



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA DELIVERED BY H.E. AMBASSADOR SAYED G. ELAMIN, PERMANENT REPRESENTATIVE OF SUDAN, DURING THE 12TH SESSION OF THE UNIDO GENERAL CONFERENCE, VIENNA, 3-7 DECEMBER 2007

Mr. President, (H.E. Mr. Omar ZNIBER, Permanent Representative of Morocco)

It is with great pleasure that I congratulate you on behalf of the Group of 77 and China on your election as the President of the 12th session of the UNIDO General Conference. The Group is confident that your experience and skills will contribute to the success and fruitful conclusion of this Session. On behalf of the Group, I also take this opportunity to extend my congratulations to other members of the Bureau on their election. The Group would also like to thank your predecessor H.E. Miroslav SOMOL, Deputy Minister of Trade and Industry of the Czech Republic, for successfully steering the work of the 11th session of General Conference. The Group also expresses its appreciation to the Secretariat for the organization of this Conference. Mr. President,

The Group of 77 and China welcomes the opening remarks by the Director-General, Mr. Kandeh Yumkella and reaffirms its support to the Organization and to the excellent work fulfilled.

The Group would also like to take the opportunity to welcome the election of Mr. Yumkella as the next chairman of the UN-Energy, confirmed by the United Nations System Chief Executives Board for Coordination (CEB) during its meeting in New York on 26-27 October 2007. The Group has confidence that under his leadership this important inter-agency body will play an important role on energy-related issues and UNIDO will provide a bigger contribution to the UN system on strengthening synergies to tackle the energy-related aspects of the Johannesburg Plan of Implementation. Mr. President,

This year marks the 20th Anniversary of the Montreal Protocol and UNIDO's 15 years of efforts as implementing agency of the programme. Over the last 15 years, UNIDO has demonstrated its technical capacity and expertise. The Group expresses its satisfaction that for the past four years UNIDO's performance has been ranked first among all implementing agencies of the UN system.

Mr. President,

The Group highly appreciates UNIDO's initiative on hosting the LDCs Ministerial Conference focusing on the theme "How can aid for trade transform LDCs?" The Group believes that UNIDO has a great contribution to assist the Member States to deal with challenging and vital issues such as poverty and unemployment.

Mr. President,

Under the Chairmanship of my predecessor, H.E. Ambassador Horacio Bazoberry, Permanent Representative of Bolivia, the G-77 Vienna Chapter hosted in June 2006 the 40th meeting of the Chairmen and Coordinators of the Group of 77 and China, which was held for the first time in Vienna. In this regard the Group wishes to express its gratitude to UNIDO's Director-General and staff for their cooperation.

The conclusions of that meeting were presented on 18th October 2007, in the "The Vienna Spirit" publication, which summarizes the position of the G-77 and China regarding important issues, such as the United Nations Reform, South-South Cooperation, Energy Efficiency. The Group hopes that the conclusions contained in this document "The Vienna Spirit" could contribute in enhancing UNIDO's activities.

Agenda Item 7: Annual Reports of the Director-General for 2005 and 2006

Mr. President,

The Group of 77 and China welcomes the Annual Reports of the Director-General, contained in documents GC.12 IDB.33/2-PBC.23/2, showing that UNIDO has continued to focus its activities, thus improving its technical capabilities and making its support services and administration more efficient.

As regards the Technical Cooperation Management, the Group welcomes the establishment and operationalization of the Programme Approval Committee (PAC) since April 2006 and the important contribution of the Quality Advisory Group in the design and the implementation modalities of programmes and projects and the incorporation of mechanisms of evaluation and monitoring.

The Group highlights that in 2006, the response to the funds mobilization by the donor community has been positive, with the largest share attracted to the thematic area of environment and energy. In this context, the G-77 and China encourages Member States to increase voluntary contributions to all priority areas to enable the Organization, to continue to meet growing demands for its services.

As regards field representation, the Group takes note with attention of the positive measures taken by UNIDO to reinforce its field presence.

The Group notes the significant contribution of UNIDO with regard to the United Nations reform and will follow with special attention the "One United Nations Country Programme Initiative" as far as it could respond efficiently to sustainable industrial development of Member States.

Agenda Item 9: Forum on Industrial Development Issues

The Group of 77 and China commends the Secretariat for the preparation of document GC.12/CRP.4, containing possible issues for consideration by the Industrial Development Forum.

The Group welcomes the initiative of the Organization to realize this Forum in the context of the General Conference. With no doubt, this kind of Fora will enhance and strengthen the discussion on the changes in the global industrial landscape to analyze disparities, to highlight the possibilities and to share the contribution of different

actors in the industrialization process. Therefore, the Group welcomes the active participation of all Member States in this Forum.

Regarding Renewable Energies, the Group reiterates the importance of exploring sources that could respond efficiently to the increasing demand for energy. Nevertheless, the Group expresses its concern over the potential implications for food production and increases of prices of basic products that may affect the developing world, and especially poor people.

Taking into account emerging trends in the fields of ICT, eco-tourism, cultural industry, services and others, the Group encourages UNIDO to explore appropriate strategies for trade capacity-building of Member States, particularly the middle-income developing countries.

The Group strongly supports the Regional Round Tables that will be held during this General Conference. The high-level participation and the pertinent topics that will be discussed will pave the way to share experiences and to enhance South-South cooperation. In this regard, the Group looks forward to the outcome of these Round Tables, and to an appropriate follow-up.

Agenda Item 10: Financial matters:

(b) Financial situation of UNIDO

Mr. President,

As for the financial situation of UNIDO contained in document GC.12/6 and GC.12/CRP.1, the Group of G-77 and China notes with appreciation that the implementation of the approved programme and budgets progressed as planned in the first year of the biennium, and that the delivery of technical cooperation activities shows an increase in 2006 compared with 2005. Accordingly the Group encourages the Secretariat to maintain this implementation level during the second year of the biennium.

The Group is pleased to note that the collection rate of assessed contributions in 2007 has reached 90.7%, which is higher compared to 2006.

Nevertheless, the Group is concerned that 36 Member States cannot participate effectively in the decision making process because of the suspension of their voting rights.

While expressing its appreciation to those Member States that have entered into payment plan arrangements to settle their outstanding contributions, the Group urges those Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years' arrears, to do so without delay.

The Group further requests the Director-General to continue his effort and contacts with Member States and former Member States to fulfil their financial obligations.

(d) Accounting standards:

The Group of 77 and China reiterates its support to the recommendation of the Industrial Development Board at its 33rd session on the adoption of International Public Sector Accounting Standards (IPSAS) by UNIDO, as part of the United Nations system-wide adoption of those standards, by 1 January 2010, and takes note of the work programme presented by the Secretariat in this regard.

The Group requests the Secretariat to keep Member States informed on this process.

(e) Appointment of an External Auditor

Regarding the appointment of an External Auditor, the Group would like to draw the attention of all the Member States to the fact that, ever since UNIDO became a UN specialized agency in 1985, only one developing country has held the post of the External Auditor of UNIDO.

Equitable geographical rotation of high-level posts is a generally accepted principle in the international organizations. Therefore the Group reiterates its support for the candidature of Mr. Tanwir Ali Agha, the Auditor General of Pakistan for the post of UNIDO's External Auditor. In our view this candidature possesses the required credentials and the ample experience of international auditing including at the United Nations for the post of UNIDO External Auditor.

With a view to uphold the Vienna spirit, the Group of 77 and China would call upon all other regional groups to extend their valuable support to the Group of 77 and China's candidate for election to the office of UNIDO External Auditor for the term July 2008 to June 2010.

Agenda item 11(a): South-South cooperation

On the issue of South-South cooperation, the Group reaffirms the importance to consolidate and sharpen the activities promoting this type of cooperation, focusing also on LDCs in the future and would like to reiterate that South-South cooperation complements North-South cooperation. UNIDO should continue its efforts to improve living conditions in line with its three thematic priorities.

The Group also welcomes the establishment of the UNIDO South-South Industrial Cooperation Centres in India and China during the current year based on the remarkable growth experiences of both China and India. The Group is also looking forward for the establishment of similar centres in Egypt, Morocco and South Africa as well as ongoing consultations with Algeria, Indonesia, Iran and other developing countries. The Group is confident that these centres will provide valuable support to UNIDO's programmes in developing countries.

Agenda item 11 (b): Regional programme for Latin America and the Caribbean

The Group of 77 and China welcomes the adoption of the document "Regional Strategic Programme" at the Second Expert Group Meeting for Latin America and the Caribbean on the 28-30 November 2007. The Group expects that UNIDO and the Member States of that region work together on the implementation of relevant regional and sub regional projects for the coming years, under principles of coherence and efficiency.

The Group is confident that with the above-mentioned document, UNIDO would strengthen its presence in this region on a medium and long-term basis and will enhance its capacities to develop this kind of approach to other regions. The Group also believes that this programme could optimize regional cooperation and hopes the initiative will meet sufficient response from the donor community in providing the needed funds for its implementation.

Agenda item 13: Programme and Budgets, 2008-2009

Mr. President,

The Group of 77 and China supports the revised proposal of the Programme and Budget for 2008-2009.

The Group stresses the need to consider and respond appropriately to the Organization's needs to fulfill its expanding responsibilities. In this context, the Group believes that it is necessary to assure that adequate resources are available for the Organization, to be able to face increasing challenges and demands for technical cooperation activities.

The Group understands the views and concerns of Member States and their national policies, however, it should be underlined that in any debate on budgetary issues one should not only consider the financial aspects, but also the political implication of such decisions. The Group therefore appeals to Member States to continue strongly supporting UNIDO, and not inhibit the Organization's growth and importance to developing countries.

The Group recalls its support for the Director-General's programme and budget proposal for 2008-2009, based on the Zero Real Growth principle but in the spirit of compromise, it accepted the revised budget proposal, as contained in IDB.33/Dec.6. The Group strongly believes, that this practice should not be considered as a precedent to be applied in the future.

The Group reaffirms its confidence in the Secretariat in implementing the upcoming budget without affecting technical cooperation delivery.

Mr. President,

To ensure an efficient resource utilization and to make organizational performance better and predictable over the years, it is of key importance that the level of voluntary contributions should be assured. Therefore, the Group considers it the appropriate time for Member States to discuss and develop a mechanism for an assured annual level UNIDO's regular and operational budgets.

Agenda Item 14: Implementation of the cooperation agreement with the United Nations Development Programme

The Group of 77 and China welcomes the establishment of the joint UNIDO/UNDP task force meeting and takes note of the conclusions of the first meeting held in Vienna on 20 April 2007.

The Group of 77 and China supports the efforts undertaken so far by the Director-General in the implementation of the recommendations contained in decision IDB.32/Dec.6.

Nevertheless, the Group would like to emphasize that the extension of UNIDO desk network should not be done on the basis of the closure of some of the existing UNIDO country offices. Effort must be undertaken to ensure that UNIDO's field presence contributes mainly to the increase of technical cooperation delivery.

The Group reiterates the importance of strengthening the capacity of the 13 UNIDO desks that have been created in the context of the agreement and that UNIDO'S ability to deliver on its core competencies should not be sacrificed by stretching its resources beyond its means.

The Group also likes to emphasize that it is important, in this process, to strengthen the capacity of the regional bureau to the needs of effectiveness and efficiency in the execution of the programs and projects in their covered region.

The Group of 77 and China believes that other parallel arrangements should be pursued by UNIDO for the expansion of field representation and added visibility.

The Group invites the Secretariat to continue reporting on the progress of the implementation of the cooperation agreement and to consult with Member States on a regular basis.

Agenda item 15: Strategic Approach to International Chemicals Management (SAICM)

The Group of 77 and China takes note of the document IDB.33/20 furnishing information regarding the first International Conference on Chemicals Management (ICCM I, Dubai, UAE, 4-6 February 2006) for the development of the Strategic Approach to International Chemicals Management (SAICM).

The Group acknowledges the Director-General joining, along the Executive Heads of the other international partner organizations in the International Chemicals Management (IMC) in the joint statement on the occasion of ICCM I.

The Group appreciates the inclusion of UNIDO in the Trust Fund Implementation Committee, which will allow due weight to be given to UNIDO's considerations in funding decisions associated with the SAICM's Quick Start Programme (QSP). The Group hopes that it will not only address to some extent the problem of scarcity of financial resources but would also increase UNIDO's technical cooperation activities.

The Group welcomes the close involvement of the Organization in the Environment and Energy related programmes, but also expects that the same approach is applied to the other two thematic priority areas of the Organization. At the same time it calls upon the donor community to continue its strong support.

Mr. President,

Finally, the G-77 and China believes that rapidly changing social and economic

conditions, coupled with increased demand for technical assistance, places us before many challenges, which are maybe difficult to achieve. The Group is convinced that our commitments reflected in the three thematic areas of the Organization, will be met by practical and joint actions, counting with the necessary resources to ensure real and measurable results.

Together, we can meet these challenges looking for a better world for the next generations.

Thank you Mr President.