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**38TH SESSION OF THE INDUSTRIAL DEVELOPMENT
BOARD OF UNIDO
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INDIA: STATEMENT BY AMBASSADOR DINKAR KHULLAR

Mr. President,

It gives me immense pleasure to see you again as the Chair of this Session of the Industrial Development Board of the UNIDO. We are confident that you will steer this Session of the IDB to a successful conclusion and, in that context, I assure you of my delegation's fullest cooperation.

I would like to thank the Director General for putting this very important issue on the agenda of this IDB. India appreciates the Director General's report on UNIDO's initiative to encourage local pharmaceutical industry in developing countries in establishing production of generic medicines, with special regards to essential health products.

India has historical linkages with Africa and strong cultural and people-to-people ties. The proximity of our relationship has also manifested itself in our development cooperation. As mentioned in the DG's report, India has considerable experience in production of essential medicines and drugs and has been one of the leading countries in production of low-priced quality assured generic medicines. We welcome UNIDO's initiative on pharmaceuticals.

We have also read with considerable care the evaluation report on the ongoing pharmaceutical project being implemented in Africa with assistance from the German government. We have noted that LDCs could not be considered, as the necessary base did not exist for UNIDO intervention to be productive. A recent World Bank-sponsored study had warned against setting up local production without a 'critical mass'

of industrial and socio-economic development and human and technical resources. UNIDO's expertise in industrial development issues should be used to address this situation.

In our view and based on our own experience, some of the factors critical to setting up of a local pharmaceutical industry are setting up of an effective regulatory agency, adequate supply of qualified labour and technology, harmonized drug rules and most important, economies of scale. India would be happy to cooperate with UNIDO in this regard.

Mr. President,

I would take this opportunity to make some observations on wider questions on UNIDO interventions relevant but not applicable solely to the pharmaceutical industry. India feels that the most important activity of UNIDO is delivery of technical cooperation services, especially in the area of sustainable industrial development. Global Forum Activities, Advocacy Functions and Coordination can only be subsidiary engagements. For this reason, we are of the view that UNIDO should balance its time, energy and resources to devote them to its core functions. I am also constrained to point out an increasing perception amongst Member States that a large amount of resources are being spent on consultancy, rather than on implementation of projects in recipient countries. This perception is based on evaluation reports and is a matter of concern for many Member States that needs to be addressed. It is also our hope that the Change Management Programme underway in the Organisation generates tangible dividends, particularly in the form of measurable improvement and efficiency and enhancement in technical cooperation delivery capacity. UNIDO should aspire to demonstrate this early on in the process.

Thank You, Mr. Chairman.