



STATEMENT OF THE G-77 AND CHINA DURING THE 29TH SESSION OF
THE UNIDO IDB, 9-11 NOVEMBER 2004, DELIVERED BY H.E.
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Mr. President,

1. It gives me great pleasure, on behalf of the Group, to see you again chairing this meeting. The Group is confident that your experience and diplomatic skills will lead to a successful and fruitful conclusion of this session. I also wish to avail myself, of this opportunity to express the Group's appreciation for the arrangements of the meeting as well as the provision of the necessary documentation by the Secretariat.
2. The Group of 77 and China welcomes the opening remarks of the Director-General Mr. Carlos Magariños and assures him the Group's continued support and cooperation in carrying out the mandate of the UNIDO.
3. The Group would be making comments on the Agenda items 2 (e), 3 (a), (b), (c), (d), 5, 6 and 8 in the course of discussions on these items. I would restrict my intervention to comment on item 3 for this opening statement.

Item 2 (e) Security Enhancement and proposed new conference facilities

Mr. President,

1. The Group takes note of the document IDB.29/7 and would like to thank the Secretariat for information that Member States received on the enhanced security arrangements to enable the Vienna based Organizations to comply with the Headquarters' Minimum Operating Standards being proposed by UN Headquarters in New York.
2. The Group is aware of the urgency and importance of the Security enhancement and of the share which has to be borne by UNIDO. In this regard the Group has carefully evaluated the three options presented by the Secretariat.
3. Due to the lack of voluntary contributions the Group considers that the most suitable option under the exceptional circumstances is to finance UNIDO's share for the initial phase through the supplementary appropriations to be calculated according the scale of assessment for the biennium 2004-2005 and the withdrawal of the amount from the working capital fund as a temporary measure. The approved supplementary estimates shall be included in the assessed contributions of Member States for the biennium 2006-2007.
4. The Group of 77 and China is of the view that the unencumbered balances of appropriation that are due for adjustment to the Members States that have fully paid their contributions can be used by individual Member States to cover the above amount. However, the Group expresses its appreciation to Member States who have renounced their shares of unencumbered balances of appropriation for Integrated

Programmes and country service frameworks and encourages other Member States to do so.

5. Since these proposals are linked only to the first phase, the Group stresses that for the second and the third phases, if any, the formulation of requirements for enhancing security measures in the Vienna International Center, a cost estimate and possible funding mechanisms should be decided by the UNIDO Secretariat only in close consultation with Member States before submission to the United Nations General Assembly.

6. As for the new conference facility (called C2), the Group takes note of the offer by the Austrian Government in this respect. However, the Group would like to have an updated report, for the consideration of the next IDB, on the rationale for additional conference room facilities for UNIDO, and estimated additional costs to be borne by Member States with regard to construction of C2, installation of equipments and maintenance costs.

Thank you Mr. President.

Item 3 (a): South-South cooperation

Mr. President,

1. South-South cooperation is an essential means and a very valuable tool of contributing to the national efforts for developing countries to strengthen their economic development with a view to attaining the Millennium Development Goals.

2. The Group of 77 and China notes with appreciation that cooperation among developing countries has started to gain the interest among all intervening parties.

3. The Group also believes that in order to strengthen economic and technical cooperation among developing countries, priority should be given to regional integration, trade and investment, agro-industry, energy, water, health and education, information and communication technology.

4. The Group of 77 and China is quite aware that South-South cooperation complements North-South cooperation as was discussed in the high-level conference on South-South Cooperation held in Marrakech, Morocco from 16 to 19 December 2003. This also involves triangular cooperation arrangements 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.

5. In this connection, the G-77 and China takes note with appreciation that the Government of China will host the first South-South Trade Forum in cooperation with UNDP, in 2005 in Beijing, China. The Forum will serve as a platform for leaders in government and the private sector to explore policy options for maximizing flows of South-South trade, joint ventures and technology transfer. The focus of the Forum will be on South-South trade policy, energy and trade, as well as information and communications technology (ITC) and trade. The Group 77 and China urges the Secretariat of UNIDO to actively participate in the forthcoming Forum in Beijing.

6. Recalling the resolution GC.10/Res.4 on South-South cooperation, the Group of 77 and China stresses the need to mobilize additional resources as central to the enhancement of South-South cooperation as referred to in resolution 57/263 of the General Assembly.

7. The Group also calls upon the Secretariat of UNIDO to spare no effort to further promote South-South cooperation related projects and activities and to strengthen the Organization's cooperation with other specialized agencies such as the South Centre in Geneva, the Special Unit for South-South Cooperation of the United Nations Development Programme, the UNCTAD/WTO International Trade Center, the IAEA and donor countries.

8. In this regard, the Group would like to reiterate its request to the Secretariat during the 28th session of the IDB for the creation of a special facility for South-South Cooperation and calls upon other international organizations and donor countries to increase all types of contributions to UNIDO.

Item 3 (b) UNIDO activities in countries emerging from crisis situations

Mr. President,

1. The Group of G-77 and China would like to commend the Secretariat for its special initiative towards post-crisis industrial rehabilitation and reconstruction. The group also supports its handling of humanitarian relief efforts and the restoration of productive capacities in fourteen countries that have experienced man-made crisis or natural disasters as highlighted on document IDB.29/11 and IDB.29/CRP.6. The efforts of UNIDO will go hand in hand with promoting and sustaining economic growth and social development of the affected areas.

2. The Group would like to be informed in more detail on the significant developments that were expected to occur by mid-September 2004 concerning crucial programming activities for certain countries emerging from post-crisis situations as pointed out by document IDB.29/11.

3. In this regards, the Group strongly recommends, that the Secretariat continues its efforts in identifying areas in which UNIDO can play a role, designing projects, mobilizing donor countries and also involving, through initiatives of South-South cooperation and the contribution of other developing countries already involved to the overall recovery effort.

Item 3 (c) Decentralization:

Mr. President,

1. The Group of G-77 and China carefully examined both documents IDB.29/17 and IDB.29/CRP.4 dealing with decentralization, and the implementation plan of the strategic alliance with UNDP. The Group takes note of the signature of the cooperation agreement between UNIDO and UNDP on September 23rd, 2004.

2. The Group supports the efforts undertaken so far by the Director-General for a

smooth and successful implementation of the agreement according to the suggested time schedule in the plan, and accordingly wishes to cooperate with him and the Secretariat to that end. Furthermore, The Group would like to further stress on the following elements to be given special consideration while starting the implementation process:

(a) To ensure that the proposal for the Programme and Budget for the biennium 2006-2007 would entail financing the 2nd year of the pilot phase without any extra budgetary commitment, as it is envisaged for the 1st year of implementation.

(b) Expansion of the field presence should contribute mainly to the increase of technical cooperation delivery. Accordingly, due consideration should be given to ensure the continuation of ongoing projects and implementation of the Integrated Programmes.

(c) Conversion of any existing field offices into UNIDO desks during the pilot phase should be done in close cooperation with the concerned Member States.

(d) In spite of the useful and positive elements contained in the "Criteria for selection and assessment of the effectiveness of UNIDO Desks", the Group is of the view that further refinement of these criteria is needed, in close consultation with Member States. The final version of the implementation plan should take into account the result of these consultations.

3. The International Developing Officer should have an international exposure and the selection process should be based on competence, efficiency and experience in the industrial sector. The training process should be sufficient to produce results by the end of the pilot phase.

4. The Group wishes to be informed of the operational mechanisms that have been designed to ensure coordinated work between the Desks and the Regional Bureau. The Group believes that it is important to strengthen the responsiveness capacity of the Regional Bureau to the needs of effectiveness and efficiency in the execution of the programs and projects in their covered region.

5. The Group strongly urges the Secretariat to continue reporting on the progresses of the implementation of the Cooperation Agreement and to consult with Member States on a regular basis. This will ensure effective implementation of the Agreement and set the future activities on a result-based management.

Item 3 (d) Application of the Strategic Guidelines:

Mr. President,

1. The Group of 77 and China recalls with interest the deliberations and the outcomes that were reached on adopting the strategic guidelines "Towards improved UNIDO programme delivery". The Group wishes to reiterate that it views these guidelines as an important contribution to the efforts to make UNIDO a more efficient and effective organization, and in particular for the formulation and implementation of the medium-term programme frameworks 2004-2007.

2. The Group notes that the technical cooperation activities implemented are in most cases needs driven and focused on areas where UNIDO has a comparative advantage and encourages the Secretariat to further pursue its efforts to ensure that the specific conditions and needs of the countries and sub-regions are given priority in providing UNIDO service.

3. The Group of 77 and China, in this regard, requests the Director-General to keep Member States regularly informed and to report thereon to the subsequent Board sessions.

Item 3 (e) UNIDO follow-up to the Global Biotechnology Forum

Mr. President,

1. The Group of G-77 and China supports UNIDO's role in the implementation of the decisions taken at the Global Biotechnology Forum and encourages the strengthening of this initiative, in a manner to enable Member States to establish and boost their own Biotechnology Promotion Centers at the national and regional levels.

2. The Group believes that it is very important to have a follow-up mechanism and welcomes the efforts undertaken so far by the Organization in order to create a sustainable channel of dialogue on biotechnology, with information networks and the development of scientific, technical and entrepreneurial capacities. This follow-up must be based on existing good practices, put technology at the service of economic and social development, and call for coordination of the various countries' efforts in the areas of biotechnology application, particularly in the field of bio-industry".

Thank you Mr. President.

Item 5: Activities of the Evaluation Group

Mr. President,

1. The Group of 77 and China takes note of document IDB.29/14 containing the evaluation of several Integrated Programmes and stand alone projects and calls on the Secretariat to continue the evaluation of the remaining projects in order to have a comprehensive evaluation of the UNIDO activities.

2. The Group believes that evaluation should achieve greater effectiveness of UNIDO services and welcomes this important exercise. The shortcomings identified by the Evaluation Group at various stages of programme cycle - identification, formulation, fund mobilization, implementation - should be noted for corrective action. These include inadequate preparation, supply driven nature of programmes, lack of clearly defined targets/baselines, problems with fund mobilization among others.

3. The Group further takes note that the most successful UNIDO projects in terms of implementation are those that aim at institutional capacity building and that the UNIDO interventions are effective where the Organization has been working with relatively strong counterparts that had high degree of ownership, sense of direction and the capacity to absorb UNIDO services. A multidisciplinary approach in terms of UNIDO service modules appears more effective. The above findings, however, also

highlight the challenge faced by UNIDO to provide effective technical cooperation delivery to LDCs, backward and poorer regions that lack strong counterpart institutions with adequate absorption capacity.

4. The Group believes that inclusion of policy advice, where relevant, statistical component for proper benchmarking and evaluation are important in the context of improving competitiveness and productivity. The observation regarding use of national expertise to the extent possible to facilitate capacity building and sustainability of the UNIDO programmes is also significant. The issue of evaluation feedback is also of importance in ensuring a proper follow up of the recommendations and future improvements.

5. The Group of 77 and China is concerned that the integrated programmes did not receive enough funding and that donors had not yet changed their project related funding approach even though the IP have been designed for over four years. In this regard, the Group requests the Secretariat to develop a comprehensive plan to enhance fund mobilization as well as prospects for sharpening fundamental components of Integrated Programmes. The Group is of the view that the comprehensive plan should take into consideration that Intergrated Programmes and their funding be based on need and relevancy to industrial and social development need of developing countries.

Thank you Mr. Chairman.

Item 6: Personnel Matters

Mr. President,

1. The Group of 77 and China takes note of the information provided in document IDB.29/15 and appreciates the efforts undertaken so far to improve its representation within the Secretariat.

2. Nevertheless, the Group is still of the view that further improvement can be done in this regard, in order to ensure more equitable representation of professional staff as well as international consultants among regional groups.

3. The Group would also like to ask the Secretariat to provide clarification at a later stage regarding information contained in document UNIDO/DGB/(M)93 dealing with other personnel matters.

Item 8: Date, place and preparation of the 11th session of the General Conference

Mr. President,

1. The Group of 77 and China takes note of the document IDB.29/16 in which the Secretariat informs about the withdrawal of the offer made by the Government of Colombia to host the eleventh session of the General Conference at Cartagena de Indias. The Group understands the reasons which led the Government of Colombia to take this decision and welcomes the interest of Colombia to host a UNIDO General Conference in the future.

