



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA DURING THE 34TH SESSION OF THE UNIDO INDUSTRIAL DEVELOPMENT BOARD (IDB), 14-16 MAY 2008, DELIVERED BY H.E. AMBASSADOR SHAHBAZ, PERMANENT REPRESENTATIVE OF PAKISTAN

Mr. President, (H.E. Ambassador Horacio Bazoberry, PR of Bolivia)

The Group would like to take this opportunity to express our deepest condolences and sympathy to the people and Government of China for the recent earthquake, which caused loss of thousands of human lives and damage to properties, as well as to the people and Government of Myanmar for the dramatic damage caused by the recent cyclone.

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 session. The Group is confident that you will steer the IDB with great skills and that this session will bear a successful and fruitful conclusion.

I also take this opportunity to congratulate other members of the Bureau on their election and to thank your predecessor H.E. Ambassador Zagrekov, Permanent Representative of the Russian Federation and the acting President H.E. Ambassador Luis Alberto Padilla, Permanent Representative of Guatemala as well as other members of the bureau for their valuable contribution during the previous IDB session. The Group recognizes the presence of high-level dignitaries from Côte d'Ivoire, Azerbaijan and Saudi Arabia, who are participating in this important event.

The Group has listened with great interest to the statement of Mr. Kandeh Yumkella, Director-General of UNIDO and in this regard appreciates his efforts in leading this Organization. The Group would also like to thank the Secretariat for the arrangements of this session.

Mr. President,

On the occasion of the 10th anniversary of the establishment of the Office of the Vienna Chapter of the Group of 77, the Group of 77 and China would like to express its gratitude to UNIDO and in particular its previous and current Directors-General for providing the Chapter with an efficient Secretariat and adequate office facilities.

The Group would be making comments on the Agenda items 3, 4, 5, 6, 7, 8, 9 and 13 in the course of discussions on these items. I would restrict my intervention to comment on items 3 and 4 for this opening statement.

Item 3: Annual Report of the Director-General for 2007 on the activities of the Organisation

Mr. President,

The Group of 77 and China has carefully examined the annual report of the Director General on the activities for 2007 contained in document IDB.34/2 and it commends the Secretariat for the achievements registered through a careful management consolidating the positive achievements of previous years.

The Group congratulates the Director-General and the Secretariat for successfully organizing the 12th session of the UNIDO General Conference. The high ranking attendance and the wide participation of Member States in the last General Conference shows Member States' support of UNIDO's activities and confidence in its management. The Group also expresses its appreciation for arranging various instructive side-events namely the Industrial Development Forum, high-level thematic panel discussions, regional round tables as well as a number of exhibitions on UNIDO projects in developing countries. The Group is confident that outputs of these events and discussions would be followed up and will optimize UNIDO's capacity to face the challenges ahead.

The Group notes that several actions were taken during 2007 to reinforce the performance-based management culture in the Organization and encourages UNIDO to continue to give priority to the integration of the principles of Result-based management, and to pursue its collaboration with the other bodies of the United Nations to ensure a harmonized approach towards this issue.

The Group believes that the core of UNIDO's work remains its interventions in the thematic area, namely poverty reduction through productive activities, and that agro-processing industries, offer the greatest opportunities for the poor to share the fruits of economic development. However, the Group is concerned that this thematic area received the least support from the donor community in relation to the other thematic areas such as environment and energy and trade capacity-building.

The Group would like to encourage the donor community to support UNIDO's activities to reduce poverty through productive activities and technology promotion and requests the Director-General to continue his efforts to mobilize additional resources to combat poverty through sustainable industrial development. In this context the Group would like to highlight that UNIDO should continue to focus on providing technical cooperation services that promote skills, technology and trade capacities.

The Group of 77 and China takes note with satisfaction that a number of developments with regard to funds mobilization in recent years came to fruition in 2007 and that the level of fund mobilization in the Organization was the highest in the history of UNIDO. The total of net technical cooperation projects and programme approvals from all sources of funds mobilized during 2007 amounted to \$172.7 million which is more than \$50 million higher than in 2006.

With regard to the technical cooperation delivery, the Group expected higher increase in project delivery in 2007 and requests the Director-General to provide information on how he intends to meet the challenges of strengthening the delivery capacity of the Organization in line with the increased mobilized funds. The Group believes that the high-level of funding will give an opportunity to the Organization to increase technical cooperation delivery in the current and coming years.

The Group is also pleased to note that UNIDO was able to have direct access to the resources of Global Environment Facility (GEF) and encourages the Secretariat to pursue its initiatives to ensure a closer cooperation on the thematic priorities with the other donors. The Group would like to take the opportunity to congratulate UNIDO for receiving an award for its outstanding contribution in helping developing countries to phase out ozone depleting substances.

The Group also notes that UNIDO strongly supports the efforts to combat climate change, promote industrial energy efficiency, support cleaner production techniques and promote renewable sources of energy through its rural and renewable energy programmes. In this respect, the Group recalls that the appointment of the Director-General, Mr. Yumkella, as Chair of UN-Energy for the biennium 2008-2009, confirmed the high international standing of the Organization in the thematic area of environment and energy.

Regarding technical cooperation management, the Group supports the improvement of the programme and projects review and approval mechanism, in order to increase UNIDO's efficiency and effectiveness for responding in a timely manner to the requests of Member States.

Thank you Mr. President.

Agenda item 4: Implementation of the medium-term programme framework, 2008-2011

Mr. President,

The Group takes note of the progress report on the implementation of the medium-term programme framework 2008-2011, focusing on the main thematic areas of poverty reduction, trade capacity-building and environment and energy, and welcomes the focus on important issues of programme coordination, the regional dimensions of programme implementation, resource mobilisation and the programme support and management services required for the effective implementation of activities proposed under the MTPF.

While acknowledging trade capacity-building as key to future sustainable socio-economic growth in developing countries, in particular Least Developed Countries (LDCs), the Group shares the view of UNIDO that there is an increasing importance of the "Aid for Trade" initiative, for developing countries and economies in transition to enter the international trade arena and to move up on the global production and value chain.

The Group welcomes UNIDO's initiatives following the Montreal Protocol Conference and supports UNIDO's programmes and services geared towards reducing the negative impact of industrial development on the environment.

With respect to energy efficiency, the Group takes note of the outcome of the International Conference on Renewable Energy in Africa, held in Senegal, in April 2008, which addressed inter alia the potential role of renewable energy in meeting Africa's energy needs; research and development needs for renewable energy

technologies, as well as industrial competitiveness. The Group looks forward to continue global discussions on energy efficiency and possible projects development during the Global Renewable Energy Forum to be held in Brazil in May 2008.

Thank you Mr. President.

Agenda item 4: (a) South-South Cooperation

Mr. President,

The G-77 and China takes note of the activities undertaken by UNIDO to strengthen South-South cooperation in its thematic priorities and through the establishment of UNIDO's Centers of South-South Industrial Cooperation (UCSSIC).

The Group notes with appreciation the first South-South Industrial Cooperation Centre established in India that would serve as one of the platforms for cooperation among developing countries. The Group encourages UNIDO to enhance its activities for the establishment of such Centers, either ongoing or being proposed in China, Egypt, Indonesia, Iran and South Africa.

In the same line, the Group would also like to express its appreciation with regard to the creation of a learning network among the South-South Centers and hopes that this will provide another mechanism to enhance and facilitate exchanges of expertise, information and best practices.

In this regard, the Group also appreciates UNIDO's contribution in organizing the first global agro-industries Forum held in New Delhi in April 2008.

The Group would like to recall GC.10/Res.4 on South-South Cooperation and requests the Secretariat to provide information regarding its activities to further strengthen the Organization's cooperation with other UN Programmes, Agencies as well as with donor countries, to further promote South-South Cooperation related projects and activities.

Referring to the LDC Ministerial Conference organized by UNIDO in November 2007, the Group recalls the 12th General Conference resolution (GC.12/Res 2), which invites UNIDO to take special account of the needs of the Least Developed Countries, consistent with its mandate. In this regard, the Group looks forward to the implementation of specific programmes and projects to realize the objectives set in this resolution, in close cooperation with the international community.

The Group of 77 and China encourages UNIDO to continue emphasizing and promoting South-South cooperation and more particularly cooperation in technology transfer. In this regard, the Group emphasizes that South-South cooperation complements North-South cooperation and should involve triangular cooperation where the know-how and technology of developing countries are combined with financial support from developed countries to provide assistance and to transfer technology and know-how to other developing countries.

Thank you, Mr. President.

Agenda item 4 (b): Regional Programme for Latin America and the Caribbean

Mr. President,

Regarding the Regional Programme for Latin America and the Caribbean, the Group of G-77 and China takes note of the information contained in document IDB 34/6 on the recent activities that are being carried out by the Organization.

The Group expresses its concern about the treatment of this important programme that appears under the title "Country Level and Regional coherence" and not under a specific title like it was done in documents issued in the last IDB. This restricts the comprehensive analysis and updating of the activities comprised under the Regional Programme.

The Group would like to reiterate that the Regional Programme should be managed in a comprehensive and sustainable manner as it was mandated in the GC Res. 12/1, taking into strict account the thematic priorities of this Programme. The G-77 and China reaffirms the idea that the Programme is not a process of adding up activities, but a comprehensive body of issues of common interest of the region.

The Group considers the recent approval of the initiative "Industrial Knowledge Bank" included in the Regional Program for Latin American and Caribbean countries, as a very important tool to implement that Regional Programme and to enhance South-South cooperation. This initiative aims at setting up a scheme for exchange of expertise and best practices for Technical Assistance Project formulation and the Group expects it will benefit the countries concerned.

The Group also welcomes the initiative to develop a subregional programme in Central America for joint implementation with the Secretariat for Central American Economic Integration (SIECA).

Thank you Mr. President.

Agenda item 4: (c) UNIDO access to the Global Environment facility

Mr. President,

The G-77 and China welcomes the efforts of UNIDO in the thematic area of environment and energy, and encourages UNIDO to generate increased access to funding from the Global Environment Facility.

The Group stresses the importance of the role of UNIDO in meeting the goals of the Millennium Declaration, related to cleaner production processes by enhancing the National Cleaner Production Centers; assisting developing countries in raising productivity by minimizing industrial waste and increasing recycling; and minimizing water consumption during industrial processing.

With regard to Persistent Organic Pollutant (POPs), the Group stresses the importance of increasing UNIDO's support in the preparation of National Implementation Plans (NIPs). Welcoming the initiation of projects for NIP preparation in China, India and the Philippines, the Group wishes to see the expansion of such projects in other

developing countries.

The Group calls upon UNIDO to continue promoting system approach to industrial energy efficiency and developing renewable energy projects in the developing countries to support and secure sustainability of their productive activities.

Thank you Mr. President.

Agenda Item 5: United Nations System-wide coherence

Mr. President,

The Group of 77 and China takes note of document IDB.34/7 and the relevant section in the 2007 Annual Report dealing with UNIDO and United Nations reform, which provides inter alia an update on UNIDO's contribution to the United Nations reform agenda, particularly system-wide coherence processes at the global, regional and country levels.

The Group appreciates the efforts of UNIDO and its Director-General in contributing to the ongoing debate on the UN reform and system-wide coherence. In this regard, the Group welcomes the initiative of Dr. Kandeh Yumkella in organising the High-level Dialogue "United Nations System-wide Coherence: The Next Steps", aimed at gaining a better understanding of the system-wide coherence and the "One UN" pilot initiative, while the Group stresses the necessity of keeping UNIDO's continued contribution to the aforementioned initiative within the context of an independent and impartial Resident Coordinator system and in the light of an effective "institutional firewall" in UNDP.

The Group is looking forward to the in-depth evaluation of the implementation of the pilot initiative, and lessons learned drawn thereof.

Thank you, Mr President.

Agenda Item 6: Financial Situation of UNIDO

Mr. President,

The Group takes note of document IDB.34/8 on the Financial Situation of UNIDO.

Specifically on the collection rate of 2008, the Group notes that some major contributors' payments are expected to be received within the next months and urges those Member States to do so without delay.

The Group notes with satisfaction that a total of 38 Member States, including five least developed countries (LDCs), have made full payments and/or their adjustments have been credited towards their assessed contributions for the year 2008. The Group also takes note of the large outstanding assessed contributions of former Member States and would like to encourage the Director-General to redouble his efforts to address this important issue.

Finally, the Group welcomes the fact that delivery of technical cooperation activities

amounted to a significantly higher level as of end March 2008 as compared to end March 2007.

Thank you Mr. President.

Agenda item 7: Activities of the Evaluation Group

Mr. President,

The Group of 77 and China takes note of the information contained in the document IDB.34/5 regarding Activities of the Evaluation Group.

The Group welcomes efforts made to increase the usefulness of evaluation and to feed evaluation findings and recommendations into managerial decision-making and strategic planning processes.

The Group would like also to acknowledge with satisfaction the introduction of specific quality tools with the aim of ensuring comparability, validity and reliability of the evaluation findings as well as the holding of workshops to raise evaluation related awareness and knowledge among UNIDO staff members.

The Group would like to express its appreciation at the acceptance rate of evaluation group recommendations having been, on average, above 80% after the launching of the online follow-up system on UNIDO's intranet. The Group encourages the Evaluation Group to continue its efforts in this field.

Thank you Mr. President.

Agenda Item 8: Activities of the Joint Inspection Unit

Mr. President,

The Group of 77 and China takes note of document IDB.34/4 on the Activities of the Joint Inspection Unit (JIU). The Group considers some of the reports and notes submitted by the JIU as being of great importance to UNIDO.

The Group is of the view that it is of key importance that the level of voluntary contributions should be assured. Therefore the Group considers it the appropriate moment that Member States may discuss and develop a mechanism for a sufficient, assured and predictable annual level of UNIDO's operational budget.

Moreover, it is worth noting that due to fast-changing US\$/EUR exchange rate in favour of the Euro, the growth rates for both regular budget funding and the extra-budgetary resources are significantly lower than what they appear to be and that the Organization is losing its purchasing power. The Group requests the Secretariat to take this factor into consideration when planning new programmes.

As regards the JIU recommendations on Age structure of human resources in the Organization, the Group concurs that human resources are important assets for UNIDO and that a more balanced age structure would provide benefits to the Organization in terms of securing the required capacity, knowledge and expertise for

its operations as well as strengthening the preservation of institutional memory. The Group encourages the Secretariat to continue its efforts in keeping a more balanced age structure for its human resources, while keeping in mind the equitable geographical representation and the need for ensuring transfer of knowledge.

In JIU's report entitled Liaison offices in the United Nations system, the Group supports the recommendation to encourage the heads of the offices to use all means of communication to disseminate information in a timely manner. The Group encourages UNIDO to make the work of these offices more transparent both internally and externally, so that they could do a better job in promoting the mandate and role of UNIDO.

Finally, the Group supports the JIU's recommendation to UNIDO to explore the possibilities of using new information and communication technologies, including Voice over Internet Protocol (VoIP) to make the Organization more efficient and cost-effective.

Thank you, Mr. President.

Agenda item 9: Number and Duration of sessions

Mr. President,

The Group of 77 and China takes note of the information contained in the document IDB.33/11 and IDB.32/9.

The Group would like to reiterate its support to the underlying concept of introduction of efficiencies and economies at the UNIDO Governing Bodies' sessions.

However, the Group does not see at this moment of time any need for change in the current arrangements with respect to the number and duration of the IDB and PBC sessions.

Thank you Mr. President.

Agenda item 13: The Global Food Crisis: UNIDO's response

Mr. President,

The Group is concerned by the recent dramatic escalation in food prices worldwide. This crisis has most affected the world's vulnerable poor population/community. In this regard, the Group urges UNIDO to undertake all possible activities to address this situation with its mandate. The Group also finds it not only important but also urgent for the international community, particularly in the UN System, to address this crisis in a concerted, collaborative and comprehensive manner.

Thank you Mr. President.

Statement of the G-77 and China on the proposed decision under agenda item on provisional agenda for the 35th session of the IDB, delivered by H.E. Ambassador Shahbaz, PR of Pakistan on 16 May 2008

Mr. President,

The Group of 77 and China has agreed to show flexibility on the inclusion of the Agenda item, namely 'Number and Duration of sessions' in the Provisional Agenda of the 35th Session of the IDB for the sake of upholding the Vienna Spirit.

That notwithstanding, the Group would like to reiterate its position expressed earlier during the Plenary debate on this agenda item:

Quote "the Group does not see at this moment of time any need for change in the current arrangements with respect to the number and duration of the IDB and PBC sessions". unquote

Mr. President,

The Group continues to reiterate that the inclusion of this item in the agenda of the IDB for the third time is not in line with the efficiency and rationalization of UNIDO's Governing bodies' activities.

The Group requests that its afore-stated position be reflected in the records of this session.

Thank you Mr. President.