



**G-77 and China Statement during the UNIDO IDB 48<sup>th</sup> session, 23-25 November 2020, delivered by H.E. Ambassador Maria Cleofe Natividad, Permanent Representative of the Philippines**

Mr. President, [H.E. Mr. Darmansjah DJUMALA, Ambassador, Permanent Representative of Indonesia]

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.

2. I would like to thank, as well, the former President of the 47<sup>th</sup> session, His Excellency Senén Florensa Palau of Spain, for his leadership during the previous session, and the members of his bureau for their outstanding work in continuing to move the process forward successfully.

3. 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. The Group would also like to thank the Secretariat for organizing this session.

**Agenda Item 3: Annual Report of the Director General for 2019**

Mr. President,

1. The Group welcomes the Director General's Annual Report for 2019, which provides an overview of UNIDO's activities, achievements, as well as improvements made and challenges faced by the Organization during the past year.

2. The Group reaffirms high importance it attaches to all initiatives, activities, and programmes implemented or planned by the Organization during 2019, among them, the successful conclusion of the 18th General Conference and the adoption of the Abu Dhabi Declaration. We encourage the Director General and the Secretariat to continue moving forward to a full implementation of the Organization's mandate, thereby advancing progress of developing countries and economies in transition on the path towards economic and social prosperity. Technical assistance and capacity-building programmes are essential tools in achieving such goals in this regard.

3. The Group welcomes the remarkable increase in funding from external sources that the Organization secured for its projects and programmes in 2019, amounting to 586.6 million USD. This unprecedented amount reflects UNIDO's relevance as a key player among global development organizations.

4. The Group takes note with great interest the progress of the Programme for Country Partnerships (PCPs) currently being implemented in ten selected countries, all being members of the Group. We look forward to the expansion of the PCP to other members of the Group, upon their requests.

5. Finally, the Group welcomes the significant progress in the implementation of the Medium-Term Programme Framework (MTPF) for 2018-2021 and the Organization's continued efforts to promote transparency and accountability of its work by applying the integrated results and performance framework (IRPF) in the preparation of this report.

I thank you, Mr. President.

## **Agenda Item 4: Report of the Programme and Budget Committee**

Mr. President,

### **a) Report of the External Auditor for 2019**

1. The Group of 77 and China acknowledges UNIDO's efforts to comply with the recommendations of the prior year's audit report. However, the Group expresses its concern at the slow-down in the rate of compliance as compared to 2018 and encourages the Organization to address the remaining eight recommendations to further improve its operational efficiency.
2. The Group notes slight improvement in assessed contributions for 2019 as well as an increase in the rate of collection for the 2018-2019 biennium. However, a shortfall still remains between the assessed contributions receivable and the actual collection. Therefore, it remains vital for Member States to fulfill their financial obligations on time so that UNIDO can complete its operations with optimum capacity.
3. The Group appreciates the initiative of the External Auditor to include in the review the Organization's Enterprise Risk Management, Fraud Risk Management and Procurement to add value to the management and governance of UNIDO for strengthening its core mandate.
4. The Group strongly encourages the Secretariat to implement the measures identified by the External Auditor to further enhance transparency and accountability in the Organization for the sake of increasing its efficiency and effectiveness.
5. The Group appreciates Mr. Michael Aguinaldo and the Commission of Audit of the Republic of the Philippines for their exemplary work as the External Auditor of UNIDO for the biennium 2018-2019. The Group also welcomes Mr. Aleksei Kudrin and the Accounts Chamber of the Russian Federation as the Organization's External Auditor for the biennium 2020-2021.

### **b) Financial situation of UNIDO, including unutilized balances of appropriations**

Mr. President

1. The Group of 77 and China expresses its concern over the collection rate of 2020 assessed contributions compared to the rates in previous years.
2. The Group encourages Member States for timely payment of their contributions including advances to the Working Capital Fund and prior years' arrears, which are necessary for maintaining a healthy and stable financial outlook for the Organization. Accordingly, the Group urges the Secretariat to inform Member States of the possible measures to address the outstanding arrears.
3. The Group appreciates the efforts of the Director General to reach out to former Member States to settle their arrears including advances to the Working Capital Fund, and urges him to continue his efforts to ameliorate the financial situation of the Organization.
4. The Group commends the Member States that voluntarily relinquished their Unutilized Balances of appropriation to the Organization to finance the funding gap, and appeals for more Member States to support in that regard.
5. The Group also acknowledges the efforts of Donor Governments, the EU and other partners for their immense contributions.
6. The Group also acknowledges the contributions of Donor Governments, the EU and other partners in support of the important undertakings of the Organization.

### **c) Report by the Informal Working Group on Programme and Budget Committee related issues**

Mr. President

1. The Group of 77 and China reiterates its appreciation of the work of the Informal Working Group (IWG) on Programme and Budget Committee. The Informal Working Group is a good platform for both Secretariat and Member States to exchange ideas and discuss recommendations on important issues.
2. The Group believes that the IWG is a valuable platform for dialogue among the Member States to take UNIDO forward and improve its work. It has the potential to expand its mandate for discussion on global issues pertaining to industrialization.
3. The Group appreciates the discussion in the IWG on important topics that include Facilitating the timely collection of assessed contributions, improving the financial situation of UNIDO, the After-Service Health Insurance (ASHI), the results of the Full Cost Recovery (FCR), Technical Cooperation challenges, assessed contributions and the Working Capital Fund (WCF).
4. The Group commends the dedication and leadership of the co-chairs of the Islamic Republic of Iran and Switzerland.

### **d) Mobilization of financial resources**

Mr. President

1. The Group of 77 and China attaches great importance to the sufficient and predictable funding that enables UNIDO to effectively deliver its core mandate and activities.
2. The Group encourages the Member States and the donors to consider increasing their voluntary contributions to UNIDO including for the recently created Partnership Trust Fund as well as the Special Account of Voluntary Contributions for Core Activities (SAVCCA) and the Major Capital Investment Fund (MCIF).
3. The Group also encourages the donors to consider contributing to the programmable funds supporting UNIDO to respond to requests from the Member States for assistance and to implement its programmatic activities promptly.
4. The Group appeals to Member States to contribute to UNIDO to increase the funding sources that require further co-funding, either through contributing to the dedicated trust funds or by special purpose funding at country, regional or global level.

Thank you Mr. President.

### **Agenda Item 6: UNIDO's response to the COVID-19 pandemic**

Mr. President,

1. The Group of 77 and China has taken note of the report of the Director General on UNIDO's response to the COVID-19 pandemic and its update, and it highly appreciates the efforts exerted by the Director General and the Secretariat of UNIDO to mitigate the impact and the repercussions related to the spread of this virus.

Mr President,

2. The Group continues to affirm its support for UNIDO and other United Nations and international organizations and agencies, as well as other international and multilateral efforts, in assisting the most affected countries by the impact of COVID-19, and it is looking forward to getting acquainted with the plans of helping the developing countries in their recovery efforts

during the upcoming year (2021), especially in light of the encouraging news about the efficacy of more than one vaccine developed by the international pharmaceutical companies.

3. At the current stage and until we cross this challenging winter, the Group urges the Secretariat to double its efforts, in collaboration with other United Nations' organizations and agencies, to provide assistance in the production or procurement of Personal Protective Equipment (PPEs), and access to ventilators to the developing countries, which are needed for the sustained functioning of their economies. It is the conviction of the Group that although there is a light at the end of the tunnel, however, the crisis is still present and dangerous and the sustained efforts of all international actors and donors to support the developing countries in this critical juncture is still highly required and appreciated.

4. In view of the above, the Group invites the Secretariat to continue to expand its contacts with the international donors, whether governmental or non-governmental, to intensify their support for the developing countries in their efforts to overcome the impact of the spread of COVID-19, and to get across to the recovery stage with minimum loss of life and damages to their industrial sectors.

5. Finally, the Group of 77 and China is confident that UNIDO and other United Nations' Organizations and Agencies will work diligently to make sure that the manufacturing of the new vaccines of COVID-19 is carried out on the largest scale possible, and that the vaccines would be distributed and made available with a consideration that the developing countries and the most vulnerable and poor societies will get an equitable and fair chance in receiving them in parallel with their dissemination in the developed countries.

Thank you, Mr. President.

#### **Agenda Item 7: UNIDO and the 2030 Agenda for Sustainable Development**

Mr. President,

1. The Group of 77 and China notes with appreciation the sustained efforts of the Director General to maintain the relevant and leading role of UNIDO in the pursuit of the 2030 Sustainable Development Goals, particularly under Goal 9 on Industry Innovation and Infrastructure.

2. The Group welcomes initiatives, including normative work through the release of the Industrial Development Report 2020 and other insightful publications, fund sourcing through partnerships with international financial institutions and multilateral funds such as the World Bank, African Development Bank, Global Environment Facility, and the Green Climate Fund, and collaborative actions through engagements with the UN and other international organizations and institutions, as well as the participation in the High Level Political Forum, which contribute to the strengthening of the Organization's mandate of Inclusive and Sustainable Industrial Development as laid out in the Lima Declaration and emphasized under the Abu Dhabi Declaration of 2019.

3. The Group also appreciates the continued focus on Programme for Country Partnerships (PCPs) and Country Programmes (CPs) and urges the Organization to build upon and expand these programmes in order to maximize its ability to achieve developmental impact in countries that need them, and which the Group believes are crucial in driving economic development, employment and social stability in line with the vision of Goal 9.

Thank you, Mr. President.

## **Agenda Item 9: Third Industrial Development Decade for Africa**

Mr. President,

1. The Group 77 and China took note of the Report on the Third Industrial Development Decade for Africa (IDDA III) and would like to express its appreciation for the efforts of the secretariat in this respect.
2. The Group believes that one of the most essential and pressing priorities in terms of implementing the IDDA III is the quick assignment of the Secretariat staff that will be mandated to implement and follow up the various strategies and policies related to IDDA III. The Group hopes that the Secretariat staff of IDDA III will be able to start their functions by January 2021 considering that more than 4 years have elapsed since the beginning of the time frame of the Third Industrial Development Decade for Africa (2016 - 2025), and the Group is convinced that any further delay in this respect would be unjustified.
3. The Group would like to reiterate also its conviction that the active engagement of the secretariat in Vienna with the Permanent Missions, and the field offices with the competent National Authorities in the African countries, is essential in the successful planning and implementation of IDDA III. It is vital at this stage that there should be clear strategies and plans at the national, regional and continental levels that aim at executing measurable projects that will help national governments develop their inclusive and sustainable industrial policies and boost the regional and continental cooperation.
4. Furthermore, the Group is keen that the secretariat of UNIDO expands its contacts with the African Union and to develop more concrete plans of cooperation and complementarity in order to synergize the efforts and avoid duplication.
5. Finally, the Group of 77 and China would like to express its appreciation for the donor countries and International Institutions that seek to make IDDA III a successful endeavor through their support for the collaboration between the African countries and UNIDO, and that includes, among others, the European Union, Japan, Switzerland and Italy.

Thank you, Mr. President.

## **Agenda Item 10: Inclusive and sustainable industrial development in middle-income Countries**

Mr. President,

1. The Group of 77 and China welcomes the adoption of the UNIDO Strategic Framework for Partnering with Middle-Income Countries, as contained in Board decision IDB.47/Dec.7, by the General Conference through resolution GC.18/Res.9 during its 18<sup>th</sup> session held in Abu Dhabi, United Arab Emirates in November 2019.
2. Along these lines, the Group notes with appreciation the efforts of the Director General, through the Secretariat, to prepare a workplan as stipulated in the aforementioned General Conference resolution to operationalize the Strategic Framework, and the presentation of the said work plan in this session of the Board.
3. The Group also notes that the preparation of the workplan adheres to the strategic priority areas of technology advancement, human capital, and environmental sustainability as identified in the Strategic Framework, and with the view to continuing active engagement with MICs and other relevant stakeholders, leveraging of the Programme for Country Partnerships and Country Programmes, and technical cooperation, including South-South and triangular industrial cooperation with MICs.

4. Recognizing the extra-ordinary challenges confronting the world today, the Group appreciates the reference to the impact of COVID-19 on the industrial development efforts of MICs in the workplan, which gives added relevance and context to the document.
5. The Group believes that ownership of the workplan by Member States is crucial in its successful formulation and implementation, and, therefore, welcomes the opportunity to deliberate on, and refine the document through continuous consultations with the view to a timely and result-oriented workplan, all the while remaining cognizant of the relevant needs of MICs.
6. With these remarks, the Group takes note of the Director General's report as contained in the document IDB.48/15.

Thank you, Mr. President.

### **Agenda Item 18: Preparations for the selection process for the post of the Director General**

Mr. President,

1. The Group of 77 and China attaches high importance to the role of UNIDO as a main agency to respond to developing countries' needs for inclusive and sustainable industrial development. Accordingly, the Group considers that the role of the Director General is very significant, considering that he has the overall responsibility and authority to direct the work of the Organization.
2. The Group would like to express its deep appreciation for Mr. LI Yong, the current Director General, for his outstanding work, dedication, commitment and contributions in achieving inclusive and sustainable industrial development in the developing countries.4. As the primary objective of UNIDO is the promotion and acceleration of industrial development in the developing countries as stipulated in its constitution, therefore, the Group considers that the developing countries are in best position to define their needs, priorities, challenges and obstacles, as well as to formulate solutions in the field of industrial development.
3. The Group looks forward to the holding of the candidates' forum for the selection of the Director General of UNIDO for enhancing the transparency and inclusiveness of the selection process, as well as for interaction between the running candidates and the Member States.

Thank you, Mr. President.