



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA, TO THE 26TH SESSION OF THE IDB
19-21 NOVEMBER 2002 DELIVERED BY H.E. AMBASSADOR VICTOR G.
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Mr. President, H.E. Ambassador István Horváth,

On behalf of the Group of 77 and China, I am honored to convey to you, Excellency, our happiness in seeing you chairing the work of the 26th session of the Industrial Development Board. I wish to extend the appreciation of the Group to the Secretariat for the excellent arrangements of this IDB session and for the timely preparation of the documents. We particularly extend our commendation to UNIDO Director General, Mr. Carlos Alfredo Magariños, for his continued interest in the industrialization of the developing countries and the countries with economies in transition, and for his insightful introductory statement.

Mr. Chairman, the Group of 77 and China wishes to comment on the agenda items 2, 3, 4, 5 and 6 and I will express the views of the Group on each item in due time.
Thank you.

Agenda Item 2: Report of the Programme and budget committee

Mr. President,

The G-77 and China participated with keen interest in the work of the 18th session of the Programme and Budget Committee and supported the conclusions and recommendations adopted as contained in document IDB.26/13.

In this connection, the Group of 77 and China would like to express its satisfaction with the positive assessment made by the auditors that, the general financial situation of UNIDO has improved considerably over the last few years, and that the Organization has achieved financial stability, improved technical cooperation, delivery and quality of services through more focus activities during the last four years.

The Group of 77 and China welcomes the implementation of the new Financial Performance Control System (FPCS) by UNIDO, through its available human resources. It is our hope that the transitional period would proceed smoothly and that some of the shortcomings pointed out by the External Auditors in shifting from one to the other would be completed with full reconciliation of accounts.

Mr. President,

We share the view that the organizational performance should be continuously achieved and that there is an urgent need to develop performance indicators to measure the results of the programmes, including those for the implementation outcomes of the Medium Term Programme Framework.

With regard to the rules and regulations of the various members of the donor community on the use of project budgets, the Group recognizes that such rules are in

accordance with the regular organizational processes of these donors. We however share the view that the donor community should exhibit more flexibility in use of project budgets and not to impose their own procedures that may complicate UNIDO's work. The Group encourages the Secretariat to explore further possibilities for harmonizing the donor community's rules with those of UNIDO processes.

The Group of 77 and China is mindful of the lack of funds for the full implementation of the technical cooperation activities. We recognize that it is a shared responsibility of all Member States together with UNIDO to mobilize adequate resources for the implementation of UNIDO's programmes. We believe that, for UNIDO to discharge its mandate it is absolutely essential to ensure that the extra budgetary resources of our organization are reliable and predictable.

We therefore encourage the Secretariat to continue its efforts in mobilizing extra budgetary funds for UNIDO's Technical cooperation activities, particularly the implementation of the Integrated Programmes and the Country Service Frameworks. We also urge all Member States and other donors to increase their voluntary contributions to UNIDO and to consider contributing programmable funds. At the same time we once again call upon all Member States to pay their arrears and their assessed contributions in full and on time.

Agenda Item 3: Programmatic review, including system wide issues

Regarding UNIDO participation in major international events the G-77 and China, while recognizing the relevance of the Global Forum activities, recalls that it is of the view that these activities should result in strengthening and improving the technical cooperation programme. In particular, we believe that through the expansion and diversification of productive activities and new technologies, Global Forum activities should contribute to lower the level of unemployment, alleviate poverty, bridge the gap between developed and developing countries and reduce the risk of marginalization of developing countries.

The Group of 77 and China, therefore welcomes the active participation of the Director-General, Mr. Carlos Magariños in Monterrey and Johannesburg conferences. We particularly commend the initiatives launched such as the initiative on trade facilitation, the assistance programme on rural energy for productive use and the initiative on technology transfer: Assessing needs-promoting action to ensure the economic development goals are met. It is the Group's view that in the choice and the design of those initiatives the priorities of the developing countries should be fully taken into account.

The Group of 77 and China encourages UNIDO to continue its work with relevant stakeholders, particularly WTO, UNCTAD and ITC, to assist developing countries and countries with economies in transition to overcome technical barriers to trade.

Finally, the Group of 77 and China takes note of document IDB.26/12 regarding the programmatic review, including system-wide issues, such as UNIDO participation in major international events like WIPO.

Mr. President,
Concerning the implementation of medium-term programme framework, 2002-2005,

including field representation and technology foresight, the Group of 77 and China reiterates its support for the Medium-Term Programme 2002-2005, and sustains its recognition of the essential role of UNIDO in building industrial capacity aimed at facilitating market access and poverty reduction. The Group has noted with interest the document IDB.26/7, concerning the Medium-Term Programme 2002-2005, and reaffirms the importance of the initiatives of UNIDO in strengthening the industrial capacities of developing countries, the promotion of investment and the transfer of technology, the interaction with the private sector and the interregional cooperation that has been reflected, among others, in a closer cooperation with financial institutions to establish more direct links between the investment opportunities generated by UNIDO programmes and equity financing mechanisms.

Likewise, the Group of 77 and China is pleased to note that UNIDO continues to provide technical cooperation services aimed at promoting the establishment of specialized support institutions for SME development, the promotion of the agro-industry, the promotion of South-South cooperation, and its concern with developing further cleaner production activities, as well as the implementation of the assistance programme for greenhouse gas reduction, increased energy efficiency and increased use of renewable and alternative sources of energy. The Group believes that these are substantive areas wherein UNIDO can greatly assist Member States' efforts on sustainable industrial development.

The Group of 77 and China takes this opportunity to stress the measures taken by UNIDO aimed at disseminating the activities of technology foresight in other regions, particularly in African and Asian regions. The Group believes that this decision demonstrates UNIDO's approach in addressing the needs of all its members within the confines of its available resources.

The Group of 77 and China also believes that it is imperative that the organization presents a rational system of delivery of its technical cooperation activities from among its various field units in each recipient country. We therefore also take note with satisfaction the proposals and measures adopted to establish an appropriate monitoring and evaluation system for the field structure. The Group is of the view that this is a vital effort that will help to present a unified image of the Organization at the field, national and regional levels.

Mr. President,

On the issue of the Global biotechnology forum the Group of 77 and China takes note with satisfaction of document IDB.26/10 regarding the Global Biotechnology Forum and we are of the view that by addressing problems that are intractable to conventional technologies, or harness new opportunities in ways that improve social welfare and ensure environmental sustainability, biotechnology presents a high potential to contribute to sustainable development and meet socio-economic needs, particularly in agro-food and processing industries.

We believe that the three main objectives of the Forum, namely: identify priority needs and opportunities; examine policy options in the context of what is technologically feasible and desirable; and explore possibilities of managing the development and transfer of biotechnology in ways that are acceptable to all parties

involved, are relevant in the process of strengthening the sustainable industrial capacities of the developing countries. We therefore welcome, once more, the planned joint hosting, along with the Government of Chile, of a Global Conference on Biotechnology to be held in the city of Concepción, Chile, in December 2003, and we wish to urge all the Member States to actively participate in this as well as the regional consultative meetings.

Agenda Item 4: Medium-term programme framework, 2004-2007

The Group of 77 and China examined document IDB.26/8, containing the Director General's proposal for the Medium Term Programme Framework 2004-2007, which is expected to maintain, in general terms, a broad continuity with the current Medium Term Programme Framework 2002-2005 and which is likewise expected to continue to adhere to the objectives and priorities laid out in the Business Plan. The Group of 77 and China believes that any future recommendation on UNIDO's programme improvements should be in conformity with the concepts outlined in these documents so as to ensure a clearly focused direction for the Organization.

The Group of 77 and China is pleased to note that the Secretariat has initiated consultations with Member States on UNIDO's Newly Designed Thematic Initiatives to strengthen industrial capacities of developing countries which are now in the pipeline and requiring input from Member States. The Group of 77 and China is carefully studying these initiatives and hopes that they will be incorporated in Integrated Programmes or Country Service Frameworks with a view to bringing new financial commitments from donors.

The Group of 77 and China welcomes and appreciates the initiative of Japan in proposing Strategic Guidelines for the Medium Term Programme Framework. The Group of 77 and China has carefully studied the document and provided its views and concerns which have been taken into account in the revised version for incorporation. The Group of 77 and China views this initiative as a constructive contribution for the improvement of our Organization. The Group of 77 and China therefore encourages the Director-General and the Secretariat to give due consideration to these recommended guidelines in the implementation of the current Medium Term Programme Framework, and the planning for the next one including its corresponding budget programmes.

Agenda Item 5: Personnel matters

Mr. President,

The Group of 77 and China takes note of document IDB.26/11. Given the central role of human resource management in the success of the Organization's programmes, we would like to encourage UNIDO to continue the implementation of the Human Resource Management Framework, launched in June 2001. The Group would like to seek further better clarifications on the financial implications of the implementation of the ICSC salary scale.

Maintaining an appropriate balance in terms of gender and geographical distribution among the Secretariat's staff is a desirable objective in any international organization. Therefore, the Group wishes to urge the Secretariat to continue to apply the principle

of equitable geographical distribution in personnel policy, particularly at the professional level. In conformity with the UN system, we also strongly support the issue of gender balance at all levels of the Secretariat especially at the Directors level.

Agenda Item 6: Consultations with non-Member States

The Group of 77 and China notes the interim report on the consultation with non-Member States as contained in document IDB.26/14 and urges UNIDO to continue to intensify its efforts to encourage them to join/rejoin the Organization, with the view to increasing its international recognition and to widening the financial resources of the Organization. The Group of 77 and China would like to suggest that a mechanism should be set up so that these consultations could be pursued by the Director-General in coordination with Member States in a systematic manner.

Finally the Group of 77 and China would like to underscore the important role of UNIDO in assisting developing countries to build competitive industrial capacities to overcome their marginalization and to improve their market access in order to eradicate poverty. We therefore, reiterate our full support for and cooperation with the Organization.

Thank you, Mr. President.