



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA AT THE TWENTY-SECOND SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD (IDB) OF UNIDO, VIENNA 30-31 MAY 2000 DELIVERED BY H.E. AMBASSADOR FRUCTUOSO PITTALUGA-FONSECA, PERMANENT REPRESENTATIVE OF URUGUAY

Mr. President,

On behalf of the Group of 77 and China, I would like to congratulate you on your election as the president of the 22nd session of the Industrial development Board, and to congratulate the members of the new bureau. I also take this opportunity to convey the group's appreciation to the President H.E. Ambassador Reguieg of Algeria and the members of the bureau, for their efforts in ensuring the success of our last session. The group wishes to commend the Director General Mr. Carlos Magariños for his continuing efforts in consolidating the transformation of the organization, and also like to thank the secretariat for preparing the documents for this IDB.

Mr. President, I would like to express the views of the Group of 77 and China on the following items of the agenda.

Item 3: Annual Report

The Group has taken note of the contents of the Annual Report as contained in document IDB 22/2. The Group observes that during the year 1999, several activities were undertaken to implement the mandate of UNIDO as a provider of integrated technical cooperation, as a main Global Forum for acquisition and dissemination of knowledge and as partner in development. Nevertheless, the Group is concerned about the financial situation of UNIDO and we urge the Member States to express their support to the organization by increasing their contributions to the technical cooperation, and invites the Secretariat to renew their efforts to mobilize funds for the implementation of the integrated programs. The Group welcomes the new format of the Annual Report and calls upon the secretariat to continue its efforts to make it more user friendly.

Agenda Item 4: Financing the integrated technical cooperation programmes in developing countries

On financing the Integrated Technical Cooperation Programmes in developing countries, the Group has noted with interest the Director-General's report contained in IDB.22/3 and chapter III E of the 1999 Annual Report of UNIDO. Since the transformation of the Organization, we reiterated our view that the provision of adequate resources to finance the Integrated Technical Cooperation Programmes is the greatest challenge for UNIDO.

We have stressed the view that the decline of voluntary contributions to the IDF and lack of sufficient, assured and predictable resources to finance the Integrated Programmes remains a source of concern for the Organization. The 6% of the total of the Regular Budget used to finance technical cooperation has not helped matters, and

UNIDO as the leading agency for industrial development requires both our political and financial support to discharge its mandate.

In this regard the G77 and China believes that a review of the IDF modalities is necessary so as to render its resources predictable and assured. We hope the Organization will be provided with the necessary financial resources to implement the technical cooperation programmes. Since we have all commended the Organization for the reforms, we should translate our support into concrete response to provide much needed resources.

Agenda Item 5: Financial situation of UNIDO including arrears

The Group is concerned that the financial situation of UNIDO continues to be serious with adverse effects on the operational activities of the Organization. The collection rate of assessed contributions for the year 2000 is 35.9 per cent as compared to the rates of 47.4 per cent and 51 per cent for the years 1999 and 1998 respectively.

The outstanding contributions amounted to USD 141.2 million on 31 March 2000 which compares unfavourably with the outstanding contribution of USD 134.8 million and USD 126 million for the similar period in 1999 and 1998 respectively.

We share the view that the pattern of delayed payments results in non-utilisation of the scarce resources which have to be refunded or placed in special account by suspending the relevant financial rules year after year. However, we would like to express our appreciation that out of the unutilised amount of USD 5.622 million as on 31st March 2000, an amount of USD 4.249 million is available in the special account for technical cooperation programme. We urge those Member States who are in arrears to pay their assessed contributions in full and on time.

Agenda Item 6: Implementation of the integrated programmes

On the implementation of the integrated programmes, the Group has noted with interest the report of the Director-General contained in IDB.22/7 and Chapters 1A and 11A of the 1999 Annual Report of UNIDO. We are aware of the importance of the successful formulation and implementation of the integrated programmes to the Organization. We are pleased that at the end of 1999, 29 integrated programmes have been formulated and approved by the Executive Board covering various regions, and several of them are at different stages of implementation. The breakdown of the ongoing programmes indicate that out of a total of 29, 10 are in Africa, 6 in Arab countries, 3 in Asia, 5 in Europe and NIS and 5 in Latin America and Caribbean. We urge that more efforts be devoted to the implementation of the ongoing projects. We also note with satisfaction that 11 additional programmes are now at various stages of development and that a further 18 are for possible formulation, which at the end of 2000 would bring the total to about 58 integrated programmes.

We wish to commend the Secretariat for organizing the meeting on the impact assessment and hope similar meetings could be arranged in due course later in the year or early next year to evaluate the impact of the integrated programmes on a medium and long term. We also hope the Secretariat would continue to update all Member States on a regular basis on the stages of implementation of the integrated programmes.

Agenda Item 7: Implementation of resolution GC.8/Res.3 on sustainable industrial development

The G-77 and China is convinced that the development of competitive industry in a clean environment, is the right way to fight against poverty. It is also best for creating economic and efficient global society, where the risk of social conflict will be eliminated.

It is therefore important that UNIDO should continue to focus its activities on sustainable industrial development in order to contribute to the international community efforts to generate employment and protect the environment.

In this regard, the G-77 and China takes note of the document IDB.22/9 and requests the Director-General to enhance the cooperation between UNIDO and other UN agencies dealing with sustainable development, for helping developing countries to attain a competitive economy, productive employment in a sound environment. In our view, the transfer of technology is one of the most important ways to reach this goal.

Agenda Item 9: Administrative matters

We wish to reaffirm our support for the system of consultation and exchange of experiences within the United Nations system organizations. Indeed this modality could be made more effective through close co-ordination with other UN agencies and international organizations. However, with regard to this Report of the JIU (REP/99/3), as mentioned in document IDB.22/6. It is advisable that the Secretariat does not take any action pending a decision from Governing Bodies.

Actually, Results-Based Budgeting (RBB) was not approved by the General Assembly. Developing Countries continue to pose questions concerning this system in the General Assembly.

As has been emphasized in our previous statements, UNIDO should continue to focus on the application of the principle of the equitable geographical distribution in its personnel policy, in accordance with the relevant article of its Constitution, particularly at the professional level. This is important so as to ensure the universal character of the Organization. We also strongly support maintenance of gender balance at all levels in the Secretariat. In this regard, we welcome the efforts made to enhance the presence of women in the Secretariat and again express our appreciation of the same. Reviewing the programme in order to increase the level of representation of women in the Secretariat, particularly at the decision-making level through necessary follow up actions, should not be neglected.

The Group calls upon the Secretariat to continue its coordination with the Member States in regard to the establishment of sub-regional offices. This policy of consultations is indeed helpful in the constructive exchange of ideas relating to field representation.

Mr. President, We would like to commend the achievements made by UNIDO following the drastic reforms despite the continuing budgetary constraints. We therefore underline the utmost relevance and significance of UNIDO for assisting developing countries in their efforts to build industrial capacities and avoid marginalization in the globalized world.

Finally, Mr. Chairman, we wish to reiterate our view that industrialization is a dynamic instrument for the acceleration of economic and social development, as well as a key contributor to the eradication of poverty and the creation of productive employment.

Thank you, Mr. President.