



STATEMENT OF THE G-77 AND CHINA AT THE TWENTY-THIRD SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD (IDB) OF UNIDO, VIENNA 14-16 NOVEMBER 2000 DELIVERED BY H.E. AMBASSADOR JAVIER PAULINICH VELARDE, PERMANENT REPRESENTATIVE OF PERU ON BEHALF OF H.E. AMBASSADOR F. PITTALUGA-FONSECA, PR OF URUGUAY

Mr. President,

On behalf of the G77 and China, I am honoured to convey to you, Excellency, our happiness in seeing you chairing the work of the 23rd session of the IDB. We wish to extend our appreciation to the Secretariat for the able manner in which they have been discharging their responsibility, under the wise leadership of the Director General Mr. Carlos Magariños. I would also like to welcome the membership of South Africa who recently joined the Organization. We are sure that, South Africa, as member, will continue its permanent and its full support to our Group and to the Organization. Mr. President, The Group wishes to comment on the agenda items 3 to 10 and I will express the views of the Group on each item in due time.

### **Agenda Item 3: Report of the Programme and Budget Committee on the Work of its Sixteenth Session**

The G-77 and China participated constructively in the work of the 16th session of the PBC and supported the decisions adopted and contained in document IDB.23/2. Furthermore, the Group has been participating in the informal consultations convened by the Secretariat, that examined some of the issues, which have been reviewed during the last session of the PBC. The G-77 and China has taken note of the report IDB.23/18 and would in due course evaluate the results of the consultations held between the 16th session of the PBC and the present IDB, and will make its comments as appropriate.

### **Agenda Item 4: Integrated Programmes**

The G-77 and China has noted with satisfaction the efforts undertaken at the formulation of the Integrated Programmes which started late in 1998. We are particularly impressed with the innovative manner in which the Integrated Programmes were developed, by both UNIDO, the recipient countries, and in most cases with the cooperation of the prospective donors.

The demand-driven approach in developing Integrated Programmes gave us hope that they stand a very good chance of being successful endeavours. However, we are aware that unless the Integrated Programmes are provided with additional resources, the Organization would not be able to implement the projects. We supported the consultations regarding the unilateral scaling down of the Integrated Programmes, when the issue was introduced at the sixteenth session of the Programme and Budget Committee. The result of the consultations has been to suspend the scaling down of the Integrated Programmes and concentrate on finding funds to implement them.

The G-77 and China considers that the decision to unilaterally scale down the Integrated Programmes by UNIDO without prior consultation with the respective recipient countries should be reviewed, especially taking into account that the programmes were prepared with the cooperation of those countries under the joint ownership principle. The Integrated Programmes should not be static but their adjustment should be based on the mutual consent of concerned parties. It is our view that the successful implementation of the Integrated Programmes is and should be the major achievement of UNIDO's reforms and therefore we urge that all efforts to ensure that adequate financial resources are made available to the Organization to implement such Programmes.

We call upon the Director-General to redouble his efforts and consultations with all Member States to mobilize the necessary resources to enable the Organization to discharge its mandate. It is the responsibility of all Member States to show the necessary political and financial commitments towards the Organization to ensure the positive outcome of the reforms.

Moreover, we strongly recommend that both recipient countries and prospective donors work together with the UNIDO Secretariat in the integrated programmes monitoring being currently conducted as part of its performance measurement system. This should definitely help to ensure the success of the monitoring process itself as well as the overall implementation scheme of such programmes.

#### **Agenda Item 5: Field Representation**

The Group of 77 and China considered with interest the document IDB 23/10 and recalls that the issues of field representation and effective decentralization are of utmost importance to the Organization.

The Group is of the view that at the moment it is imperative to strengthen field representation by decentralizing functions and providing adequate financial resources to enhance activities by both country and regional levels.

The Group actively participated in consultations conducted as a follow-up to the PBC decision 2000/5 concerning the proposals for full decentralization. We invite the Secretariat to assess, in consultation with the Member States, the current Field Representation scheme, in order to enhance its effectiveness.

#### **Agenda Item 6: Global Forum activities**

The G-77 and China has always supported UNIDO's pro-active stance in promoting sustainable industrial development. For this reason, the Group appreciates UNIDO's initiatives to strengthen its global forum activities. This, the Group hopes, will result in a better understanding of sustainable industrial development, thus, hastening efforts to combating poverty and reducing marginalization. The Group shares the view that forging partnerships by UNIDO with the academia, the private sector and other centres of excellence, and its active participation in various fora certainly enhances UNIDO's capacity and efficacy in bringing the developing and least developed countries on board into the mainstream of international industrial development. However, while recognizing the merits of global forum activities, it should result in the reinforcement of technical cooperation programmes and promotion of industrial development of developing countries.

### **Agenda Item 7: UNIDO Global environment facility activities**

The Group of 77 and China has noted with satisfaction the dynamic approach adopted by the Secretariat as in following up GC8/Res.2. We welcome the decision of the GEF council to include UNIDO and FAO as executing agencies. We appreciate the initiatives undertaken by UNIDO to enhance its activities with the GEF. The Group encourages the Secretariat to pursue its line of action taking into account its capacity to implement it.

### **Agenda Item 8: Operational activities for development**

The Group of 77 and China considered with interest the progress report by the Director General as contained in document IDB 23/14.

The Group invites the Director General to provide the information requested in General Assembly Resolution 53/192 "on triennial policy review of operational activities for development of the United Nations" in future annual reports of the Organization.

One of the most important challenges on the current United Nations development agenda is to address the link between Globalization and marginalization that was emphasized during the millennium Summit in New York.

The Group of 77 and China welcomes the initiatives undertaken by the Organization to enhance the role of industry in developing countries as a dynamic force enabling them to improve their productivity and competitiveness and ensure their access to the global market.

We reiterate our view as expressed in General Assembly Resolution A/C.2/55/L.22 of 1 November 2000, that UNIDO, in cooperation with the relevant organizations of the United Nations system should continue to undertake in-depth assessment, analysis and dissemination of best practices in the area of industrial policies and strategies and of lessons learned in industrial development, taking into account the effects of financial crises and the impact of globalization on the industrial structure of the developing countries, so as to support and boost South-South cooperation by providing practical insights and ideas for international industrial development cooperation and for economic and technical cooperation among developing countries.

The Group of 77 and China urges the donor community to provide adequate financial support to enable UNIDO to fully implement its portfolio of integrated technical cooperation programmes and strengthen its global forum activities, as set out in the note by the Secretary-General.

### **Agenda Item 10: Joint Inspection Unit**

The Group of 77 and China considered with interest the document IDB23/12 concerning reports prepared by the Secretariat on the progress in developing a system of follow-up of recommendations of the Joint Inspection Unit and the document IDB 23/16, which contains the comments of the Joint Inspection Unit on the interim report of the UNIDO Secretariat.

The Group is of the view that further consultations are required between the Secretariat, the Joint Inspection Unit and Member States. We would like to reiterate

our views that no recommendations should be implemented prior to the consideration by the Governing Bodies of UNIDO.

Finally, Mr. President, The Group would like to seize this occasion to reiterate its full support for the Organization, in general, and reiterates its appreciation for assisting to sustain the G-77 Office Secretariat which we have found very useful.

Thank you, Mr. President.