

CHECK AGAINST DELIVERY

**Statement of the Asia and Pacific Group at the 43rd session
of the UNIDO Industrial Development Board Vienna, 23-25
June 2015**

Mr. Chairperson,

I have the honor to speak on behalf of the Asia and Pacific Group in the UNIDO. The Asia and Pacific Group congratulates you on your election as the Chairperson of the 43rd Session of the Industrial Development Board. The Group would also like to congratulate other members of the Bureau on their election. The Group is confident that under your able guidance and with your excellent skills and experience, this session will reach fruitful conclusions and assures you of its fullest cooperation to this effect.

The Group takes this opportunity to express its gratitude and appreciation to the outgoing bureau for their commendable work.

The Group would also like to convey its appreciation for the opening statement by the Director General, H.E. Li Yong, and to thank the Secretariat for the preparation of the documents for this meeting. The Group would also like to thank the Director General for the Annual report for 2014.

The Asian Group will make statements on Agenda items 3, 4, 5, 6, 7, and 10 in the course of discussions on each item.

Thank you Mr. Chairperson.

Agenda Item 3 Report of the Director General for 2014

Mr. Chairperson,

The Asia and Pacific Group takes note of the document IDB.43/2-PBC.31/2 regarding the 2014 Annual Report of the Director General of UNIDO and appreciates the work done by the secretariat for its finalization. The Group acknowledges UNIDO's efforts in the promotion of sustainable industrial development, and looks forward to further effective implementation of activities and programs that foster industrial development and eradicate poverty in the region.

The Group expresses its continuous support to the role of the Director General and the UNIDO as a forum for discussing industrial development through a multilateral setting and promoting inclusive and sustainable industrial development in line with the mandate given by the Lima Declaration. It also recognizes the role of UNIDO within the scope of its mandate in the post-2015 development agenda and associated Sustainable Development Goals.

The Group is pleased to note that the UNIDO's effort at the strategic level aiming at promoting a global understanding and appreciation of the importance of ISID for economic growth and development has culminated in the incorporation of this concept together with resilient infrastructure and innovation, as Goal 9 in the outcome document of the Open Working Group established by the United Nations General Assembly to develop the SDGs.

The Group supports the recently launched Programme for Country Partnerships (PCP) as a means of enhancing the development impact of UNIDO's services through a close alignment with other development actors, including national governments, multilateral and bilateral development organizations and finance institutions, the private sector and civil society.

Thank you Mr. Chairperson.

Agenda Item 4 Report of the Programme and Budget Committee:

(a) Report of the External Auditor for 2014;

The Group welcomes the report of the External Auditor on the accounts of the UNIDO for the financial year 2014, and appreciates the valuable contribution of the External Auditor toward greater accountability and transparency of UNIDO's financial accounts. The Group is pleased that the External Auditor's findings have revealed no material weaknesses or errors, placing once again an unqualified opinion on the financial statements for the period under review.

While commending the efforts that lead to the increase in voluntary contributions by almost 60%, from 69.3 million Euros in 2013 to 110.4 million Euros in 2014, the Group shares the observation of the external auditor that this development might bear risks in the future.

It is noted with concern that the assessed contributions decreased by 6% during 2014. The Group takes note with satisfaction of the UNIDO's agreement with the external auditor's findings and recommendation in this regard.

The Group expects receiving report on the Secretariat's follow up to the observations and recommendations of the External auditor, particularly pending findings and recommendations since 2013.

(b) Financial situation of UNIDO, including unutilized balances of appropriations;

The Group takes note of information provided in document IDB.43/4-PBC.31/4. The Group is satisfied to note that the collection rate of 2015 assessed contributions at 31 March 2015 was 40.8 per cent, compared to the 2014 and 2013 rates of 36.8 and 38 per cent, respectively. The Group welcomes the information that a total number of forty-four Member States, including six least developed countries (LDCs), have made full payments in a timely manner.

The Group appeals to all Members States to **conscientiously** fulfill their **financial** obligations towards the organization.

(c) Scale of assessments for apportionment of the regular budget expenses for the biennium 2016-2017;

The Group takes note of the Director General's report as contained in IDB 43/7-PBC 31/7 and supports the adoption of the draft decision on this agenda item as recommended by the 31st Programme and Budget Committee document No PBC 31/L.4.

(d) Working Capital Fund for the biennium 2016-2017;

The Group takes note of the Director General's report DB.43/8-PBC.31/8 and once again appeals to all Members States to conscientiously fulfill their financial obligations towards the organization.

(f) Appointment of an External Auditor.

The Asia and Pacific Group takes note of document DB.43/10-PBC.31/10 regarding the appointment of an External Auditor.

The Group would like to thank the Auditor General of Germany and his office for the valuable contributions to the improvement of the financial viability, transparent management and operations, and overall performance of UNIDO.

The Group recognizes that as a result of the invitation to Member States to express their interest in providing the services of an External Auditor, two candidates have submitted proposals to fill the post of the External Auditor.

The Group is of the view that the next External Auditor should continue to observe the improvements in important areas including the efficiency in implementing TC projects.

Agenda Item 5 Programme and budgets, 2016-2017;

Mr. Chairperson,

The Asia and Pacific Group takes note of document IDB.43/8-PBC.31/8 containing the proposal of the Director General for the Programme and Budgets 2016-2017. The Group notes with satisfaction that the current budget proposal strives to strike the right balance between requests to enhance and increase the role of UNIDO, and the need to achieve efficiencies. The Group appreciates the efforts of the Director General and the Secretariat in preparing this proposal with the aim of operationalizing the Inclusive and Sustainable Industrial Development (ISID) especially after being internationally recognized as an integral element of the emerging global development framework by proposing inclusive and sustainable industrialization as SDG9.

The Group encourages the UNIDO to continue its commendable effort aiming at the implementation of its gender equality and women's empowerment policy over the biennium.

The Group will continue its support to the Organization and looks forward to the further improvement of the Organization in providing services.

Thank you Mr. Chairperson.

Agenda Item 6 Medium-term Programme framework 2016-2019

Mr. Chairperson,

The Asia and Pacific Group takes note of document IDB.43/9-PBC.31/9 in which the Director General has proposed a new medium-term programme framework 2016-2019.

The Group commends the introduction of new elements in this document, particularly; partnerships to promoting the Inclusive and Sustainable Industrial Development (ISID) based on the Programme for Country Partnerships (PCPs), the inclusion of a budgetary framework that indicates expected budgetary requirements for the new MTPF, and the enhancement of the result-based management approach.

The Group also commends the increased emphasis on creating synergies and strengthening strategic partnerships with different development actors including governments, financial institutions, the private sector, and other UN organizations.

The Group understands that this document is a living document that will continue evolving as the UNIDO's programmatic objectives and priorities will be determined and discussed by Member States in different fora and most importantly during the special Summit on Sustainable Development in September 2015.

Thank you Mr. Chairperson.

Agenda Item 7 Implementation of the Lima Declaration: Towards inclusive and sustainable

The Group takes note of the Director General's report IDB.43/12 and its main elements.

The Group stresses the importance of integrating in a balanced way all three dimensions of sustainable development; economic, social and environmental. It's noted that almost 63% of the total delivery of TC activities has been spent on the ISID thematic areas relating to environmental sustainability.

While the Group fully understands that the Secretariat does not have complete control over the thematic allocation of its TC resources, as these depend on the willingness of external sponsors, it should be recalled in this context that poverty eradication should remain the central imperative which can only be achieved through strong, inclusive, sustainable and resilient economic and industrial growth, and the effective integration of the economic, social and environmental dimensions of sustainable development in a balanced manner.

The Group notes the geographical distribution of TC resources and urges the organization to consider delivering these resources and activities in a fair and equitable manner among different regions and sub-regions.

The Group also notes with satisfaction the growing inflows of voluntary contributions from developing countries. This together with other member and non-member contributions contributed raising 191 million USD; the second highest figure of voluntary contributions in the organization's history. This, as rightly mentioned in the DG report, highlights the perceived relevance of the Organization's services to developing Member States.

The Group reiterates the central role of the UNIDO in implementing ISID as part of the post-2015 developmental agenda. In this regard the Group welcomes the inclusion of the goal “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” in the set of seventeen Sustainable Development Goals and associated targets, as proposed by the Open Working Group of the United Nations General Assembly in its report (A/68/970).

As we approach the final stages of the process of formulating the SDGs and their related targets and indicators, the Group encourages UNIDO to continue its active engagement with the post-2015 development agenda process and to support Member States in this process through its field network, Liaison Offices and at Headquarters.

Thank you Mr. Chairperson

Agenda Item (10) Personnel matter

The group notes with satisfaction UNIDO’s revised policy on gender equality and empowerment of women, with specific commitments to integrate gender equality and the empowerment of women, with particular focus on staff at levels P-4 and above.