



## VIENNA CHAPTER

### STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE 9TH SESSION OF THE UNIDO GENERAL CONFERENCE, VIENNA, 3-7 DECEMBER 2001, DELIVERED BY H.E. AMBASSADOR S.H. SHOUKRY, PR OF EGYPT

Mr. President,

1. On behalf of the Group of 77 and China, I have the pleasure to extend to you sincere congratulations on your election as President of the 9th session of the General Conference and to the members of the bureau. We are confident that your experience and abilities will assist you to steer the work of this General Conference to a successful conclusion. Please be assured of our full support. Permit me also to express our appreciation to H.E. Mr. Shauket Umer of Pakistan, the President of the 8th session of the General Conference and his bureau for the able manner in which they conducted the work of the session.

2. We wish to thank Mr. Carlos Magariños the Director-General of UNIDO for his opening remarks. At the same time, the Group would like to commend the Secretariat, for the timely preparation of the Conference documents and the organization of the very useful informal pre-sessional consultations.

3. The G-77 and China would like to express its support of the decision adopted during the 24th session of the Industrial Development Board, held in June this year recommending to this session of the General Conference that Mr. Carlos Magariños is appointed for another term of office as Director-General of UNIDO. The General Conference's endorsement of this decision can certainly be considered an expression of confidence by Member States in his leadership of our Organisation.

4. The Group welcomes South Africa to UNIDO as the 169th Member State. We hope that efforts to attract more new Member States will continue. We also hope that former Member States will rejoin the Organization. We are convinced that the ideals of the Organization and the successful reforms should give additional impetus to facilitate such a decision. UNIDO deserves the confidence of the international community as a specialised agency dealing with industrialization matters.

Mr. President,

5. On the occasion of the 9th General Conference of UNIDO, the Group of 77 and China wish to once again call upon the international community to reaffirm its commitment to the Millennium Declaration and urge all Member States to fully and speedily implement the provisions set out in that Declaration, in particular those related to set development targets so as to achieve the goal of poverty eradication. We have observed UNIDO's increased participation in various foras like the Havana Summit, LDC's III and IFCC-X, and the plan to participate in the International Conference on Financing for Development to be held in Monterrey, Mexico. We therefore urge the Organisation to ensure that the necessary following-up of the

decisions and recommendations of these fora are undertaken. UNIDO's role at these meetings is to emphasise the urgent need of strengthening the industrial capacities of the developing countries in order to meet the challenge of globalisation.

6. The Group of 77 and China is of the view that the Industrial Development Forum to be held during this General Conference under the theme "Fighting marginalisation through sustainable industrial development: Challenges and opportunities in a globalising world" will be another effort in the search for ways through which UNIDO and developing countries could gradually integrate into the world economy, in order to reverse the process of marginalisation.

7. The Group of 77 and China considered the document GC.9/10 entitled: Financial Situation of UNIDO. We are concerned with the decrease in the collection rate of assessed contributions from 77% in 2000 to 62.2% in 2001, and that 55 Member States have lost their voting rights. We also observe that the current cash balance of 16.1 million US\$ is lower than the level of 19.4 million US\$ in 2000, a situation which is not encouraging. However, the Group notes with satisfaction the increase in the collection rate of previous years arrears to 16.5% in 2001 against 11.4% in 2000. We wish to call upon all Member States who are in arrears to settle their assessed contributions as soon as possible, and pay their current assessment on time and in full.

Mr. President,

8. In this regard, the Group of 77 and China wishes to express its support for the proposal of the Government of Ukraine of the payment plan as contained in document GC.9/9, particularly by reducing the number of years during which instalments would be paid, from 15 to 10 years. Therefore the Group of 77 and China urge the General Conference to consider Ukraine's request positively. We welcome the negotiations with several Member States to reach agreements on payment plans, and encourage the Director-General to continue his efforts to address the issue of arrears with current and former members of the Organization.

9. The Group expressed its concern at the 17th session of the PBC and at the 24th session of the IDB, the reduction in regard to the reduction in programmes C and D, as contained in the Programme Budget for 2002-2003. These programmes which represent the principal activities of the Organization should not have been reduced. Nevertheless, in the spirit of consensus the Group supported the IDB decision to recommend to the General Conference the adoption of the Programme and Budget. We therefore urge all Member States to join this consensus.

10. It is the hope of the Group of 77 and China that the consultations being undertaken by the President of the 24th IDB, H.E. Ambassador Hosseini of the Islamic Republic of Iran will enable the General Conference to resolve the issues pending from the IDB particularly the Programme and Budget 2002-2003 and the scale of assessment. On the Scale of Assessment we would like to reiterate our position to retain the status quo with the maximum ceiling of 25%. We are convinced that this position will ensure stability and strengthen the financial situation of the Organisation.

11. On the medium term programme framework which reviewed the implementation

of the Business Plan of 1997 for the Organisation, the G-77 and China, accepts the need for continued review and fine tuning of the Business Plan. We are satisfied with the broad outlines set for the Organisation in 1997 and that any minor adjustment taking into account the realities of the globalised world, should not detract from UNIDO's main role of providing technical co-operation to developing countries.

Mr. President,

12. The Director-General and the Secretariat have implemented the reforms approved at the 7th session of the General Conference in December 1997. As a result, the Organisation has transformed its programme delivery, work methods and administration. We therefore urge the Director-General to ensure the complementarities between the Technical Co-operation and the Global Forum activities. While recognizing the relevance of the Global Forum activities, the G-77 and China is of the view that these activities should result in strengthening and improving the technical cooperation programme, particularly through the expansion and diversification of productive activities and new technologies so as to lower the level of unemployment, reduce poverty, bridge the gap between developed and developing countries and alleviate the risk of marginalization.

13. We welcome the integrated approach in preparing the technical cooperation programme, particularly its demand oriented nature, which has improved the efficiency and effectiveness of technical cooperation delivery. However, we are concerned that sufficient resources are not available to implement the already approved and on-going programmes. We call upon Member States, the donor community and the Secretariat to jointly enhance the effectiveness of fund mobilization.

14. Mr. President, we realize the need to protect and preserve the environment during industrial promotion activities. We therefore share the view that UNIDO should continue to include environment related activities as a component in the technical co-operation programmes.

15. The Group of 77 and China is aware that effective decentralisation is important to the Organisation but has not been fully implemented due to lack of adequate resources. We therefore urge Member States, in particular major donors to provide support and assistance to enhance UNIDO's field representation.

16. Furthermore, the Group wishes to urge the Secretariat to continue to apply the principle of equitable geographical distribution in personnel policy, particularly at the professional level. We also strongly support the issue of gender balance at all levels of the Secretariat, especially at the Directors level, in conformity with the UN system. In addition, the Group wishes to reiterate its call to the Secretariat to distribute vacancy announcements to the Member States at least two months before the application deadline, to provide Member States adequate time to respond to the vacancies.

17. Mr. President, the Group of 77 and China supports the resolution adopted by the Conference of African Ministers of Industry (CAMI) at its 15th session, which among other things highlighted the importance of the private sector as well as national and foreign private investments in the industrialization of Africa. Similarly, the Group wishes to express its appreciation to the Director-General for submitting the report

entitled "Participation of the Private Sector in the Industrialisation of Africa", and encourage UNIDO to continue to enhance the participation of the private sector in the industrialization of Africa.

18. The Group takes note of the report of the Director-General on the industrialisation of the least developed countries and wishes to commend the Secretariat's efforts and participation in the Conference held in Brussels from 14 to 20 May 2001. We are of the view that the realisation of the goals of the Programme of Action will improve the living conditions of people of these countries.

Finally, Mr. President,

19. The Group is of the view that the role of industry as a provider of employment and as a contributor to economic development should continue to be of importance to the developing countries, particularly the LDCs. We would therefore like to seize this opportunity to reiterate our full support to the Organisation and its predominant role in laying the foundation for sustainable industrial development in our countries. We also believe that the reforms undertaken by UNIDO place it in more favourable conditions to implement its mandate and urge all Member States to increase their political commitment and financial resources to the Organization.

Thank you Mr. President.