

CHECK AGAINST DELIVERY

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION



**Opening Statement
by
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Director-General**

**at the
thirty-ninth session of the
Industrial Development Board
Vienna, 22 – 24 June 2011**

[SLIDE: GENERAL]

Mr. President,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

I am pleased to extend to you all a warm welcome as we begin the thirty-ninth session of the Industrial Development Board.

At the outset, I wish to express my gratitude to the outgoing Bureau, and especially to His Excellency Ambassador Böck of Austria. As chair of the thirty-eighth session of the Board, he proved steadfast in his commitment to constructively resolving all issues that emerged, right up to presiding over the recent informal consultations on our programme and budgets for the next biennium.

Let me also take this opportunity to congratulate our new President, Ambassador Cho Hyun of the Republic of Korea, as well as the new Bureau, on their election. I am confident that under your able leadership, Mr. President, we can be assured of a successful conclusion to our present session.

I know that you have an intensive work schedule this week – not only because of the agenda of the Board, but also because of the range of other meetings and conferences taking place in Vienna over the next few days. As you are aware, our Vienna Energy Forum (VEF) is currently underway in the Hofburg. In a few moments, I will provide you with some information on the Forum and the related energy events. Otherwise, in view of the time pressures facing all of us, I will restrict myself to introducing the various agenda items and, above all, to addressing my revised proposals for the programme and budgets 2012-2013. I will also briefly mention the establishment of an open-ended working group to consider UNIDO's future activities, as recommended by the Programme and Budget Committee, and provide some background information on our side event on diversification strategies.

Mr. President,
Distinguished delegates,

To facilitate your deliberations on the agenda items before you, the Secretariat has submitted a comprehensive set of documents for your information. Allow me to briefly mention some of them. Please be assured that my staff will be ready to respond to any issues raised under the agenda items as they arise during this meeting of the Board.

Item 3 concerns the annual report for 2010. The annual report had been circulated in advance of the recent meeting of the Programme and Budget Committee, and already elicited positive remarks from a number of Member States on that occasion. The report

has been extensively re-designed, and provides you with solid qualitative and quantitative indicators of the developmental outcomes of our services.

As I explained in my opening address to the twenty-seventh session of the PBC, we are now working to further strengthen our capacity to report on results. UNIDO's medium-term programme framework (MTPF) put in place a results framework which is now being operationalized through our Programme for Change and Organizational Renewal. This will allow us to collect and collate the data needed to provide you with better indicators of our contribution to development results, and will in time provide further detail for our annual reports. Item 6 of the agenda concerns the midterm review of the MTPF 2010-2013, which puts us on a firm track towards achieving this.

The report of the PBC is in front of the Board under item 4. At this juncture, I would like to mention one aspect of the PBC agenda which could not be put before the Committee, namely the Report of the External Auditor, which required some time for completion in light of our transition to IPSAS.

I am delighted to inform you that UNIDO has met the requirements for IPSAS adoption, and that the External Auditor has issued an unqualified audit opinion on the first IPSAS-compliant financial statements for 2010. This is a major achievement for UNIDO. We are the first VIC-based organization – and one of only eight UN system organizations – to meet the original date set for adoption of IPSAS. I wish to acknowledge the efforts of all UNIDO staff involved since we began the transition process in 2007, and also to thank the External Auditor and his team for their guidance and cooperation during this period.

Item 7 concerns UNIDO activities related to energy and environment. I will come back to this in a moment with a specific focus on the events taking place this week. For now, however, I would like to speak on item 5, the programme and budgets 2012-2013.

At the PBC meeting last month, we outlined our proposals for the coming biennium. During the course of the deliberations, it became clear that the Committee, while regretting the intention of one Member State to depart, felt that the proposals needed to be revisited in this light. The Secretariat took note of the eventual recommendation made by the PBC, and responded by issuing a revised proposal, which was circulated two weeks ago, and which I introduced to you in a briefing on 10 June.

You have also had the opportunity to discuss this proposal in recent pre-session informal consultations. With this in mind, I do not propose to go in great detail once again through the revisions we have made, except to reiterate that, in making the required reductions in the regular budget of €7,443,502, we have sought to minimize the impact on substantive programmes.

[SLIDE: SUMMARY OF REDUCTIONS]

In percentage terms, the greatest share of the reductions we propose comes from Major Programme D as well as from the programmes under which our Policymaking Organs

and Executive Direction and Strategic Management functions operate. Reductions within Major Programme C are focused mainly on non-staff costs to ensure that the critical mass of technical expertise is safeguarded.

However, the reductions we propose will have implications for UNIDO. Our scope for analysis, research and advocacy will be impacted. Our capacities to develop and implement technical cooperation programmes could be affected. We are also proposing a reduction in the number of sessions of the IDB in a non-General Conference year to one session lasting three working days. This would meet the constitutional requirement of one session per year while achieving considerable savings. We are of course mindful of the value of maintaining strong two-way dialogue between Member States and the Secretariat, and are prepared to explore alternative means of doing so.

At the same time as these reductions are absorbed, we will also need to fast track the implementation of the enterprise resource planning system and harness the expected benefits of the Programme for Change and Organizational Renewal even sooner than originally planned. This is especially urgent as our proposed revision anticipates staff reductions in Major Programme E, Programme Support Services. Further efficiency gains and savings across the entire spectrum of operations will be targeted to minimize the effect on development results stemming from what is – after all – a significant decrease in UNIDO’s budget.

Let me assure you that my senior management and I understand very clearly that many Member States have had to take difficult and often unpalatable decisions where the provision of public funds are concerned. We also understand that international organizations have not been immune from such pressures. Based on consultations, it seems to me that there is a very broad consensus on the revised proposals. I appeal to you to reach agreement during this meeting of the Board.

As we debated the budget figures over the last number of weeks, I felt that we were at times losing sight of the substantive achievements of the Organization – the reason why each Member State of UNIDO so generously provides us with resources. As I mentioned, our annual report for 2010 contains a number of strong examples of such results. In addition, I wish to highlight current and recent successes as recognized by our partners in development.

Let us look at how UNIDO activities can and do make a difference in fragile States. It has been asked in recent times if we have a role in such circumstances – we believe that the facts speak for themselves.

[SLIDE: SUDAN]

A new report of the European Court of Auditors entitled “Efficiency and Effectiveness of European Union contributions channeled through the United Nations” examines EU funding to the UN. This key report is especially positive about the implementation of a large EU-financed UNIDO programme in Sudan, which seeks to enhance the capacity of

Khartoum State in the delivery of vocational training services. The report recognizes the programme's potential for long-term sustainability and the strong ownership of the programme among local beneficiaries. In fact, the EU Commissioner for Development, Mr. Andris Piebalgs, recently visited the Sudan and praised the UNIDO programme as a model for others to follow.

[SLIDE: IRAQ]

One of UNIDO's largest programmes aims to strengthen the process of economic revival in Iraq, in order to attain inclusive, more equitable and sustainable economic growth in line with the development priorities contained in the UN Development Assistance Framework. There are many facets to this programme, from increasing the competitiveness of small and medium enterprises, to working with the Government of Iraq in designing and promoting industrial zones in a sustainable manner. We also cooperate with a wide variety of partners to ensure that there is no duplication of activities and to maximize the effectiveness of our operations.

In this context, with generous funding from the Government of Germany, and in partnership with the United States of America, UNIDO is working in the Ninewa Governorate to assist approximately 2,000 beneficiaries to improve their livelihoods through strengthening productive capacities in post-harvest and other income-generating activities. Indeed, the Embassy of the United States in Iraq recently informed me that, in its opinion, our efforts have contributed a great deal to the stability and prosperity of the region and to improving the livelihood of the Iraqi people.

That success, as in the case of Sudan, represents a continuation of our recognized achievements in other parts of Iraq, which have been made possible by substantial funding from other donors, especially Italy. While it took time to achieve such results, these successes prove our effectiveness in fragile States.

[SLIDE: MONTREAL PROTOCOL]

Allow me to briefly mention another continued success – UNIDO's performance as an implementing agency of the Multilateral Fund for the Implementation of the Montreal Protocol. We have now received the Fund's performance evaluation for 2010, which is due to be adopted at the meeting of its Executive Committee in July, and once again UNIDO is by far the highest-rated agency. This is the eighth time we have received such an accolade since 2001. The Montreal Protocol is celebrated as the most successful multilateral environmental agreement to date, and UNIDO is consistently ranked as best implementer. No one can disagree that this is an impressive record.

Before I give you a synopsis of what is happening this week in the Vienna Energy Forum (VEF) and related events, I would like to demonstrate to you why sustainable energy for all is a pressing issue for economic and human development. This short film shows what difference a small-scale hydro-electric plant, built with UNIDO assistance, can make to

people's lives. Scaling up these affordable, clean, energy solutions will be the major challenge ahead.

[VIDEO: RWANDA]

[SLIDE: VIENNA ENERGY FORUM]

Mr. President,
Excellencies,
Distinguished Delegates,

As you know, the Vienna Energy Forum (VEF) is taking place in the Hofburg this week. Several hundred delegates – including more than forty government ministers and some other well-known figures such as the former Governor of California, Mr. Schwarzenegger – are participating.

I would like to thank our partners: the Austrian Federal Ministry for European and International Affairs, the International Institute of Applied Systems Analysis (IIASA), the Governments of Germany, Italy and Poland, UNDP, GEF, the OPEC Fund for International Development, the Vienna Energy Club and the members of UN-Energy.

The Vienna Energy Forum was launched by UNIDO in 2009, building on ten years of multi-stakeholder consultations of the Global Forum on Sustainable Energy, and is a biennial event that invites participants from all around the world and from all relevant sectors.

Why did we launch it? It is clear that an energy revolution is needed to navigate the major economic transitions of the 21st century. Countries here in Europe are preparing to embrace renewable and clean energy on a massive scale. But developing countries must not be left behind. That is why UNIDO, as part of UN-Energy, spearheaded the drive for global goals on energy access and efficiency. The industrial sector is certainly at the heart of those goals.

At the 2011 Vienna Energy Forum, policy-makers, experts, private sector and civil society representatives are considering the dimensions of this energy revolution. They are discussing how energy poverty, recognized as a major development obstacle, can be overcome while the de-carbonization of energy systems is accelerated, and are working towards operationalizing the achievement of universal access to sustainable energy for all, as called for by the UN General Assembly.

The Vienna Energy Forum 2011 is taking place almost exactly one year before the United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil. The programme of the VEF is therefore designed to spearhead a diverse and rich dialogue on a number of key elements that closely overlap with those of Rio+20, including the pre-

launch of the Global Energy Assessment (GEA) – an initiative to define a new global energy agenda for a rapidly-changing world.

To allow for further consideration of energy issues ahead of the Rio+20 Conference, a ministerial-level meeting on energy and green industry is also taking place in parallel with the Vienna Energy Forum. With a view to contributing to the formal intergovernmental preparations to the agenda and outcome of Rio+20, the ministerial meeting is focusing on three global objectives: expanding clean energy access, reducing energy intensity, and promoting the increased use of renewable energy. It is also seeking to promote green industry in the context of sustainable industrialization and poverty reduction.

Also taking place alongside the VEF is the annual meeting of the influential *Círculo de Montevideo*. The *Círculo de Montevideo* acts as a permanent forum for reflection among its 30 prominent members, aiming at reviewing and identifying strategies and means for promoting sustainable industrial development in the Latin American region. Members of the circle include former presidents and heads of state, academics, policy-makers, leaders of international agencies and global leaders in different areas.

The Board will be provided with further briefings over the coming days by participants in these meetings, and may wish to give consideration to a decision supporting UNIDO's ongoing role in the related energy and sustainable development agendas.

[SLIDE: GENERAL]

Mr. President,
Excellencies,
Distinguished Delegates,

Together with our Member States, we will shortly begin a conversation on the future programme orientation of UNIDO through the establishment of an open-ended working group, as recommended by the Programme and Budget Committee. But despite the unfortunate reduction in our budget for analysis, research and advocacy, I am determined that UNIDO should become an ever-stronger partner in upstream activities for wealth creation.

Take economic diversification for example. It is too often the case that countries which are well endowed with natural resources and export commodities tend to have lower economic growth and face significantly more economic difficulties than countries which are less favourably endowed.

Turning this so-called 'resource curse' into a development opportunity often requires diversifying into the manufacturing sector. Economies with a solid manufacturing base face less volatile output conditions and are more stable. They are better able to take advantage of export opportunities and participate in global value chains, have more potential for productivity growth due to higher rates of technological change, and are

more able to develop significant backward and forward linkages. As a result, they have a greater potential for employment generation and accelerated economic growth.

You will have noted from the schedule that we will tomorrow hold a side event entitled “Making the most of a commodity boom: the case for strategic industrial policies”. The identification of strategic options for such countries to diversify their economies and beat the ‘resource curse’ lies at the core of UNIDO’s research and policy advice agenda, and is of great relevance for the future development services that the Organization can provide.

Tomorrow’s side event is part of a series of such initiatives which we are undertaking. It follows an international policy conference hosted in March this year together with the Government of Ghana on the role of competitiveness and industrial diversification in the context of petroleum-rich economies. We are also planning a major event in Rio de Janeiro, Brazil in March 2012 with the cooperation of the Economic Commission for Latin America and the Caribbean and BNDES, the National Development Bank of Brazil. This event will bring together policy-makers, academia and the private sector to discuss natural resources and productive diversification in the region.

[SLIDE: COVER OF AGRIBUSINESS FOR AFRICA’S PROSPERITY]

Diversification away from primary agricultural commodities and into agribusiness is an important area in this regard. A diversified economy and a greater share of the agribusiness market also go a long way to addressing food security and food safety issues. In recent years, a renewed focus on agriculture has been evident in policy and development agendas for the African continent, yet little knowledge has been generated on the inter-linkages of production, agro-industry and markets, as well as the potential and capacities for developing them.

We have just published “Agribusiness for Africa’s Prosperity”, a book which I co-edited. It outlines the current status of agribusiness and agro-industrial activities in Africa, and situates them in a historical and global context. It analyses the opportunities for diversified growth, and assesses the existing and potential sources of demand growth for agribusiness development on the continent. This book fills what we perceive as a significant gap in knowledge, and is conceived as a resource for policy-makers, agribusiness managers and researchers in agribusiness development.

The work we are carrying out on strategies for economic diversification and agribusiness are strong examples of high quality research, analysis and inputs to policy advice, and as such fall within Major Programme D. But they also serve to make us a better learning organization – by increasing our own knowledge and expertise – and by improving the quality of the technical cooperation activities we provide.

[SLIDE: GENERAL]

Mr. President,

Excellencies,
Distinguished Delegates,

The months that have passed since the last meeting of the Board have not been easy. We have had to absorb the disappointing news of a Member State's departure, and have endeavoured to minimize the financial impact on our remaining members while safeguarding our core functions to the largest degree possible. But in tandem with this, we have continued to make a difference in the development services we provide. We have not stood still.

UNIDO is your organization – you ultimately decide on which programmatic direction we should take. I have mentioned some of the key areas in which I believe we can make a difference in future years: green industry and energy, and wealth creation through economic diversification. I and my staff stand ready to begin the conversation on our reaffirmed role – and we do so with the confidence that your organization will emerge all the stronger for it.

Thank you.



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Summary of Reductions

Major Programme	Reduction in number of Posts		Total Reductions	
	P Post	GS Post	Euro	Percentage
A. Policymaking Organs			(452,410)	(8.1%)
B. Executive Direction and Strategic Management	(2)	(1)	(797,240)	(6.5%)
C. Thematic Priorities		(2)	(2,797,934)	(2.8%)
D. Strategic Research, Quality Assurance and Outreach	(2)	(3)	(1,478,400)	(8.9%)
E. Programme Support Services	(1)	(6)	(1,813,013)	(5.5%)
G. Indirect Costs			(104,505)	(0.5%)
Total Reductions	(5)	(12)	(7,443,502)	







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土壤熏蒸消毒剂
TRHJ02.022-2007
PD4129
XK13-003-00376
化学股份有限公司
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净重: 25 kg
毛重: 28 kg
批号:
生产日期: 2000年11月



VIENNA ENERGY FORUM 2011

energy for all—time for action

Vienna, Austria, 21-23 June 2011





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AGRIBUSINESS FOR AFRICA'S PROSPERITY



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INDUSTRIAL DEVELOPMENT ORGANIZATION

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