group agrees with the assessment of the Director-General that attempting too many distinct areas too thinly should be avoided in order to achieve concrete results in this enormous task. Therefore, the Group urges the Organization to focus on essential health products.
3. The Group is of the view that UNIDO's expertise in established service areas should be the focus of its activities under this initiative. The modular approach as outlined in Para 40 shall indeed be the course of action after due analysis of the desirable scope and modalities of organization's interventions in these areas.
4. Finally, the Group hopes to see UNIDO working in partnership with other relevant organizations as mentioned in the document to leverage from the synergies of such a collaborative functioning and avoiding duplication.

Thank you.

Item 9: Energy and Environment

1. The Asian Group takes note of document IDB.38/16 entitled UNIDO activities in the field of energy and environment.
2. The Group is pleased to learn of the numerous ongoing activities under UNIDO technical cooperation portfolios in the areas of energy, environmental management and the Montreal Protocol.

3. The Group expects that this favourable trend be sustained and expanded through UNIDO partnership with GEF. The Group looks forward to the design and implementation of a wide range of projects aimed at promoting renewable energy, industrial energy efficiency, and technology and energy storage.
4. The Group expresses its support for the UN-Energy and the AGECC proposal to designate the year 2012 as the International Year of Sustainable Energy Access.
5. The Group agrees that UNIDO's leadership in inter-agency cooperation on energy, and UNIDO's involvement in organization of conferences on the environment and energy, are instrumental in fostering and consolidating a diverse range of partnerships, initiatives and projects. Indeed, the Group underlines the importance of concrete follow-up to the outcomes of the conferences.
6. The Group would like to encourage UNIDO to map out integrated programmes for respective regions on targeted industrial sectors, in order to enhance the responsiveness of the industrial sectors in developing countries and the LDCs to the global trend towards sustainable industrial development.. Such regional programmes should endeavor at initiating and applying "green" production methodology to the targeted industrial sectors as appropriate, and if possible, in an integrated theme, in areas such as promoting cleaner production methods in combination with low-carbon industrial production. The Group believes that this approach will help accelerate UNIDO's efforts in providing assistance to the industry in developing countries and the LDCs to shift to more sustainable patterns of production.

Thank you.

Item 10: Matters related to intergovernmental, non-governmental, governmental and other organization

Mr. President,

1. The Asian Group takes note of document IDB.38/18 presented by the Secretariat entitled "Matters related to intergovernmental, non-governmental, governmental and other organizations".
2. The Group notes that unfortunately 84 of 143 NGOs in consultative status with UNIDO have had no interaction with the Organization for at least three years and of total 59 NGOs which are still considered as active only 10 have attended sessions of policymaking organs of the Organization since 2007.
3. While noting with concern the current status of cooperation of the NGOs with UNIDO, the Group requests the Secretariat to take appropriate measures in order to review their consultative status with UNIDO.

Thank you Mr. President.