

**Statement of Mr. LI Yong**  
**Director General**  
**United Nations Industrial Development**  
**Organization**  
**at the**  
**Opening of the**  
**44<sup>th</sup> Session of the**  
**Industrial Development Board**

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Vienna, Austria

Excellencies,

Distinguished delegates, Ladies and Gentlemen,

It is my great honour and pleasure to deliver my opening statement before you today, during the week in which UNIDO is celebrating its 50<sup>th</sup> Anniversary. Yesterday, we experienced the first day of this event.

This occasion marks five decades of successes, turning points, innovations and new achievements by our Organization, by UNIDO — this is your Organization, as I mentioned yesterday, our stakeholders' organization, our dear Member States.

This occasion of 50 years provides the opportunity to reflect on our history and celebrate our achievements. Through the time line of UNIDO's development, we could see that these 50 years really gave us challenges and opportunities, and many achievements that were made possible primarily by the vision and continued commitment of our Member States - we have achieved great successes in terms of the global agenda of industrial development – as well as by the tireless work of the thousands of staff and colleagues over the years. Today, we thank all of you for your priceless contribution to inclusive and sustainable industrial development – our new mandate.

But from this lectern today, I do not only thank you for your efforts. Today, possibly even more than in the past fifty years, I urge all UNIDO Member States, partners and staff to further intensify our efforts to advance our ISID agenda.

On our 50th Anniversary, we therefore do not only celebrate our past, but most importantly look at our present, and project to our future, and at how we can increase our contribution to the 2030 Agenda for Sustainable Development. As Ambassador Mr. Song mentioned, we should continue to increase effectiveness and efficiency, as well as creating the best possible value for our stakeholders, for our Member States.

Excellencies,

Ladies and Gentlemen,

Before I continue, let me express my sincere gratitude to the outgoing Bureau, and in particular to His Excellency Ambassador Mr. SONG Young-wan of the Republic of Korea, who is acting President of the forty-third session of the Board. Your dedication, your skilfulness in handling the issue of how to reach compromise, your contribution to our discussion on the sustainable development goals implementation, and much more work contributed to this Board will be greatly appreciated not only now but in the future. Your dedication and constructive spirit have been much appreciated both by the Secretariat and colleagues.

I also wish to congratulate our incoming President, Her Excellency Ms. Maria Zeneida ANGARA COLLINSON, Permanent Representative of the Philippines, as well as our new Bureau, on their

election. I am very confident that under your able and skilful leadership, Madame President, we will reach a successful conclusion to our present session.

Excellencies,

Distinguished delegates,

As we enter our sixth decade together – now we call out the sixth decade - let me underline my pride in leading such a noble Organization. Yesterday, I emphasized that UNIDO's role in the broader development cooperation arena has never been so central, has never been so closely connected to the global agenda.

In the remainder of my opening statement, I will touch upon the relevance, impact, effectiveness and efficiency underpinning the performance and results achieved by our Organization.

We are all familiar with the provisions of the 2030 Development Agenda and the Addis Ababa Action Agenda. We are proud to see our ISID mandate fully reflected in the main framework for development cooperation for the next generation, adopted just over a year ago.

But, Excellencies, Ladies and Gentlemen,

The year that has passed since then has clearly demonstrated that the emphasis of the broader international community on inclusive and sustainable industrialization is here to stay, and is really on track.

And 2016 has also demonstrated that UNIDO is fully recognized as the reference Organization for industry-related matters in the SDGs framework.

Just a few months ago, the General Assembly proclaimed 2016–2025 as the Third Industrial Development Decade for Africa, with a resolution that calls on UNIDO “to develop, operationalize and lead the implementation of” its “programme”, invites UNIDO “to scale up its technical assistance to African countries in order to promote inclusive and sustainable industrial development”, and requests UNIDO to make periodic progress reports to the General Assembly. We acknowledge the support of the African Union and also the Group of 77 plus China to put forward this initiative.

And also, colleagues, friends, earlier this summer, the G20 Summit in Hangzhou, China, adopted a new initiative by the group to support Industrialization in Africa and Least Developed Countries, based on a comprehensive report prepared by UNIDO. UNIDO had been tasked by the G20 to develop this report together with other organizations. So, we prepared a report together with OECD, together with World Bank, IMF, WTO and 18 international organizations. In the same context, the G20 Action Plan for the implementation of the 2030 Agenda includes industrialization in the priority areas for the G20 development cooperation activities. The report was highly commended by the leaders of the G20 and led to a new initiative. Now the G20 will continue this process, starting from the German Presidency next year. Once again, UNIDO's expertise and leading role in these matters was highly influential and duly acknowledged. I will

send out a copy of this report to each Head of Mission. Ambassadors, Excellencies, it will also have my signature for your reference, and for you records.

At the United Nations General Assembly, UNIDO presented its biennial report on Industrial Development Cooperation, which analyses recent trends in industrial development in the context of the 2030 Development Agenda and the response of UNIDO in supporting countries to pursue ISID and other industry-related Goals. Thailand (on behalf of the Group of 77 and China) presented a draft resolution on the matter. While discussions are currently ongoing, a proposed paragraph invites “all countries that have withdrawn or have expressed their intention to withdraw from the Organization to return or maintain their membership”. We are confident that, as in previous years, Member States will fully support the discussions on the resolution in the Second Committee, so that UNIDO’s mandate and work will be further strengthened in the 2030 Agenda context.

In March of this year, the 18<sup>th</sup> session of the Committee for Development Policy of the Economic and Social Council recommended expanding productive capacity to drive the achievement of the Sustainable Development Goals. Again, UNIDO’s ISID mandate is high on the agenda of Member States, United Nations processes and practitioners of sustainable development.

Finally, the High Level Political Forum, which is an important consultation forum under at the UN, is the main stage for the follow-up and review architecture of the 2030 Agenda. This year, consolidating the request received for the 2016 session, the distinguished members of this Industrial Development Board have been again invited by this High Level Political Forum Secretariat to submit their formal input to the global thematic review process for the HLPF 2017. We feel very very honoured to be involved in this process. On this occasion, the review of the IDB will have particular importance, as SDG 9 – sustainable development goal 9 - will undergo specific in-depth review at the global level. Be assured that the UNIDO Secretariat will duly support the Board in this important endeavour. We are very happy to have received this important task.

The relevance of UNIDO in the broader development cooperation agenda is greater than ever. I do not say this with self-congratulatory indulgence, but with a proud and serious commitment to take this opportunity to advance ISID and the Sustainable Development Goals to serve our Member States better.

The CEB meeting I attended recently - I just returned from that meeting - was the final CEB session for Secretary General Ban Ki-Moon. We discussed one issue: How to actually implement the 2030 Development Agenda, to support our Member States in implementing the Agenda with effective measures that we deliver with one common approach. One important issue was addressed: how to actually change our mind set from the MDGs to the SDGs? The difference is that the MDGs started from the social sector, which is of course very important and also fundamental. The new SDGs started with the environment, climate change issues and also, very importantly, economic growth. Food security goes with SDG 9 - industrial development. Or also energy – Goal 7. All those interrelated Goals are connected to our UN development system. Before we called the system UNDAF – we all know that, UN Development Assistance Framework -, but now the name will be changed into the “UN Sustainable Development

Framework". This is a very big shift. With the mind-set changing, operations will change, and UNIDO will be facing big challenges. How to do more to support this global agenda that is to be implemented before 2030?

I am very happy that this discussion also involved the new Secretary General, Antonio Guterres, who joined us for lunch. We discussed this issue. I have received some very very positive information. I am sorry, I cannot release it here, today. But I will certainly let you know when this information could be officially announced.

Excellencies,

Ladies and gentlemen,

How are we then contributing to advancing our ISID agenda in the framework of the SDGs? This is a challenging question. But more challenging are actions – how can we act?

Answering this question enables us to explain our current efforts, and also chart our vision of the future.

Our ambition is great, as is our capacity to innovate, to adapt to the ever changing circumstances in which we operate, to difficulties we are having, and challenges we are facing.

We have done so throughout our history. We did so during the high times of the industrialization agenda in the 1960s and 1970s. We began to look more closely into trade, environment and gender issues the decades after, and we were able to overcome the difficulties for industrial development advocates during the low times of the Washington Consensus. We all know the Washington Consensus. It doesn't mean that the Washington Consensus was totally wrong, but that some of its clauses maybe should have been adapted, and implemented according to the national situation. Throughout its 50 years, UNIDO was able move along with the global agenda. We have also gone through different periods of challenges, different situations, and actually have adapted to the situations in different periods.

The Millennium Development Goals had the merit of bringing the health and social aspects of poverty to the global agenda.

Today, with the 2030 Agenda, as I mentioned, ISID is really one item of the global agenda, connected to all the international community.

Since then, UNIDO has undergone a process of realignment of its activities to meet the expectations of our Member States. Our Medium-term Programme Framework 2016–2019, adopted by the Sixteenth Session of the General Conference, aligns with the provisions of the SDGs, including the mainstreaming of the three dimensions of sustainable development.

The documents before you accompanying this session of the Industrial Development Board provide you with the details of our progress in this alignment process.

Here, I would like to first underline the significant strides made by the Organization in terms of adjusting its technical cooperation portfolio, as well as its policy advisory, normative and convening functions towards a more holistic ISID approach.

Every programme of the Organization makes a contribution to at least one of the three thematic priorities contained in the MTPF – Advancing economic competitiveness; Creating shared prosperity; and Safeguarding the environment.

Even more importantly, our activities increasingly mainstream more than one dimension, with a view to achieving a portfolio that covers all three dimensions of sustainable development — the dimensions of ISID — as predicated in the 2030 Agenda.

This has entailed important efforts to increase internal cooperation, as well as strategic re-prioritization of activities within each department and division. I commend the efforts of my staff to make these changes effective in the shortest period of time, despite the well-known staff and resource limitations. It's a really tough challenge. As I mentioned, a very encouraging situation is that our voluntary contributions from donors, from Member States are increasing. They are at a historical high. Our staffing and our regular budget have been decreasing for the past ten years. Another issue is that our delivery is increasing. And our new innovative operation, the PCPs, is received very well by the Member Countries, and also supported by the international community. The challenge is that with such big support, and such a fund raising situation, our capacity to deliver is limited. So, here I would just like to commend our staff, who are working not only very hard, but also in a smart and innovative way. This is a very encouraging situation, which I wanted to share with all of you, your Excellencies.

Colleagues, Friends,

The same team approach has been the basis for the successful implementation of our partnership approach in the early years of our Programmes for Country Partnership. The interdepartmental teams leading the work on our PCPs in Ethiopia, Senegal and Peru have successfully achieved high levels of coordination across different parts of UNIDO, in a way that consolidates UNIDO's integrated ISID approach. This is what I mentioned: we should be smarter and innovative. Every PCP country has a team. Every team consists of staff from different departments. We do not move people together in a team so that they cannot do any job for others simultaneously. We connect focal points from different departments as a team. At the same time, they can work on other jobs in the departments – which is cost saving. Your Excellencies, cost saving. They work as a team, and they need the spirit of a team. Without this integrated, cross-organizational teamwork, we would not be able to deliver on the PCPs, due to our staffing constraints. So, this is innovation.

With regard to the implementation, our fifth ISID Forum held only last week in Senegal - in the capital city Dakar - confirmed both the progress and the ever increasing interest generated by UNIDO's innovative partnership programme to maximize the impact of our activities on the ground. I am very, very pleased to report to you that ECOWAS gave a very important message

through the joint declaration: They would really like to implement the PCP in the sub-region. That is a declaration signed by Ministers.

One of the cross-cutting areas in which UNIDO has made impressive headway is the issue of gender equality and the empowerment of women, therefore directly contributing to SDG 5.

UNIDO's activities in this sense have covered a wide area, from the highly appreciated technical cooperation projects that also have been showcased in our 50<sup>th</sup> Anniversary celebrations to the commitment of the Organization to pilot the second phase of the United Nations System-Wide Action Plan (in short, UN SWAP). This is a thorough interagency coordination exercise on mainstreaming gender equality and women's empowerment in all aspects of the Organizational performance, from the strategic planning to the project portfolio.

You know how close to my heart gender issues are, and I am pleased to report to you that my words have been followed by facts.

Excellencies, colleagues, friends,

The gender dimension is also covered by our new reporting tool at the disposal of Member States: the Integrated Results and Performance Framework (IRPF). This year, the proposed set of indicators composing the IRPF has been fine-tuned through a comprehensive internal consultative process, which has led to the establishment of the baselines and, wherever possible, targets.

I am happy to confirm that the next Annual Report will include a detailed analysis of the first IRPF – including the data for the full list of indicators and the scorecard - which will summarize the performance and results achieved by the Organization this year.

When refining the set of indicators, we took into account the valuable remarks made by our Member States in previous sessions of the Policy-Making Organs. We made more direct links to the Global SDG indicators framework, which was made available at the United Nations level only after the adoption of the MTPF.

With this innovative monitoring and reporting exercise, UNIDO is taking yet another step in the direction of increased transparency, increased accountability and improved communication with our Member States and stakeholders. This is another concrete action towards increased transparency.

Excellencies,

Ladies and gentlemen,

Before I conclude my remarks, I would like to confirm to you the timeline for the completion of the field policy action plan - this is an important issue in front of us - as already reported through the Programme and Budget Committee to the Board. The Secretariat has made further progress since then, including key actions to fill vacancies, ongoing recruitment of national

representatives, and reassignment of senior international staff in the field. It is expected that national recruitments, field rotation and reassignments will be completed before the end of this year and for new staff to be on board early next year. It is a very big accomplishment - with the support of the Member countries - to meet the challenge of budget cuts - 11 million Euros from our budget - but at the same time it increases efficiency, effectiveness, and delivery capacity. So, we combined two elements – savings and efficiency gains.

Excellencies,

Ladies and gentlemen,

It is no secret that the current financial conditions of the Organization pose a serious challenge to our ability to perform to the level of expectation and the ambition set by our Member States in Lima and by the 2030 Agenda. Through all the meetings today and in the field - Peru, Cuba, Morocco, Senegal, Asian countries – I have met country leaders.

Your Excellencies, delegates, one challenge is: they all need support. They all told me: “DG, please support our industrial development”. But, what can I do more, what can I say more to respond to these requests? The challenge is for me, but also, very honestly, the challenge is for all of you. This is a good thing. If the organization were faced with no demands, I would be more worried. But now I am worrying about how we can deliver more. The worst case is, if no one would like to receive your delivery. But this is posing a big challenge to all of us.

Excellencies,

Distinguished delegates,

Ladies and Gentlemen,

Requests are continuously coming to UNIDO from partners and institutions at the global, regional and national level, not only from our member states. For instance, yesterday, the World Bank, represented by the Senior Vice President Mahmoud Mohieldin who is in charge of international cooperation, pushed us, pushed me, saying: “give us more lists of Member States you would like to support. We would like to work together”. I am going to have a meeting with him this afternoon. We are going to implement World Bank projects.

Regional development institutions also like to ask UNIDO to deliver some of their programmes. The EIB asked us to coordinate with our Member countries on the PCPs. We supported them, and they certified an agreement with the Ethiopian government to build a leather park in Ethiopia. Many such requests are pushing us to deliver more to our Member States, because they believe that this is the right approach.

The Director General of International Cooperation of the European Union attended the Agro-industrial investment Forum in Addis. He told me that there is much need for UNIDO’s support, particularly in Africa and least developed countries.

So, this is another challenge for us: our Member States demand, our international partners push. We are asked to advance the implementation of ISID and the SDGs, to follow up and review the progress of industrial development matters, and to receive advice on how to craft appropriate industrial policies to support inclusive and sustainable growth strategies.

UNIDO's relevance and consideration in the development cooperation arena is higher than ever, as proven by the multiple global and regional initiatives, calls for action, investment forums and policy frameworks involving UNIDO and ISID at the highest level.

On our 50<sup>th</sup> Anniversary, we are proud to take stock of our achievements, but today we are already projected to the future, because we need to provide solutions. We are based on the success and achievements of previous leaders of UNIDO, and of the staff of UNIDO, but now we need to match the challenges of the future.

Thanks to the support of our Member States – all of you -, partners and stakeholders, and the hard work of our highly skilled staff and co-workers, UNIDO will be able to respond to the new and old challenges hindering inclusive and sustainable industrial development and the attainment of the SDGs.

We are already developing strategies, your Excellencies, delegates, to address some of the root causes of migration, the challenges and opportunities arising from the new industrial revolution, the interlinkages across the new SDGs, and how ISID can drive progress in several of them, working together to achieve all of them.

With your support and trust, we will write new pages in our glorious history - I really would like to say glorious history; it is 50 years of history, a history not only written by this generation, but also by our predecessors. We will be here celebrating our next achievements in 50 years from now.

I was very happy yesterday to hear about celebrating another 50 years. I was interviewed at a news press conference, and they asked: "What do you think of future challenges? What do you think of these 50 years? How long do you think the agenda of UNIDO will last?" I said: "This is a good question. Thinking of the 2030 Agenda and our target of "leaving no one behind" - leaving no single person behind - we are facing an enormous challenge. How long will it last until this goal is met? UNIDO will continue to exist for as long as it is necessary, as long as these challenges are still present. This is my response. We should have an aim that not only looks for today. We should look at the future, and at how UNIDO can contribute to the international development cause.

Very honestly, colleagues, friends, we understand what we have achieved, but must also better understand, how we can achieve more, how we can continue this process. We should behave in a humble way, and continue learning and progressing.

Thank you. Thank you very much.