



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA AT THE TWENTY-FOURTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD (IDB) OF UNIDO, VIENNA 19-22 JUNE 2001 DELIVERED BY H.E. AMBASSADOR SAMEH H. SHOUKRY SELIM, PERMANENT REPRESENTATIVE OF EGYPT

Mr. President,

On behalf of the Group of 77 and China, I have the honor to convey to you, Excellency, our pleasure in seeing you chairing the work of the 24th session of the Industrial Development Board. At the same time, I would also like to thank your predecessor Ambassador Ortiz for the excellent manner in which he guided the work as well as the members of the Bureau of the last IDB.

We also wish to express our appreciation to the Secretariat for the manner in which they have conducted their responsibility, under the wise leadership of the Director-General Mr. Carlos Magariños. We commend the Secretariat for the preparation of the documents.

The Group of 77 and China wishes to reaffirm its commitment to the ideals and mandate of UNIDO and urges all Member States to continue to render their necessary support to enable UNIDO to promote sustainable industrialization of developing countries. This is essential to prevent the continued marginalization of developing countries in the process of globalization.

Agenda Item 4: Annual report of the Director-General for 2000 on the activities of the organization.

The Group of 77 and China has studied the annual report of the Director-General for 2000 on the activities of the Organization stated in the IDB.24/2 and recognizes that much of UNIDO's work in 2000, consisted of laying the foundations for a structured sustainable development process through a great number of activities to fulfill both its global forum and technical cooperation delivery functions.

While recognizing the relevance of the Global Forum activities, the Group of 77 and China is of the view that these activities should result in strengthening and improving the Technical Cooperation programme. It is of course important to follow the new trends in the development of latest technologies and translate them into practical programmes of Technical Cooperation in order to built industrial capacity in developing countries.

The Group is still convinced that the industrialization strategy developed through the integrated programmes constitutes one of the best means to ensure a sustainable industrial development of developing countries and to alleviate poverty and ensure productive employment.

The Group of 77 and China takes note with concern of the decrease of technical cooperation during 2000 and would like to call upon all Member States to make

available more voluntary contributions to implement technical cooperation activities. The Group is also convinced that administrative cost could be reduced without affecting effectiveness and efficiency of the programmes. In that regard, the Group would like to request the Secretariat to seek out innovative ways to reduce such costs.

The Group of 77 and China expresses once again its concern over the declining level of the project implementation for the year of 2000. Only 82% of the approved projects were implemented in the year 2000 compared to 90% in 1999. The Group urges the donors and Member States to provide more resources and calls upon the Secretariat to make all endeavors to enhance the level of implementation.

The Group also has taken note of the activities undertaken by UNIDO during 2000 for investment and technology promotion. It is a positive endeavor which needs to be further strengthened.

The programme should be made more widespread so that as many developing countries as possible may benefit from it. The Secretariat may also clarify the criteria for organizing Country Promotion Presentations and Investment and Technology Promotion Offices' Delegate Programmes in order to ensure better understanding of the procedure and optimizing its utility by the members.

Agenda Item 5: Report of the Programme and Budget Committee

The Group of 77 and China has taken note of the Report of the Programme and Budget Committee on the work of its seventeenth session. And the Group would like to reiterate its support to all draft decisions recommended by the Committee to the Industrial Development Board.

In this connection, the Group would also like to call upon all Member States to adopt the draft decision recommended by the Committee in its Conclusion 2001/3 on the Programme and Budget for the biennium 2002-2003. The Group is convinced that in order to address the challenge of sustainable industrial development, a clear and unconditional commitment of all Members States is indispensable.

On the issue of the scale of assessments for the apportionment of the regular budget expenses, the Group wishes to emphasize its view that it is imperative to maintain the scale of assessment at its current level with the present maximum ceiling of 25%, in order to stabilize and consolidate the financial situation of UNIDO.

Agenda Item 6: Financing of UNIDO Programmes, including new initiative for funds mobilization

The Group of 77 and China is pleased to note that the efforts to mobilize funds for Integrated Programmes are showing positive results, and consequently there has been a noteworthy increase in the availability of funds in the year 2000. The annual funds mobilization for the Integrated Programmes increased from \$ 23.7 million in 1999 to \$ 32.4 million in 2000. In the short term, there is a positive trend in mobilization of funds, but still there is no scope for complacency. So far 43 Integrated Programmes have been developed with a total volume of required funds of about \$ 256 million, but the total funds available amounted at present only \$ 65 million, and therefore, a lot of work needs to be done in the area of funds mobilization. Alternative sources of

funding must be sought in particular from multilateral and regional financial agencies.

The Group has also noted with interest that the net project and programme approvals together with future payments under Trust Fund agreements amounted to \$ 87.8 million in the year 2000. We take this opportunity express our appreciation for the support extended by bilateral and other donors in financing the Integrated Programmes. It is, however, unfortunate that funding from the UNDP Core Fund continues to decrease and, as a result, the new approvals from this source amounted to only \$4.6 million in the year 2000. It is, however, a matter of satisfaction that funding from the GEF as well as the multilateral fund from the Montreal Protocol continues to show an upward trend. We would like to encourage the Director General to continue his efforts to secure more funds from the GEF and the Montreal Protocol and also to increase the rate of programme delivery.

Agenda Item 7: Environment-related activities

The Group of 77 and China takes note with satisfaction of the document IDB.24/12 regarding the recent progress on the implementation of the Resolution GC.8/Res.2 on Global Environmental Facility.

The Group is convinced that in this particular moment, when financial resources are limited, UNIDO should continue enhancing its potential for technical cooperation in environment-related activities, strengthening the existing working relationship with other international organizations such as the Global Environmental Facility and the Montreal Protocol etc.

Agenda Item 8: Field representation

Regarding item 8, document IDB.24/15, the Group considers with interest the issues related to Field Representation and recalls the importance of strengthening field representation by decentralizing functions and providing adequate financial resources to enhance activities at both country and regional level.

The Group also has followed with interest the first pilot project of effective decentralization and would like to encourage the Secretariat to increase the number of these pilot projects in different geographical areas for an identification of all possible problems faced with the view to develop a more effective and balanced plan of decentralization.

The Group recalls that the establishment of effective and well-staffed field offices is crucial for supporting our efforts towards the industrialization of our economies and would like to invite the Secretariat to assess, in consultation with Member States, the current Field Representation scheme in order to enhance its effectiveness.

Finally, the Group wishes to appeal to donor countries to extend assistance to support UNIDO in further enhancing field representation.

Agenda Item 9: Industrialization of the least developed countries

The Group has examined with interest document IDB.24/16 on the industrialization of the least developed countries and wishes to reiterate its acknowledgment that the

current globalization process poses a risk of marginalization to a number of developing countries and reiterate the conviction of the significant role that sustainable industrial development can play in reaching the goal set in the United Nations Millennium Declaration, highlighted in the document mentioned above.

The Group commends the effective participation made by the Secretariat during the LDC III in May 2001 and in its preparation, and wishes that UNIDO continues the follow-up process in this mandate and its deliverables in order to contribute to poverty alleviation.

Regarding the country-specific activities, the Group notes that, in spite of the decline of the total technical cooperation delivery to the LDCs in 2000, by an amount of \$2.4 million compared to 1999, the increase of donor funds for technical cooperation in LDCs, by an amount of \$2.3 million compared to March 1999, will permit at least to maintain the level of delivery in 2001.

The Group calls upon the Director-General to continue his efforts and contacts in order to increase technical delivery to LDCs.

Agenda Item 10: Administrative Matters

The Group believes in the important and pivotal role played by the Secretariat's professional posts in developing and advancing the goals of the Organization. In this regard, the Group would call upon the Secretariat to exert all efforts towards ensuring equitable geographical distribution of the professional staff in the UNIDO Secretariat.

The Group also requests the Secretariat to exert efforts to achieve a greater gender balance, especially among the professional staff.

In addition, the Group recommends to the Secretariat to distribute vacancy announcements to the Member States at least two months before the application deadline. This will give Member States a reasonable period of time to find an appropriate candidate for the position.

Agenda Item 11: Activities of the Joint Inspection Unit

The Group has taken note of the document IDB 24/18 based on General Assembly Resolution 50/233, which established the principle that the impact of the Joint Inspection Unit on the cost effectiveness of activities within the UN System, is a shared responsibility of the Member States, the Unit and the Secretariat.

At the same time the Group agrees to the establishment of the System of the follow-up to the approved JIU reports, through Policy Making Organs. The Group is of the opinion that a mechanism should also be established in order that Member States may have a role in the implementation of the JIU report.

Thank you, Mr. President.