



## VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA DURING THE 31ST SESSION OF THE IDB, DELIVERED BY H.E. AMBASSADOR HORACIO BAZOBERRY, PR OF BOLIVIA, 6-7 JUNE 2006  
STATEMENT OF THE G-77 AND CHINA TO THE 30TH SESSION OF

Mr. President,

On behalf of the Group of 77 and China, I would like to congratulate you on your election as the President of the current Industrial Development Board meeting. The Group is confident that you will steer the IDB with great skill. I also take this opportunity to congratulate other members of the Bureau on their election and would also like to thank your predecessor His Excellency Ambassador Stelzer, Permanent Representative of Austria, for his commendable leadership of the previous IDB.

Mr. President,

The Group of 77 and China extends its deepest condolences and sympathy to the government of Indonesia and wishes to convey its deep sympathy to the bereaved families. The Group of 77 and China pays tribute to the governments and peoples around the world whose generosity and assistance saw beyond national boundaries.

Allow me to express the Group's sincere appreciation for the arrangements of the meeting as well as the provision of the necessary documentation by the Secretariat. The Group expresses its unreserved appreciation of Mr. Kandeh Yumkella's opening statement during his first session of the Industrial Development Board, as Director-General.

The Group would be making comments on the Agenda items 3, 4, 5, 6, 7, 8 and 10 in the course of discussions on these items. I would restrict my intervention to comment on item 3 for this opening statement.

Mr. President,

Before starting on Agenda Item 3, I have the honour to inform you that on 8 and 9 June 2006, for the first time the G-77 will have its Chapter's meeting here in Vienna. In this regard your active participation in the opening ceremony as well as in the panel discussion is highly appreciated. The panel which will take place in the afternoon of 8 June will focus on Trade Capacity-building and Energy for Development with the participation of Dr. Yumkella and Dr. ElBaradei as key note speakers. High-level panelists have confirmed their participation from the Austrian Development Cooperation IAEA, UNCTAD, OPEC, WTO, the European Commission and the Third World Network.

### **Agenda Item 3: Annual report of the Director-General for 2005**

Mr. President,

The Group of 77 and China notes the detailed Annual Report for 2005 of the Director-General. The Group concurs with the Director General's views that the year 2005 can be seen as the one in which the positive reform efforts of UNIDO bore fruit. In this regard the Group urges the Secretariat to sustain and expand the progress in the years ahead.

Noteworthy is that in 2005, UNIDO implemented the highest total of technical cooperation programmes in the past six years, amounting to \$ 112.9 million. We also note that the highest level of delivery in 2005 was related to trade capacity building. We have noted the effective use of continuous monitoring and review whose reports continued to provide important inputs to UNIDO's programmes. Significant was the preparation of the programme and budget proposals following the application of results-based management (RBM) principles and concepts.

The Group notes with satisfaction that in 2005, two new Country Strategy Frameworks (CSF's) were approved, bringing the total number of Integrated Programmes (Ips) and CSFs to 49, including three for countries in post-crisis situations. A total of 20 were covering countries in sub-Saharan Africa while 21 of the total number of programmes were covering least developed countries (LDCs). We have noted that at the end of 2005, total funds mobilized for these IPs/CSFs amounted to \$ 206 million.

Regarding the multilateral system, the G-77 and China has noted that UNIDO has in 2005 focused on contributing to the comprehensive review of progress reached in implementing the Millennium Declaration at the global, regional and national levels. The Group is particularly satisfied with the participation of UNIDO in the high-level plenary meeting of the UNGA in September 2005. This forum provided the right opportunity for the Organization to enhance its visibility, role and positioning in the UN system, also keeping in view its strong commitment to the UN reforms process. The Group notes with satisfaction that, overall, the 2005 Summit Outcome reaffirmed the relevance and importance of UNIDO's mandate. It also notes that UNIDO is continuing to build and strengthen its partnerships with various organizations of the system to achieve more synergies. Most notably the year witnessed intensified implementation of the Cooperation Agreement between UNIDO and UNDP concluded in 2004, which has allowed UNIDO to increase its physical presence in the field by some 40%.

The Group supports UNIDO's efforts towards rural communities in boosting their food production and curtailing post-harvest losses under the agro-industries and sectoral support programme. The Group of 77 and China welcomes UNIDO's efforts in the field of private sector development as well as small and medium-sized enterprises (SMEs) that act as the bedrock for industrial development. Nevertheless, there is more potential for UNIDO to expand the coverage of private sector development, to alleviate poverty through industrial productivity. Similarly, the Group requests UNIDO to devote more attention to renewable energy technologies and Cleaner Production (CP), to ensure rapid industrial development in developing countries and LDCs.

#### **Agenda Item 4: Financial situation of UNIDO**

The Group of 77 and China takes note of document IDB.31/9 and is pleased that the level of Regular Budget expenditure as of April 2006 is higher than the comparable period in the previous years.

The Group of 77 and China appreciates the efforts of many Member States to pay their assessed contributions on time, as well as the smooth implementation of the repayment plans of some Members. The Group, however, notes with concern that the collection rate of 2006 assessed contribution, and the collection rate of prior years' arrears, are both lower than in comparable periods in previous years. The Group therefore encourages all members, especially those that have no voting rights as of April 2006 to undertake every effort to pay their dues to our Organization on time.

The Group is concerned that a substantial amount of outstanding assessed contributions is still due from former Member States, and therefore requests the Director-General to pursue his efforts to effect the collection of these arrears.

With regard to unencumbered balances of appropriations, the Group of 77 and China wishes to express appreciation to those Member States that have indicated their intentions for the utilization of the amounts due to them, and urges all other concerned members to do so prior to the deadline of 30 June 2006.

#### **Agenda item 5 - Implementation of the Cooperation Agreement with the UNDP**

The Group of 77 and China takes note of document IDB.31/8, providing updated information on "implementation of the co-operation agreement with the United Nations Development Programme", comprising the latest operational status of the UNIDO desks, which reached 13 out of 15 desks, in line with the result of the review to be undertaken by the Task Force on Field Operation, as provided by the Agreement. It encourages the Secretariat to pursue its efforts in consultation with concerned Member States in operationalizing the other desks including the 5 extra ones outside the Agreement.

While appreciating UNIDO/UNDP joint efforts in establishing these desks in a timely manner, the Group once again recalls the concerns of the Member States regarding the identity of these desks, and suggests that every effort should be made to strengthen the role of the Heads of UNIDO desks. This can be achieved through appointment of competent and proactive officers as Heads of these desks, as well as provision of continued guidance and training by the UNIDO Headquarters.

With regard to the joint UNIDO/UNDP private sector development programme, the group notes with satisfaction that the majority of the envisaged Private Sector Development (PSD) programs are already formulated and approved.

As the Agreement approaches to the end of its pilot phase, the Group wishes to have an interactive dialogue with the Secretariat with regard to its forthcoming evaluation.

The Group is following with attention the implementation of the Agreement; it invites the Director-General to continue keeping Member States informed about the status of coordination between UNIDO and the UNDP in this regard.

## **Agenda Item 6: Implementation of the MTPF, 2006 -2009 including South-South cooperation**

Mr. President,

The G-77 and China wishes to reiterate its appreciation that the content of the medium term programme framework (MTPF) falls within the scopes of the Millennium Development Goals and more particularly those related to poverty alleviation as well as the outcomes of the 2005 World Summit held last September.

As regards the cross-cutting issue of poverty alleviation, the Group believes that UNIDO should focus more in the design and the implementation of concrete development projects in order to ensure job creation which could help developing countries to deal with international migrant flows, in the context of cooperation with other UN Agencies. In doing so, UNIDO will undoubtedly contribute to the UN high level meeting on migration which will take place in New York in September 2006.

The Group notes with satisfaction the efforts of UNIDO to strengthen field representation through the setting up of a new field mobility policy of staff members. The Group believes that the efficiency of the Organisation highly depends on the good management of human resources, inter-alia by clear career plans development as well as the quality and professionalism of its staff members.

Mr President,

The G-77 and China appreciates UNIDO's efforts to mobilize more resources for technical assistance as indicated in the Annual Report of 2005. The Group stresses the need to reinforce this trend so as to assure the effective implementation of the MTPF. The Group encourages UNIDO to explore ways and means to mobilize additional resources for having direct access to GEF in order to finance environmental projects.

Regarding South - South Cooperation, the Group notes with appreciation the importance ascribed by UNIDO and the wide range of activities developed within this frame. The Group encourages UNIDO to continue emphasizing and promoting South-South cooperation and more particularly cooperation in technology transfers.

## **Agenda Item 7: Regional programme for Latin America and the Caribbean**

Mr. President,

The Group of the 77 and China takes note of the document IDB.31/5 regarding the regional programme for Latin America and the Caribbean and the advances reached in the consultations with the Regional Group of Latin America and the Caribbean, particularly with respect to the establishment of a consensual, sustainable and comprehensive mechanism for identification, formulation, implementation and follow-up of regional technical cooperation activities.

The Group is of the opinion that such mechanisms of consultation will have to facilitate the adoption, on short term, of appropriate measures for the development of cooperation activities in specific areas, to promote and facilitate South-South cooperation and to develop regional and inter regional networks which will multiply

the impacts of the activities of technical cooperation of UNIDO.

Therefore, the Group urges the Secretariat to convene an Expert Group Meeting for Latin America and the Caribbean in the near future and to establish a detailed programme of activities to be observed during the next months, with the objective to define the regional programme before the 32nd session of the Industrial Development Board and to inform, on that occasion, on the technical and financial aspects of the regional programme.

Likewise, the G-77 and China requests the Secretariat to report to the Industrial Development Board at its 32nd session, on the conclusions of the regional Ministerial Meeting on renewable energy which will take place in Montevideo, Uruguay next September.

### **Agenda Item 8 - Activities of the Evaluation Group**

Mr. President,

The Group of 77 and China takes note of document IDB. 31/3 and the information provided in the annual report 2005.

The Group welcomes that the evaluation activities, in compliance with Board decision IDB.29/Dec.7, have been considered in the agenda and reiterates its support to the independent evaluation function for UNIDO's accountability, transparency and organizational improvement.

The Group of 77 and China considers the evaluation activities at the United Nations system-wide level as an agreeable way to promote coherent approaches to strengthen the impacts of the system on development outcomes and in this respect supports the participation of UNIDO in the inter-agency activities, which could create an enabling environment to increase further collaboration.

The Group highly appreciates the formulation and approval of new evaluation policy by UNIDO's Executive Board and expects that, with the management's support, this decision optimizes the Organization's achievements on evaluation activities and looks forward to the Evaluation Group, with due independence, to fulfill its mission in all three main purposes with respect to support management, to assure accountability and transparency as well as to drive learning and innovation.

Mr. President,

The G-77 and China notes the Integrated Programme approach as a successful modality for evaluation on the country level and expects that lessons and recommendations be accepted, followed-up and implemented in order to improve the design, efficiency and effectiveness of UNIDO services.

The Group strongly believes that the evaluation is integral part of the technical cooperation management cycle and for that reason all aspects of projects and programmes in various stages should be evaluated individually and collectively. The Group notes with satisfaction the set of 10 quality criteria that are used to evaluate IP management performance across all cycle stages. The Group believes the Evaluation

Group is able to have more contribution in the judicious and effective use of all financial and human resources available to the Organization in order to assure its accountability and transparency and to provide impartial feedback of project and programme performance.

Finally taking into account the other forms of assessment being conducted in the Organization such as: audit, monitoring, inspection and appraisal; the Group appreciates Director-General's efforts to improve efficiency and effectiveness of the Organization and expects that while avoiding any kind of overlapping, the results and findings of these examinations promote synergy and collaboration in the UNIDO family.

#### **Agenda Item 10: Personnel matters**

Mr. President,

With regard to the personnel matters, the Group of 77 and China acknowledges the positive progress being made, particularly, in the wider employment opportunities for any nationals working at the UNIDO Secretariat. In spite of slight improvement made to respect the gender balance in the Organization, the Group believes that there should be more efforts to improve the gender balance at the decision-making level.

Referring to document IDB.31/7, the Group takes note of the slight improvement of the geographical balance on the composition of professional-level staff both at UNIDO Headquarters and its established offices. Comparing to the composition of staff in May 2001 and in February 2006, professional level-staff from the Asia and Pacific region increased from 13% to 17%, from the African region, increased from 14% to 18%, but from Latin American and the Caribbean region, the figure decreased from 11% to 8%. In contrast, the Western European region still has very high figure of 42% in 2006, although there is 2% decrease as compared to the position in 2001.

While analyzing these figures the Group notes with concern that the combined regions of Asia and the Pacific, Africa and Latin America and the Caribbean have only 43% professional-level staff in 2006 as compared to the composition of staff from only single region of Western Europe. This fact is in contradiction with the principle of equitable geographical representation.

The Group of 77 and China therefore, wishes to reaffirm its firm position that the Secretariat should continue its efforts to ensure that the principles of equitable geographical representation at the Secretariat are strongly upheld.

Thank you Mr. President.