



Statement of the Group of 77 and China during the 47th session of the Industrial Development Board, 1-3 July 2019, delivered by H.E. Ambassador Omar Amer Youssef, Permanent Representative of Egypt

Mr. President, [H.E. Ambassador Senén Florensa Palau, Permanent Representative of Spain]

1. On behalf of the Group of 77 and China, I would like to congratulate you on your election as the President of the IDB and other members for their elections to the bureau of this session. The Group is confident that you will steer the IDB with great skills and that this session will come to a successful and fruitful conclusion. I would like to thank as well the outgoing President, Her Excellency Ms. Faouzia MEBARKI, Permanent Representative of Algeria and her bureau members for their outstanding work and contributions at the previous session.

2. The Group has listened with great interest to the statement of Mr. LI Yong, Director General of UNIDO and in this regard appreciates his efforts in leading this Organization, as well we would like to thank the Secretariat for organizing this session.

3. The Group welcomes the accession of Antigua and Barbuda, the Federated States of Micronesia and the State of Palestine to UNIDO. The Group urges the Secretariat to work with these new members to support industrial development on their national levels and calls on partners to also support UNIDO's cooperation with these new members.

3. The Group will be making comments on Agenda items 3, 4, 5, 6, 8, 9, 12, 15, 16, 17 and 19 in the course of discussions on these items.

Agenda Item 3: Annual Report of the Director General for 2018

Mr. President,

1. The Group of 77 and China expresses its appreciation to the Director General for his introductory remarks and takes note of the Annual Report 2018, as contained in document IDB.47/2.

2. As stated during the recent Programme and Budget Committee Meeting (PBC), the Group highly values the Organization's initiatives, activities and programmes implemented in 2018 and reiterates its commitment in favor of Inclusive and Sustainable Industrial Development (ISID). The Group commends on UNIDO's technical assistance and capacity-building initiatives, particularly those directed towards developing countries. The Group emphasizes the necessity of the Organization's continuous efforts to strengthening partnerships, technical cooperation and knowledge sharing among Member States with relevant stakeholders to promote and facilitate increasing South-South, North-South, as well as triangular cooperation.

3. The Group welcomes the increased mobilized financial resources for UNIDO's services as well as the Country Programmes (CPs). The Group appreciates the completion of the Pilot phase of Country Programmes in 2018 and the implementation of the Programmes for Country Partnership (PCP) in Ethiopia, Peru and Senegal, beside the newly developed and launched PCPs in Cambodia, Kyrgyzstan and Morocco. The Group further welcomes the approval of four new countries such as Côte d'Ivoire, Egypt, Rwanda and Zambia for PCP implementation and looks forward to its expansion in other G-77 countries, upon their request.

(a) Mid-term review of the medium-term Programme Framework, 2018-2021

1. The Group takes note of the mid-term review of the medium-term programme framework, 2018-2021. The Group also recognizes the synergy drawn between the four pillars and the Agenda 2030 on Sustainable Development, which is being implemented through the United Nations Development System reform.

2. The Group appreciates the integration of the organizational theory of change into the four core functions of the Organization, namely technical cooperation; policy analysis and advice; norms and standard-related activities; and convening and partnerships, to support the inclusive and sustainable industrialization of countries at a systematic scale.

3. The Group emphasizes technical cooperation as a core activity of UNIDO, which is the main pillar of the Organization's support to its Member States.

4. Regarding the priority areas mentioned in section IV of the review, the Group requests the Secretariat to continue its regular engagement with Member States through more frequent consultations, in order to clarify concepts such as circular economy and the fourth industrial revolution, taking into account the needs of developing countries.

5. The Group requests the Secretariat to provide information about UNIDO's developmental pathways to understand how the Organization will contribute in a meaningful and concrete way to the realization of ISID, the 2030 Agenda and its Sustainable Development Goals (SDGs) as mentioned in section V.

Thank you Mr. President.

Agenda Item 4: Third Industrial Development Decade for Africa (IDDA III)

1. The Group of 77 and China takes note of the report on the Annual update on the Third Industrial Development Decade for Africa (IDDA III), as contained in the document IDB.47/4-PBC.35/4.

2. The Group appreciates UNIDO's strategy in the implementation of the IDDA III, including the involvement of the CPs/PCPs structured programmes such as the creation of special economic zones and industrial parks development; renewable energy and energy efficiency; trade capacity-building; agribusiness value chain development; technology transfer;

industrial policy; innovation; and entrepreneurship and private sector development, as well as women empowerment and youth as core challenges of development.

3. The Group acknowledges the strengthened cooperation with the African Union (AU) and Regional Economic Commissions (RECs) on the technical support provided for the finalization of the action plan of the Common Market for Easter and Southern Africa's (COMESA) industrial strategy and preparation of regional programmes on enterprises competitiveness and market access and the development of programmes for Economic Community of West African States (ECOWAS) in areas of Special Economic Zone (SEZ) and industrial parks. The Group encourages UNIDO to intensify efforts along that line in other sub-regions to create awareness of IDDA III implementation across borders.

4. The Group welcomes the elaboration by UNIDO of a roadmap for IDDA III based on six interconnected pillars namely: global forums; strategic support to develop and manage industrial policy instruments; technical cooperation; cooperation at the level of the African Union, Regional Economic Communities and countries; partnerships and resource mobilization; and communication and advocacy. In this context, the Group takes note of the efforts exerted so far in implementing the road map, and looks forward to its full implementation in consultations with African countries.

5. The Group appreciates UNIDO's efforts by bringing development partners including the African Union (AU), the United Nations Economic Commission for Africa (UNECA), the Regional Economic Communities (RECs), the United Nations agencies, the Development Finance Institutions (DFIs), the International Finance Institutions (IFI) as well as the private sector in reaching agreement on the development of Joint IDDA III Roadmap and process for identifying joint projects and programmes which are key to promotion and smooth implementation of IDDA III within the proclaimed period.

6. The Group welcomes the "IDDA III Champions" initiative, which was created to leverage high-level political leadership for the promotion and visibility of IDDA III. The Group expresses its appreciation to the eight heads of state who agreed to become IDDA III Champions for the period 2018–2020, namely the Presidents of Côte d'Ivoire, Egypt, Kenya, Malta, Niger, Senegal, South Africa, and Zambia.

7. The Group commends UNIDO for its efforts towards the Draft Action Plans of the eight IDDA III Champions awaiting adoption by the relevant Heads of States and therefore urges UNIDO to explore accelerated approaches to arriving at a timely review and adoption in order to actualize the purpose of the plan.

8. The Group encourages UNIDO to continue intensifying its cooperation with key development partners, such as the African Development Bank (AfDB) and the African Export-Import Bank (Afreximbank).

9. With respect to Least Developed Countries and the Third Industrial Development Decade for Africa (IDDA III), the Group calls on the Secretariat to involve Member States and partners on project proposals for ownership and long-term sustainability of the programmes at national level. The Group equally believes it is important for the Secretariat to provide the necessary information to donors and other partners for better coordination with Africa Union policy priorities.

10. The Group calls on all partners to contribute to the success of the IDDA III through financial and technical support in its implementation.

Thank you Mr. President.

Agenda Item 5: Report of the Programme and Budget Committee:

Mr. President,

a) Report of the External Auditor for 2018

1. The Group of 77 and China acknowledges UNIDO's efforts to comply with the recommendations of the prior year's audit findings. Nonetheless, the Group encourages the Organization to address the remaining four recommended actions, in order to further improve its operating capacity.

2. The Group notes the increase in assessed contributions for 2018 by 1.62 million euro, as well as an increase in the rate of collection. However, a shortfall still remains between the assessed contributions receivable and the actual collection. It remains crucial for Member States to fulfill their financial obligations in full and on time for the Organization to deliver its operations to its full capacity, according to the needs and priorities of Member States.

3. The Group recognizes the challenges that lay ahead for the Organization, particularly with regard the UNDS reforms and strongly encourages the Organization to move forward with its initiatives to reinforce its core mandate.

4. The Group strongly encourages the Secretariat to implement the various measures identified by the External Auditor to further enhance the transparency and accountability in the Organization that will, in turn, increase the Organization's efficiency and effectiveness.

b) Financial situation of UNIDO

1. The Group reiterates its major concern over the financial situation of the Organization, which has the potential to negatively impact the Secretariat's operations and major programme activities and ultimately for an effective and efficient execution of UNIDO's mandate.

2. In this regard, while the Group remains uneasy over the large amounts of funds owed to UNIDO, and stresses the need to find a solution to address the problem of Unutilized Balances (UBs) arising from late payments, the Group is nonetheless confident that Conclusion 2019/6 is a step in the right direction and looks forward to see its results for the next biennium.

3. The Group appreciates the efforts of the Director General in reaching out to former Member States to clear their respective outstanding assessed contributions and urges him to continue his efforts with the aim to secure the resources in order to ameliorate the financial situation of the Organization.

4. The Group also welcomes the on-going initiatives by the Secretariat with respect to prioritizations and identification of efficiencies, however, the Group stresses that these measures and the subsequent savings should not hinder sustaining synergies between Headquarters and field offices, as well as, amongst departments, while ensuring effective and efficient realization of technical cooperation programmes.

e) Report of the Informal Working Group on Programme and Budget Committee-related issues

1. The Group would like to reiterate its appreciation of the work undertaken by the Informal Working Group (IWG) on Programme and Budget Committee. Indeed, the IWG serves as a good platform for both Secretariat and Member States to discuss and explore possible recommendations on important issues. The Group believes that the IWG is a valuable platform for dialogue on how to take UNIDO forward and support its work, and that it has the potential to be expanded to a platform within the Organization for discussions on global issues concerning industrialization.

2. The Group is particularly grateful for the dedication and leadership of the co-chairs of Egypt and Switzerland.

3. The Group acknowledges that the work of the IWG has complied with the request from the decision IDB.46/Dec 8, by producing two draft proposals that merged into one during the PBC and approved by consensus to be recommended to this IDB.

Thank you Mr. President

Agenda item 6: Programme and budgets, 2020-2021

Mr. President,

1. The Group of 77 and China would like to thank and support the commendable efforts undertaken by H.E Maria Assunta Accili, Permanent Representative of Italy, leading the informal consultations on UNIDO's programme and budget, 2020-2021, as well as the Secretariat for their effort towards this endeavour to reach a consensus-based agreement regarding the Budget.

2. The Group is of the view that in order to achieve the objectives set by Member States in implementing the mandate of the Organization, we need to provide the Secretariat the appropriate budgetary resources by recommending to the 18th session of the General Conference for their approval of the budget by the end of the 47th session of the IDB.

3. The Group appreciates the flexibility shown by Member States and calls upon all delegations to embrace the Vienna Spirit in order to achieve consensus. The Group looks forward on working with all Member States in order to achieve this goal.

Thank you Mr. President.

Item 8: UNIDO and the 2030 Agenda for Sustainable Development

1. The Group of 77 and China notes with appreciation that the Director General strengthened and sustained dialogue with Member States on the Organization's efforts to achieve Agenda 2030 and the High-Level Political Forum (HLPF) based on the Lima Declaration Plan of Action for Inclusive and Sustainable Development (ISID), particularly the follow up on industrial development goals of the Agenda 2030. The Group commends the Secretariat for the highlights of these efforts as included in the decision IDB.47/CRP.3.
2. The Group recognizes the Director General's efforts to expand the number of PCPs to cover other regions as well as the on-going review of the CPs to align them with the PCPs towards the attainment of the SDGs and priorities of the United Nations Development Assistance Framework (UNDAF). To this end, the Group further appreciates the Director General's commitment in forging partnerships with Governmental, non-Governmental as well as private sector to support the PCPs and other key activities and initiatives on SDG 9, which is a crucial driver of economic development, employment and social stability.
3. With these remarks, the Group takes note of the report of the Director General as contained in document IDB.47/17.

Thank you, Mr. President.

Agenda item 9: UNIDO activities in energy and the environment

Mr. President,

1. The Group of 77 and China notes the benefits of adopting sustainable industrial policies, which emphasize building institutional capacities for promoting environmentally sound and sustainable production, including through improved eco-design in production, implementation of industrial energy efficiency and the utilization of efficient, modern and affordable forms of energy for productive use.
2. The Group stresses on the importance of strengthening, without prejudice to the other core activities, the existing portfolio of projects and programmes of UNIDO on the productive and sustainable management of resources, including waste, and to further pursue existing and emerging projects aimed at the development of eco-industrial parks in developing and emerging economies.
3. The Group requests the Secretariat to foster, in line with national needs and priorities, the transfer of know-how and technology on mutually agreed terms, in the fields of energy efficiency and the use of renewable energy in industrial processes, particularly in developing countries.
4. On this note, the Group welcomes UNIDO's activities in support of deploying sustainable technologies for electricity generation, primarily in agro industries, as well as efforts made by UNIDO's clean energy programmes which support the implementation of mini grids

and cleaner infrastructure systems. In this context, the Group believes that the work of the Global Network of Regional Sustainable Energy Centers Programme has proven to contribute to policy and paradigm changes for participating regions, as the network enjoys support from nearly 100 ministers of energy or heads of state, particularly from Least Developed Countries (LDCs) and Small Island Developing States (SIDS).

5. The Group further recognizes the value of the Global Cleantech Innovation Programme in fostering the use of clean fuels and cooking technologies, which aim to produce affordable renewable sources for energy while decreasing associated health risks from indoor pollution. The Group requests regular updates from the Secretariat on this matter.

6. The Group acknowledges the participation of UNIDO in international fora such as the United Nations Framework Convention on Climate Change (UNFCCC), the Green Growth Knowledge Platform, and other conferences of international organizations, which enhance the visibility of UNIDO's contributions to inclusive and sustainable industrial development.

7. In advancing inclusive and sustainable industrial development, the Group requests the Secretariat to sustain the collaboration with the Global Environmental Facility (GEF). The Group welcomes the first Framework Readiness Agreement between the Green Climate Fund and UNIDO, and calls on UNIDO to further engage with the GCF in projects that will benefit its Member States, while consulting with Member States at appropriate levels.

8. The Group reaffirms the crucial role of UNIDO in fostering partnerships, cooperation and coordination with various stakeholders to create an enabling environment for renewable energy, energy efficiency and energy services. Therefore, the Group would like to request the Secretariat to facilitate green energy technology transfer and development of a sustainable ecosystem in developing countries to ensure financial access for Small and Medium Enterprises (SMEs) and Start-ups.

Thank you, Mr. President.

Item 12: UNIDO Independent Audit Advisory Committee

Mr. President,

1. The Group of 77 and China commends the Independent Audit Advisory Committee (AAC) for their work and efforts towards assisting the Organization to implement the recommendations of the External Auditor, Internal Audit, and the Joint Inspection Unit aimed at streamlining UNIDO's evaluation and internal oversight functions as well as update the Charter for the Office of Evaluation and Internal Oversight (EIO) in line with the best practice and standards of the Institute of the Internal Auditors (IIA) and United Nations Evaluation Group (UNEG) norms and standards.

2. The Group welcomes the AAC's recommendations and requests the Director General to implement them in close consultation with Member States taking into account the prevailing financial situation of the Organization.

3. With these remarks, the Group takes note of report of the Audit Advisory Committee as contained in document IDB. 47/21/Add.1.

Thank you, Mr. President.

Agenda Item 15: Personnel matters

Mr. President,

1. The Group of 77 and China commends UNIDO for its continued effort to improve gender balance in the UNIDO workforce and strongly encourages it to observe the same principle throughout the Organization.

2. The Group reaffirms its position with regard to the need to enhance the geographical distribution across all positions of the Secretariat, but not at the cost of competence and experience.

3. The Group takes note of all the initiative taken by UNIDO, in line with the United Nations Secretary General zero tolerance policy on sexual harassment, including the communication from the Director General to Member States on Sexual Exploitation and Abuse (SEA) allegations within the Organization. The Group requests the Secretariat to brief Member States on this matter at least once a year.

4. The Group requests the Director General to continue proactively addressing staff welfare, including work related mental health issues.

5. The Group welcomes all the progress undertaken by UNIDO on the developments of common system and appreciates that the revised salary scale was implemented without any added costs to the Organization.

Thank you, Mr. President.

Agenda Item 16: UNIDOs Gender equality and empowerment of women

Mr. President,

1. The Group of 77 and China appreciates the Secretariat's Report on Gender Equality and Empowerment of Women, as well as the information provided on UNIDO's activities and technical cooperation assistance supporting women and men's equal participation and benefit from the Inclusive Sustainable Industrial Development (ISID). To ensure such regular and transparent reporting to all Members States, the Group supports the proposal from the Secretariat to include a standing agenda item on Gender Equality and the Empowerment of Women for each General Conference.

2. The Group would like to further encourage UNIDO to inform Member States on progress made towards advancing gender equality throughout the Organization's programmatic work as required by the UN's system wide action plan, by reporting every two years to the General Conference.

Thank you Mr. President.

Agenda Item 17: Sustainable industrial development in middle-income countries

Mr. President,

1. The Group of 77 and China appreciates the Secretariat's effort in developing a strategic framework for partnering with middle-income countries in close consultations with Member States between January and April 2019. The Group also notes the benefits of the strategic framework, especially in the core areas of Technology, Human Capital, and Environmental Sustainability in providing an improved coordination between middle-income countries (MICs) as beneficiaries and emerging donors, as well as more focused and targeted actions towards realizing Inclusive and Sustainable Industrial Development (ISID).

2. The Group recognizes that for the renewed strategic framework for cooperation, traditional forms of financing Inclusive and Sustainable Industrial Development (ISID) will be strategically oriented through a deep analysis and mapping of thematic and geographical priorities of potential donors, both traditional and emerging, and a careful selection of those related to UNIDO's mandate.

3. The Group believes that the scope and prospect of programmatic cooperation, aligned with Medium Term Programme Framework 2018-2021, intended to build a solid foundation for strengthening the partnership between UNIDO and middle-income countries recognizing and implementing its similarities and diversities in promoting inclusive and sustainable industrial development cooperation in accordance to the national capacities, needs, and levels of development of each Member State.

4. The Group agrees that by expanding and scaling-up the transfer of new technologies within the framework of South-South and triangular cooperation, it will be crucial to build up the technological and managerial capacities of middle-income countries (MICs) by adapting to the increase flow of technology.

5. With these remarks, the Group takes note of the Director General's report as contained in the document IDB.47/26.

Thank you, Mr. President.

Agenda Item 19: Preparations for the eighteenth session of the General Conference:

Mr. President,

1. The Group of 77 and China welcomes the decision taken in document IDB.46/l.11 at the 46th session of the Industrial Development Board, regarding organizing the 18th session of the UNIDO General Conference in Abu Dhabi, United Arab Emirates (UAE) from 3-7 November 2019.

2. The Group also takes note of the report of the Director General as contained in document IDB.47/27.

Thank you, Mr. President.