

**Statement by the Delegation of the Republic of Korea at the  
39<sup>th</sup> Session of the Industrial Development Board of UNIDO**  
Vienna, 22–24 June 2011

*Agenda Item 3: Annual report of the Director-General for 2010.*

Mr. President [H.E. Ambassador CHO Hyun],

1. Allow me at the outset to congratulate you on your assumption of the presidency of the 39th session of the Industrial Development Board (IDB) of the United Nations Industrial Development Organization (UNIDO). I have every confidence that your able leadership will be conducive to the success of this meeting. My delegation pledges its full support and cooperation throughout the session.
2. At the same time, I would also like to thank the President of the 38<sup>th</sup> Session of the IDB, H.E. Ambassador Böck of Austria, and UNIDO Director-General, Dr. Kandeh Yumkella, for their leadership during a trying period in the Organization's history. As considerable challenges unfolded over the past year, including the global financial crisis and the withdrawal of a Member State from the Organization, UNIDO continued to fulfill its mandate under the Director-General's management, even increasing the volume of technical cooperation.
3. UNIDO has taken on a leading role within the United Nations system with special emphasis on key development challenges. These include agribusiness, green industry and access to clean energy. Korea attaches great importance to energy issues and the greening of industry as means of achieving a sustainable energy future. In this regard, we note with appreciation two related events taking place this week—the Ministerial Meeting on Energy and Green Industry and the Vienna Energy Forum. In recognizing the central contribution of energy to sustainable development and poverty reduction efforts, we are confident that these events will complement UNIDO's continuing activities in this field.

4. UNIDO has distinguished itself through its ability to swiftly respond to the development challenges of the 21<sup>st</sup> century, such as climate change, energy security and environmental sustainability. With its small but flexible and efficient organization, we are of the view that UNIDO will become a leading example of a so-called smart organization and an indispensable development partner.
5. As a member of the Development Assistance Committee (DAC) of the OECD, Korea is actively pursuing cooperation with UNIDO and developing countries. In March 2011, for example, the collaboration between Korea and UNIDO was strengthened by the conclusion of a MoU on the promotion of green growth and low carbon development. This is consistent with Korea's long-term strategy for sustainable development in a low carbon society and complements UNIDO's work in the environment and energy thematic priority area.
6. Taking this opportunity, I would like to introduce some initiatives Korea has taken to promote these objectives. One of these, the East Asia Climate Partnership Program, supports climate change adaptation and technology transfer in the region. In 2010 and 2011, the program has made USD 900,000 available to UNIDO for the transfer of environmentally sound technologies to Cambodia. A second initiative, the Global Green Growth Institute (GGGI), was created to exploit new opportunities in terms of energy sources and related technologies. In December 2010, Denmark partnered with the GGGI to provide financial support and in-house expertise for GGGI activities. In March 2011, Cambodia joined Brazil, Ethiopia and Indonesia to become the fourth recipient country to work with GGGI. At the moment, UNIDO and the Institute are working on a joint analytical study of the potential for trade policy and green growth to mitigate the negative impacts of climate change.
7. Since serving as host of the 2010 G-20 Summit, Korea has attached special significance to international development cooperation. Looking to sustain the momentum generated by the Summit in this direction, Korea will host the Fourth High Level Forum on Aid Effectiveness (HLF4) in Busan,

Korea from 29 November to 1 December this year. This event will bring together the development community's stakeholders to review implementation of the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action. Equally important, participants will consider new development challenges and future actions in order to maximize outcomes in a rapidly evolving global development environment. The Korean Government will spare no effort to ensure the success of the High Level Forum, and I hope that we can count on the full support of UNIDO and its Member States.

Mr. President,

8. While my delegation associates itself with the joint statement of the Asian Group, I would like to add some general observations on the agenda item 3 in my national capacity.
9. Turning to the annual report of the Director-General for 2010, we welcome the new format and other enhancements that are designed to appeal to a wider audience. We hope these changes assist the Organization's efforts to secure a broader range of partnerships with other actors in the field of international development. Such partnerships in turn can create a multiplier effect that expands the scope of UNIDO's activities.
10. My delegation also notes with appreciation UNIDO's flexible response to global challenges. For example, the 2008 food crisis resulted in particular emphasis being placed on agribusiness in 2010. Agriculture has traditionally driven economic growth in countries around the world, and we are pleased to see the potential of agribusiness exploited to meet the demands of the 21<sup>st</sup> century for sustainable and inclusive growth and development. We also hope that access to energy will achieve wider recognition as a key driver of social and economic development and worthy of the international community's full attention.
11. In light of the growing demand for UNIDO technical cooperation (TC) services, we are pleased to note that the positive trend in the volume of

funding for UNIDO technical cooperation programs continued in 2010. Funds in current project budgets increased by 15% over the previous year, reaching the highest level in the Organization's history. A further increase in the volume of technical cooperation services delivered by UNIDO is expected for the short term. We anticipate that the Secretariat will take the necessary steps to continue this positive trend over the mid to long term by broadening its base of donors and funds.

12. My delegation also welcomes the changes in the management of technical cooperation that give UNIDO field offices greater responsibility and accountability for TC activities in their respective countries and regions. It is important for TC projects to be tailored to the needs of the country concerned, and we believe this is a step in the right direction.
13. In conclusion, we reiterate our full support for the Organization's primary objective of promoting sustainable industrial development through cooperation with its stakeholders. Thank you, Mr. President. /END/

*Agenda Item 4: Report of the Programme and Budget Committee.*

Thank you, Mr. President,

1. My delegation welcomes the report by the Programme and Budget Committee (PBC). We appreciate the hard work and dedication of its members to prepare recommendations for consideration by the Board and support the adoption of the draft decisions contained therein.
2. We would also like to highlight the External Auditor's efforts to improve the economy, efficiency and effectiveness of UNIDO's operations. We therefore urge the Secretariat to continue following up the External Auditor's recommendations. These include measures to make the Organization's finances more transparent, consistent, comparable and accountable. We note in this connection that 2010 was the first year in which UNIDO's financial statements were prepared in accordance with the International Public Sector Accounting Standards (IPSAS). We commend the IPSAS implementation team for completing the transition in a timely manner. This will help ensure a sufficient level of services to support UNIDO's activities, and to support sound change management.
3. Lastly, we commend the Secretariat for the progress made in the implementation of the Programme for Change and Organizational Renewal (PCOR). Since its launch in January 2010, not a single deadline has been missed. Over the next 18 months of the initiative it will be important to maintain momentum to realize greater efficiencies while improving the quality and effectiveness of development services. We anticipate that UNIDO will become an organization fit for the future, able to continue adding value in an evolving global environment, as it pursues the objective of growth with quality.

Thank you, Mr. President.

*Agenda Item 5: Programme and budgets, 2012-2013.*

Mr. President,

1. We welcome the consensus reached by the PBC on the 2012–2013 programme and budgets. We believe the consensus represents a balanced compromise reflecting the realities of a difficult global financial climate and the need to maintain UNIDO’s core capacities. We appreciate as well the readiness of the Secretariat to make necessary adjustments to the draft budget based on the conclusions adopted by the Committee.
2. Overall, we are confident that the proposed program and budgets for 2012–2013 will enable UNIDO to better fulfill its programmatic mandate in the light of changing circumstances and new challenges. We urge the Secretariat to make full and efficient use of the resources available for the next biennium to maintain technical cooperation and continue the implementation of the change and organizational renewal program.

Thank you, Mr. President.