



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA AT THE TWENTY-FIRST SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD (IDB) OF UNIDO, VIENNA 23-25 JUNE 1999 DELIVERED BY H.E. AMBASSADOR Y.M. TIWARI, PERMANENT REPRESENTATIVE OF INDIA

Mr. President,

I would like first, on behalf of the G-77 and China, to congratulate you on your election as the President at the 21st session of the Industrial Development Board, and to congratulate the members of the new bureau. Permit me to thank Ambassador F. Pittaluga Fonseca and other members of the bureau for their tremendous efforts in ensuring that our last Session was a success.

Let me also extend our sincere appreciation to the Director-General and his Secretariat staff for their work, particularly their indefatigable efforts in discharging UNIDO's mandate as the main agency in the UN system responsible for industrial development, especially during this difficult time of transformation.

Mr. President, At this time, I wish to express the views of the Group of 77 and China on the following items of the agenda of this Session:

Item 3 - Annual report of the Director-General on the activities of the Organization in 1998

The Group has taken note of the contents of this report, but observes that the year 1998 indicates one of the lowest project output in the recent past. We understand that this is not unrelated to the restructuring and decline in voluntary contributions, but hope that this trend would be reversed and more voluntary funding would be found to enable the implementation of projects. In this regard we urge the donor community to recognize that as UNIDO has now undergone a painful and unprecedented transformation as required by them, they should come forward with concrete support in the form of voluntary funding to enable the developmental projects to go ahead. The Group notices that the report contains repetitive and overlapping information and calls upon the Secretariat to review the format of the Annual Report in order to make it more user-friendly.

Item 4 - Report of the Programme and Budget Committee

On the report of the Programme and Budget Committee, the Group is of the view that the consultations now in progress would succeed so as to enable UNIDO to have its zero real growth budget favourably recommended for approval by the 8th Session of the General Conference.

At the same time, the Group wishes to call upon all the Member States to pay their arrears and their assessed contributions in full and on time.

Mr. President, The Group wishes to reiterate its view that in order for UNIDO to be viable, adequate financial resources should be provided, and that any further reduction of its budget would entail a serious impact on its ability to provide necessary services

as outlined in the Budget Proposal submitted by the Director-General. We support the Budget as proposed by the Director-General at the PBC. In fact, even the proposed budget did not fully satisfy our expectations and requirements.

The Group is of the view that future elaboration of the budget should be based on programmatic approach, focusing debate on the activities to be implemented, rather than on the ceiling of the budget. On the appointment of an External Auditor for UNIDO, the Group is of the view that the next External Auditor, should be from a country belonging to the Group of 77 and China. This would be consistent with the principle of geographical rotation to which the Group attaches the highest importance.

Mr. President,

On the Item 5 - Programmatic Review, Including System Wide Issues, the Group notes with satisfaction, the Director-General's implementation of the GC/Res.1 on policy framework of UNIDO as endorsed by the Business Plan. We note some repetitions as regards classification of some countries being reported more than once. The Group supports and calls upon all Member States and the Donor Community to actively participate in the "Conference on Industrial Partnership and Investment in Africa" which is now scheduled for 20st and 21nd October 1999 at Dakar, Senegal.

On Item 6 - Financing of the Integrated Technical Cooperation Programmes in Developing Countries

The inclusion of the item is at the instance of our Group, we are motivated by the fact that UNIDO as the leading agency for industrial development requires adequate resources to finance its technical cooperation programmes. We have witnessed reforms and have supported the preparation of the Business Plan, the Service Modules and the Technical Cooperation Programmes.

We are confident that all Member States would support the establishment of an Ad-hoc Informal Working Group to study all aspects related to the item as submitted in the draft decision before this Session. We urge you to support the formation of an Ad-hoc Informal Working Group which would be open-ended. All Member States are aware of the steady decline in voluntary contributions and the budget, where only 6% is constitutionally fixed for financing of technical cooperation. We hope that the Working Group would revisit this aspect with a view to recommending a possible review of this provision.

We also believe that this Working Group would provide an important forum for an active dialogue among Member States as well as with the Secretariat on this matter, as is appropriate.

The Group takes note of the Director-General's report on the preparation of the 8th Session of the General Conference. We note the new innovative format for the Conference and the Group of 77 and China will continue to consult with a view to making suggestions to the Secretariat on the issue.

Mr. President,

We wish to emphasize that UNIDO, while taking cognizance of the relevant article of its constitution, should strive 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 in all levels of the secretariat, especially at the Directors level in conformity with what applies in other UN system organizations.

On the field representation, we are satisfied with the progress so far achieved. However, the Group calls upon the Secretariat to coordinate closely with the Member States in regard to the establishment of subregional offices, based on objective criteria, and according to an agreed cost sharing ratio. We welcome the assurances from the Secretariat to continue consultations with the Member States.

We wish to thank the Director-General for his initiative during the last IDB session, one year ago, to provide the G-77 with initially two staff members, office premises as well as logistic support and extend our appreciation to the staff of the office for their valuable contribution. At the same time I have the pleasure to announce that the Vienna Chapter has now its own "Homepage" which is directly linked to the G-77 New York website and regularly updated. The Vienna Chapter is the first of all G-77 Chapters, after New York to have set up its own "website".

The G-77 and China is convinced that we should assist UNIDO to discharge its mandate, by translating the political will of all the Member States, to enable it to continue to provide the necessary inputs and hence an impetus for industrial development in our countries.

Finally, Mr. President, we have confidence in UNIDO's contribution in assisting us to solve our serious economic and social problems through industrial development. We wish you every success in conducting this meeting.

Thank you, Mr. President.