



**STATEMENT
BY**

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PERMANENT REPRESENTATIVE OF THE REPUBLIC OF
SOUTH AFRICA**

**AT
40TH SESSION
INDUSTRIAL DEVELOPMENT BOARD**

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**STATEMENT OF THE REPUBLIC OF SOUTH AFRICA DELIVERED BY
AMBASSADOR MABHONGO DURING THE 40TH SESSION OF THE
INDUSTRIAL DEVELOPMENT BOARD, 20-22 NOVEMBER 2012**

Mr President (H.E. Ambassador BalazsCsuday, Permanent Representative of Hungary)

1. I would like to join others before me in congratulating you on your election as the President of the current session of the Industrial Development Board. I am confident that you will steer the IDB to a successful and fruitful conclusion. I also take this opportunity to congratulate the other members of the Bureau on their election.
2. My delegation welcomes the opening remarks of the Director-General, Dr. Kandeh Yumkella and reaffirms our support for the Organisation and its continued efforts in pursuit of sustainable industrial development in all of our countries.
3. South Africa would also like to align itself with the Statements delivered by the Chairpersons' of the Group of 77 and China as well as the African Group and would like to offer a few additional remarks under agenda item 3, the Annual Report of the Director-General.

Annual Report of the Director-General on the activities of the Organisation for 2011

4. UNIDO in 2011 has managed to prove once again its reliability and effectiveness as a development partner. The Government of South Africa collaborated with UNIDO during the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change (UNFCCC), on a project of "greening" the event. It was the second largest meeting of its kind and marked the first time that the Conference of the Parties was held in sub-Saharan Africa.

UNIDO and the Government of South Africa worked together to realise what has become a highly visible project covering communication and awareness raising; non-motorised public transportation; a "clean-tech" competition; and solar water heating for rural clinics. All four components of the UNIDO project have been converted into legacy projects, demonstrating South Africa's commitment to reducing greenhouse gas emissions.

5. UNIDO's commitment to South-South cooperation through its centres for South-South Industrial Cooperation is clearly evident. The two centres in India and China have made an important contribution to South-South cooperation in the area of agribusiness, new and renewable energy

technologies, trade capacity building and technology transfer as well as policy advice and institutional capacity building. These centres have initiated projects in South Africa and the region and it would be worth looking into establishing a similar South-South centre for the African continent.

6. UNIDO in 2011 entered into a partnership with the African Union Commission for the accelerated implementation of the Pharmaceutical Manufacturing Plan for Africa. The African Ministers of Industry at their conference in Algiers in March 2011, identified the pharmaceutical sector as being a priority for the continent and included it in the Accelerated Industrial Development of Africa Framework, acknowledging the Pharmaceutical Manufacturing Plan for Africa as the mechanism by which the sector should be supported. The main focus of this collaboration will initially be the formulation of a business plan to pave the way for implementation of the project over the coming five years.
7. 2011 was another remarkable year for UNIDO in terms of funds mobilised. Looking at the distribution of funding by thematic priorities, it is evident that environment and energy, has once again attracted the greatest share of overall funding compared to the other two thematic priorities of trade capacity building and poverty reduction through productive activities. Although energy is critical for the development of sustainable industries, a balanced approach to the thematic priorities should be pursued. In particular industrialisation in some developing countries is dependent on the development of productive capacities.

Mr President,

8. UNIDO conducted a country evaluation in 2011 in South Africa. Since joining UNIDO in 2000, 12 projects or project groups have been implemented. Projects in the "energy and environment" thematic priority account for 52,8 per cent of the budget, while projects in the "poverty reduction through productive activities" area represent 28,5 per cent of the budget and those in "trade and capacity building" account for 18,7 per cent of the budget. These portfolios have been growing significantly over the years, with a large proportion approved within the last three years.
9. The performance of UNIDO projects has been reported as being good in South Africa, However, it has been noted that some project objectives lacked coherence amongst itself at times. In particular, the evaluation identified a lack of coherence between targeting SME's, which was part of the objectives of several projects identified by the Government. SME's is a priority sector for the South African Government due to its capacity to generate employment.

10. Overall the Evaluation notes that UNIDO cooperation has been most effective in terms of capacity building in South Africa. The South African National Cleaner Production Centre (NCPC), the cooperation with the Automotive Industry Development Centre, and the strengthening of the Durban Energy Office are cases in point. Good effectiveness was also observed in the field of policy advice. The good evaluation results of the projects could be explained by two factors; the strong counterpart government institutions that participated in the formulation of projects and made sure that they responded to government policies and priorities; and the low relative weight of foreign donors in the funding of the UNIDO projects, with the largest funding coming from the South African Government.
11. Some interesting observations which have come out of the South African country evaluation have also been identified as challenges by Member States during the SWOT analysis of the Informal Working Group on the future of UNIDO. Some of these include the need for UNIDO country programmes to be prepared jointly with the government main counterparts, the need to assist Government in the implementation of its industrial policies and strategies and the need to implement and define clear indicators and mechanisms for joint monitoring and evaluation.
12. In addition, UNIDO should improve significantly the reporting and communication to the Government and donors on the progress and results of each of its projects, and it should include workshops to discuss results and recommendations for improvement. Lastly, UNIDO should focus its contribution in activities that add value based on UNIDO's experience and methodologies in different thematic areas, rather than be a mere contractor.

Mr President,

13. UNIDO is currently in a unique position to redefine its mandate and strengthen its niche in the United Nations system as the partner for sustainable industrial development solutions. UNIDO is the only specialised agency that has consolidated programmes on industrial energy efficiency and renewable technologies for productive uses and applications in industry, especially in energy-intensive small and medium manufacturing enterprises. As such, the on-going work in the Informal Working Group of the Future of UNIDO should look at ways to draw on the Organisations uniqueness and strengths and make recommendations that will allow UNIDO to be a sustainable industrial development partner to all Member States.

14. In conclusion, I would like to quote a paragraph from a joint UNIDO/UNCTAD report that analysed industrial performance and capabilities of African countries, and I quote "African industrialisation has to follow its own unique design, underpinned by tailor-made industrial policies that recognise domestic conditions and identify untapped potential."

15. With these remarks, my delegation concludes by expressing its support to the work of the President, and by reiterating our commitment to fruitful and constructive deliberations.

I thank you.