



Statement of Mr. LI Yong
Director General
United Nations Industrial Development Organization

at the

Closing of the
42nd Session of the
Industrial Development Board

26 November 2014
Vienna, Austria

Mr. President of the Industrial Development Board,
Distinguished delegates,
Excellencies,
Ladies and Gentlemen,
Colleagues and friends,

Good afternoon.

Allow me, first of all, to express my sincere appreciation to you, Mr. President, and your Bureau for your very effective conduct of this important meeting, which has allowed us to conclude our business one day, one full day, ahead of schedule. Allow me also to thank all the delegates of the Member States who have attended this session of the Board. You have spent much of your valuable time deliberating on a number of important issues. We have just adopted a number of important decisions with valuable contributions from all of you. You have spent much of your time very carefully discussing many important issues, including our budget, our mandate and our future operations. I am very, very grateful indeed for your contribution.

I also appreciate the many encouraging comments you have made with regard to the progress achieved by UNIDO over the past year in connection with the three priorities I mentioned in my statement – and here I would like to mention them again shortly: the policy goal of positioning the concept of ISID in the post-2015 development agenda; the operational goal of aligning our services with the ISID mandate given to us by the Lima Declaration; and the management goal of improving our internal operations to make this institution more efficient and effective.

This Session of the Industrial Development Board has certified that we have done well in 2014 – under the guidance of our Member States, and under the guidance of the Lima Declaration. Your statements of appreciation and support, the words of congratulations and encouragement from the high-level speakers in the side event on the Post-2015 agenda we held yesterday, the outcome document of the Open Working Group on Sustainable Development Goals – they all confirm that ISID is now central to the new development framework, and recognize that UNIDO has the full mandate to put it into practice.

Your support and leadership, combined with the enthusiasm for our renewed mandate of ISID, were the fuel, were the energy, to our success in addressing these priorities. Now it is my turn to encourage you to continue to support UNIDO through a new year, 2015, which will be a very critical year for the international community: it will be the year in which we will adopt the new SDGs. It will also be a year of critical importance for the future of inclusive and sustainable industrial development.

Excellencies, ladies and gentlemen,

I have taken note of the valuable suggestions, recommendations and guidance I have received from you during these two days. I listened very carefully to the statements you have made, and have taken note of the decisions you have adopted. This guidance will be vital for UNIDO in the months ahead. I will continue to consult closely with the Member States in the run-up to the forthcoming sessions of the policymaking organs – the thirty-first session of the PBC on 27-29 May 2015, and the forty-third session of the IDB on 23-25 June next year.

I would like to highlight a few important points that have arisen during these intense two days, during the discussions with all of you.

Let me start by briefly referring to the ISID partnership country programmes. I would like to express my sincere pleasure at the great interest expressed by many Member States in participating in this programme. I am comforted to see that the benefits of this programme are already visible to the Member States of UNIDO, despite this still being only a pilot and early stage of the programme.

The results of this phase will of course be duly monitored and assessed. Before the IDB meeting I already instructed my staff to ensure that proper evaluations are conducted of those programmes, and I appreciate the points on this topic made by Member States. Before the programme gets scaled up we

need to set up all the processes for monitoring and for strengthening the programme. Those schemes will be on track.

I eagerly acknowledge the interest of so many Member States and I assure you of my intention to broaden the impact of the UNIDO ISID partnership country programmes. We will do so not only by increasing the number of pilot countries over time, but also by organizing regional policy seminars, and investment fairs and meetings to disseminate best practices and knowledge, to promote industrial development in those countries, as was proposed in this 42nd Session of the Industrial Development Board.

I would also like to thank the Member States for their encouraging statements with regard to UNIDO's participation in the United Nations Resident Coordinator (UNRC) System. These comments will be fully taken into account as we develop our future policy framework. We are members of UNDG, we are members of "Delivering-as-One".

Excellencies, ladies and gentlemen,

I have furthermore noted with appreciation the interest expressed by several representatives in the ideas we have presented on the improvements of UNIDO's financial legislative framework.

In accordance with the mandate included in the strategic guidance document, it is my intention to submit to the coming PBC a pre-session document with my proposals, elaborating on three critical elements. These are:

- the use of voluntary contributions for core activities;
- the creation of a major capital investment fund; and finally
- a unified and simplified approach towards using unutilized balances of appropriations.

My proposals will not require significant, if any, changes to the current financial regulations. Rather, they will focus on actions, commitments and interpretations that could help to ease the financial difficulties UNIDO – this important organization for implementing ISID – is facing.

I really believe that we need to reinforce two things. One is cost-savings: it is important for any organization to become efficient and effective. The second is to explore channels for mobilizing more resources.

But I do not want to put too much pressure on our Member States, asking for increased budgets every biennium. What we need to do is exercise our minds and use our judgement to find effective ways to mobilize resources. Especially in the case of our pilot programmes: people often ask me how to bring in the required money, and how to bring in the private companies? This is a big question. But as we move ahead with our industrial parks, with hardware being built, with software being implemented, I think that the money will come, the companies will come. Many countries already provide examples of this approach. We would like to transfer this approach to countries that badly need the growth, the jobs, the industry, the manufacturing. I therefore just would like to emphasize to all of you that we need to find appropriate measures to mobilize more resources to make a big impact for our Member States.

Let me highlight that these measures alone will not solve the funding gap between the resources needed to put UNIDO on a stable budgetary basis and the budget constraints expressed by several representatives. I have taken note of the statements on this topic and will continue consultations with all Member States while I will work on my proposal for the programme and budgets, 2016-2017.

I sincerely hope that a consensus will emerge that will allow our Organization to fulfil its strong mandate recognized by all of you in Lima a year ago, which you reconfirmed again here at this IDB, and which is now a stand-alone goal of the new post-2015 development agenda.

Finally, I would like to welcome the positive responses to the proposed MTPF outline, which we will now finalize over the coming months in line with the guidance given by you and in further consultation with you, our Member States.

In doing so, I can assure you that full consideration will be given to the implementation of the recommendations relating to the management criteria contained in the "Strategic Guidance

Document", which is really a very important document for UNIDO to move ahead healthily, efficiently and with a big impact.

Excellencies,
Ladies and gentlemen,

To conclude, I think that one important message I received from all of you in these two days is: let's work together. Together we can make Inclusive and Sustainable Industrialization a reality.

I would also like to thank you again for your *trust and partnership*, and wish you all the best for the holiday season – Thanksgiving, Christmas, New Year's day, and maybe my national Spring Festival. I really hope that you enjoy these holidays in happiness and good health.

Best wishes to all of you for a very promising new year, 2015.

Thank you very much.