

**Statement of the G77 and China
delivered by Ambassador Taous Feroukhi
Permanent Representative of Algeria
38th session of the Industrial Development Board of UNIDO**

Vienna, 24 November 2010

Mr. President, (Ambassador H. Böck, PR of Austria)

1. On behalf of the Group of 77 and China, it gives me great pleasure to see you again presiding over this meeting. The Group is confident that your experience and diplomatic skills will lead to a successful and fruitful conclusion of this session. The Group would also like to express its appreciation for the timely provision of the necessary documentation by the Secretariat.
2. I would like on behalf of the G77 and China to express our deep condolences to the Government and people of Indonesia for the losses caused by the recent natural disasters and assure them of our solidarity.
3. The Group has listened with great interest to the stimulating opening statement of the Director-General and wishes to express its appreciation for his continued dedication and efforts in making the Organization efficient and effective.
4. The Group will be making comments on Agenda items 2(c), 3, 4, 5, 6, 7, 8, 9 and 10 in the course of discussions on these items. I would restrict my intervention to comment on item 2(c) for this opening statement.

Agenda Item 2(c) Unutilized balances of appropriations: Programme for Change and Organizational Renewal (change management initiative) and technical cooperation activities:

Mr. President,

1. The Group takes note of the presentation on the Programme for Change and Organization Renewal – change management initiative (PCOR) made by the UNIDO Secretariat on 17 November 2010 and of document IDB.38/9/Add.2. The Group request the Secretariat to provide in-depth information on the process with its added-value.

Thank you, Mr. President.

Agenda Item 2 (c) Technical cooperation activities - The trust funds for TC programmes

Mr. President,

1. Based on the briefing provided to the member states on 19 November 2010, the Group of 77 and China expresses its satisfaction on the progress achieved on the trust fund for food security. The Group looks forward to UNIDO's efforts in mobilizing

resources for the designed projects and not merely leaving them at the report level and thus it would like to see the leverage effect soon as the agro-branch makes the projects ready for the selected countries. In this context, the idea of coordination with renewable energy branch as suggested in the briefing is also a very useful tool.

2. The Group of 77 and China urges the Secretariat to provide to the Member States, clarification on moves made on the other trust fund related to renewable energy as there seems to be lack of clarity and some elements of contradictions between the briefing to Member States and the document IDB.38/10. The Group requests the Secretariat to provide information on the use of this trust fund.

3. Some clarification is also needed about the actual amounts of funds available on these two trust funds. The Group understands that the funds were supposed to be divided in equal proportions and thus should have had amounts of Euros 758,213 each, based on the information note of 18 February 2010. The briefing given to Member States gave confusing numbers.

Thank you, Mr. President.

Agenda Item 3: Multilingualism

Mr. President,

The Group of 77 and China takes note of document IDB.38/11 prepared by the UNIDO Secretariat.

Thank you, Mr. President.

Agenda Item 4: Progress Report on regional programmes: (a) Regional programme for Latin America and the Caribbean:

Mr. President,

1. The Group of 77 and China proposes that closer attention be paid to prospective studies that could identify common regional and sub regional problems and possible common solutions, wherever possible and desirable.

2. The Group proposes that other international organizations directly linked with activities relating to the three pillars of action of UNIDO be contacted for possible common endeavours. Regional economic commissions (ECLAC, ECAf, etc), OAS, BID, World Bank, CAF, GEF, FAO among others could play an important role in the matter.

3. The Group would like to recall resolution on the Regional programme for Latin America and the Caribbean, (GC.13/Res.2, dated 11 December 2009), inter alia, to update and improve the existing initiatives and define new activities, projects and programmes in the three priority areas of the Organization, and to identify and mobilize additional voluntary financial resources required for the full implementation of the programme, at the same time calling upon the international community to provide financial support to the programme.

Agenda item: 4 (b) Regional Programme for Africa

Mr President,

1. The Group welcomes the implementation of the “Action Plan for the accelerated Industrial Development of Africa (AIDA) aimed at mobilizing both financial and non-financial resources to increase Africa’s competitiveness with the rest of the world. The Group also encourages UNIDO to assist African countries, guided by the pragmatic objectives and priorities identified in the MTPF 2010-2013, to strengthen their productive capacities, remove technical barriers to trade as well as improving productivity and competitiveness.

2. With regards to enhancing value addition activities in the manufacturing sector as well as the development of local production capacities, while taking note of UNIDO’s commendable efforts in this area, the Group would like to encourage the Organization to establish a follow-up mechanism which will guarantee sustainability of the various programmes and projects. The Group urges UNIDO to assist African countries access the relevant technologies in order to develop the value addition chain.

3. The Group appreciates UNIDO’s continued efforts in the development of programmes to address youth unemployment, agro processing and small and medium enterprises development. The Groups notes with appreciation that over 5000 youths were trained in entrepreneurial skills under the Mano River Union Youth Programme. The enhancement of the capacities of the Small and Medium Enterprises under the framework of the Delivery as One Initiative is also valued. The Group urges UNIDO to extend these developmental initiatives to other regions on the Continent.

4. The Group welcomes the outcomes of the High Level Conference on Development of Agribusiness and Agro-Industries in Africa held in Abuja in March 2010. The Group is encouraged by the endorsement of the African Agribusiness and Agro-Industries Development Initiative (3ADI) by the High Level Conference. Due to the numerous challenges that hamper progress in the agribusiness industry in African countries, the Group urges UNIDO in partnership with FAO and IFAD to intensify its efforts in that regard.

5. In view of the challenges that Africa continues to face in their quest to develop alternative sources of energy whilst ensuring sustainable environmental development, the Group is encouraged by UNIDO’s projects on renewable and cleaner energy and environmental protection in West Africa. The Group welcomes the establishment with UNIDO’s assistance, of the ECOWAS Centre for Renewable Energy and Energy Efficiency in Cape Verde. The Group further encourages UNIDO to assist in the establishment of similar energy initiatives to other regions in Africa.

Agenda item 4 (c): Arab regional programme:

Mr. President,

1. The Group of 77 and China welcomes the activities carried out by UNIDO (progress report IDB.38/12) and requests the Secretariat to continue drawing on the recommendations of the regional Arab Round Table as adopted by the 12th session of the UNIDO General Conference in December 2007 (GC.12/Res.2), and to supplement them with the outcome of the 2009 Arab Round Table held during the thirteenth session of the General conference.

2. The Group appreciates the continuing effort of UNIDO to integrate the Arab Region into its global South-South cooperation Programme.

3. In this respect, the Group commends the South-South advisory and technical assistance services provided by the Egyptian Traceability centre for Agro-Industrial Exports (Etrace) to its neighboring countries, and which contributed to enhance the efficiency of several Arab countries agro-industrial value chain.

4. In the light of the growing rates of youth unemployment in the Arab region, The Group stresses the important role of UNIDO in enhancing SMEs development in the region and strengthening the agro-related industries, as these activities:

- May address the twin objectives of enhanced food security and poverty alleviation.
- Present a high potential of labour absorption and jobs creation.

5. The Group welcomes the UNIDO regional projects in Arab countries, including those to be implemented in the frame of the Union for the Mediterranean initiative on "Increasing growth in the Southern and Eastern Mediterranean Countries through promoting SMEs and job creation" and the "Mediterranean transfer of environmentally sound technology in the South Mediterranean region".

6. The Group encourages UNIDO, while implementing its regional strategy for the Arab region to continue to take full account of the economic diversity of countries within the region, and the resulting differences in the industrial challenges facing them.

7. The Group takes note of UNIDO's efforts in the thematic area of energy and environment in the Arab Region. The Group highlights the success of UNIDO in mobilizing more than 10\$ million in 2008 under the Montreal Protocol Programme, and in partnership with UNEP, to support the phase out of ozone depleting substances in number of Arab countries and expects the development of new similar projects to promote alternative technologies in Jordan, Kuwait, Lebanon, Qatar, Syria and Tunisia.

8. However, the Group notes a deficiency in the promotion of renewable energy programmes in the Arab Region, and thus requests UNIDO to explore the diverse ranges of alternative energy sources in the Arab region and to convert its findings into adequate national and country level projects.

9. In this regard, the Group looks forward to an active participation of UNIDO in the World Future Energy Summit to be held in Abu Dhabi in January 2011 which has evolved as the world's foremost gathering for the renewable energy and environment industry.

Agenda item 4 (d) Other regional programmes

Mr. President,

1. The Group of 77 and China takes note of document IDB.38/12 entitled progress report on regional programmes, particularly the regional programme for Asia and the Pacific.

2. The Group welcomes UNIDO's work in the region within the context of its three thematic priorities, notably activities aiming to increase and improve production efficiency among smallholders; creating an enabling environment for competitive agro-industries; strengthening national capacities for standards, metrology, testing and quality for trade capacity-building; and promoting adoption of cleaner production techniques and environmentally sound management processes.

3. In preparation for the next generation of UNIDO technical cooperation projects in the region, the Group trusts that the Secretariat would undertake some measures in order to ensure UNIDO's projects remain responsive to the needs of the region, namely:

- a) As noted by external evaluation reports, due attention should be given to the sustainability and impact assessment of technical cooperation programs in the region.
- b) Finally, but most importantly, the Group requests the Secretariat to prepare, in consultation with the members of the Group, and or present, if there is one already, a strategic framework and general directions of the Regional Programme within a particular time frame. Such Regional Programme Framework should serve as the main programmatic guideline to steer both country-specific interventions and multi-country projects towards agreed results.

Thank you, Mr. President.

Agenda item 5: Aligning the MTPF reporting cycle with the comprehensive policy review of operational activities for development of the UN system

Mr. President,

1. The Group takes note of document IDB.38/6 prepared by the UNIDO Secretariat.

Thank you, Mr. President.

Agenda item 6: UNIDO field representation

Mr. President,

1. The Group of 77 and China takes note of the document IDB.38/13 on UNIDO field representation.
2. The Group takes note with satisfaction the efforts of the Organization in strengthening UNIDO field representation, in particular, the human resources development through various courses of training in the field offices as well as decentralization of financial operations through providing field offices with their own imprest account.
3. The Group would also like to commend the Organization for an introduction of new concept of country evaluations. The Group is of the view that this new concept of evaluation will be an effective mechanism to improve the efficiency and effectiveness of UNIDO's programmatic operations in the field. The Group is also of the view that, in the context of country evaluations, the economic, social and environmental impacts of UNIDO's technical cooperation delivery in the respective country should also be taken into consideration.
4. The Group firmly believes that to date the Organization has contributed a great deal of efforts in delivering technical assistance according to the needs of Member States. However, the information about the concrete outcomes of those efforts, both economically and socially, are not adequately publicized and analyzed. To a certain extent, it has the effect on the visibility of the Organization.
6. The Group thus encourages the field offices to identify concrete outcomes as a follow up after the completion of technical cooperation projects and programmes in the respective country. This activity should then be included as part of evaluating the performance of field offices. Regarding the recommendations by the independent process evaluation of the field mobility policy conducted in April 2010, the Group looks forward to progress report on actions and improvement of certain operational aspects of the field mobility policy being undertaken by the Secretariat.
7. With regard to UNIDO's idea on converting the UNIDO desks and the Heads of UNIDO Operations (HUOs) into country offices and National Country Directors (NCDs) respectively. The Group takes note the information contained in document IDB.38/13. The Group urges the Secretariat to propose a draft work plan on this issue in the future in consultation with Member States, taking into consideration list of criteria as mentioned in

document IDB.38/13, paragraph (16), page 6 as a guidance. The Group encourages UNIDO to promote local capacities and strengthen the role of UNIDO national officers.

8. While recognizing that the empowering of the field representation through decentralization is required to maximize the results of technical cooperation, the Group urges UNIDO to keep in view the necessity of:

- i) Enhancing better mechanisms allowing an efficient follow up of projects implementation and ensuring a tight coordination among UNIDO Representative (UR) and relevant interested parties, including the diplomatic missions in Vienna.
- ii) Improving the accountability system.

The Group also urges UNIDO to bear in mind the observations of the External Auditor regarding Operations of UNIDO Field Offices, particularly those pertaining to the lack of coordination between some Regional and Country Offices, Project Managers and Project Teams. [para 87, ix of Report of External Auditor- IDB 38/3]

Thank you Mr. President.

Agenda Item 7: UNIDO contributions to achieving the Millennium Development Goals

Mr. President,

1. The Group of 77 and China takes note of document IDB.38/14 and Add.1 on UNIDO contributions to achieving the Millennium Development Goals (MDG) and would like to thank Dr. Kandeh Yumkella and UNIDO for taking active roles in exchanging views and ideas for accelerating progress towards the MDGs by 2015 during the recent United Nations High-level Plenary Meeting on the Millennium Development Goals (MDG Summit).

Thank you Mr. President.

Agenda Item 8: UNIDO support in fostering local pharmaceutical industry in developing countries with special regard to essential health products

Mr. President,

1. The Group of 77 and China welcomes the inclusion of this agenda item for the current session of the Industrial Development Board as the presentations and discussions under this agenda item would assist UNIDO, in line with its three thematic priorities, to identify opportunities which could make a substantial contribution to the attainment of Millennium Development Goal 6 “Combat HIV/AIDS, malaria and other diseases.”

2. The Group takes note of the document IDB.38/15 titled: UNIDO support in fostering local pharmaceutical industry in developing countries, with special regard to essential health products. The Group agrees with the assessment of the Director-General that attempting too many distinct areas too thinly should be avoided in order to achieve concrete results in this enormous task. Therefore, the Group urges the Organization to focus on essential health products.

3. The Group believes that the continued gap between the drugs needed and those available, as well as the access at affordable prices to quality assured essential drugs, remains a burden on developing countries.
4. The role that the pharmaceutical manufacturers in the developing world should play as a means of easing access-to-drugs and the local production of medicines would go a long way to assist developing countries in closing the gap that currently exists.
5. The Group believes that UNIDO could play a specific role in bridging the gaps between the health and industrial development agenda and bring together funding partners, expertise and policy formulation.
6. The Group is of the view that the transfer of skills through South-South cooperation should be encouraged to strengthen the local production capacity of essential generic drugs in developing countries.
7. The Group would further like to encourage continuous North-South cooperation and the transfer of technology. In this context, the Group recognises the urgent need of policy formulation based on National priorities to facilitate access to life-saving drugs and medication for those most in need. The Group remains concerned at the slow pace of universal access of health products, in particular, in developing countries.
Thank you, Mr. President.

Agenda Item 9: UNIDO activities in the field of energy and environment

Mr. President,

1. The Group of 77 and China takes note of the document IDB.38/16 pertaining to UNIDO's activities in the field of energy and environment.
2. The Group welcomes UNIDO's activities in the field of environment and energy and its intensified and strategically focused global forum initiatives and technical cooperation assistances under all thematic areas under the Green Industry Initiative in order to enhance synergies and impact.
3. The Group takes note of the report "Energy for a Sustainable Future" released in April 2010, and welcomes the proposal contained therein identifying two global energy development goals for ensuring universal access to modern energy services by 2030 and the reduction of global energy intensity by 40 per cent by 2030.
4. The Group believes that the vision of transforming and creating a sustainable energy sector with universal access to modern energy carriers for all and improving the energy diversity should be something that all countries commit and strive towards achieving in attainment of the Millennium Development Goals.
5. The Group therefore would like to support the UN-Energy and AGECC proposal to designate the year 2012 as the International Year of Sustainable Energy Access.

6. The Group is encouraged by UNIDO's efforts to reinforce and enhance South-South cooperation within its technical cooperation programmes as one of the key priorities for the period 2010-2013.

7. The Group welcomes the strong energy portfolio and secure funds approval of approximately US\$100 million, which the Organisation has managed to secure through the GEF funds for climate change related projects. The wide-range of projects worldwide, aimed at promoting renewable energy, industrial energy efficiency, technology transfer and energy storage should yield the following benefits for developing countries;

- Increased access to modern energy supplies, especially based on renewable energy for supporting the development of productive capacities;
- Improvement in efficient use and management of energy, natural resources and materials by transfer and deployment of new energy efficient technologies;
- Implementation of programmes involving changes in product design and technology which maximise the reuse and recycling of waste materials; and
- Technical assistance in the implementation of international environmental agreements, especially those related to sustainable industrial development.

8. The Group appreciates UNIDO's active advocacy and awareness raising role at the international, regional and national levels and encourages the Secretariat when participating in these for a to ensure follow-up, so that Member States can fully see the direct advantages emanating out of such conferences.

9. Moreover, in order to enhance the responsiveness of the industrial sectors in developing countries and the LDCs to the global trend towards sustainable industrial development, the Group would like to encourage the Organization to map out integrated programmes for respective regions on targeted industrial sectors.

10. Such regional programme should aim at introducing and demonstrating "green" production methodology to the targeted industrial sectors as appropriate, if possible, in an integrated themes, for example, promoting cleaner production methods in combination with low-carbon industrial production. The Group believes that this approach will help accelerate UNIDO's efforts in assisting the industry in developing countries and the LDCs to shift to more sustainable patterns of production.

Thank you, Mr. President.

Agenda Item 10: Matters related to intergovernmental, non-governmental, governmental and other organization

Mr. President,

1. The Group of 77 and China takes note of document IDB.38/18 presented by the Secretariat entitled "Matters related to intergovernmental, non-governmental, governmental and other organizations".

2. The Group notes that unfortunately 84 of 143 NGOs in consultative status with UNIDO have had no interaction with the Organization for at least three years and of total 59 NGOs which are still considered as active only 10 have attended sessions of policymaking organs of the Organization since 2007.

3. While noting with concern the current status of cooperation of the NGOs with UNIDO, the Group of 77 and China requests the Secretariat to take appropriate measures in order to assess the NGOs in consultative status with UNIDO.

4. With respect to the preceding paragraphs, the Group of 77 and China recommends adoption of a decision, whereby the consultative status of NGOs, which have not shown sufficient interest and goodwill in cooperating with UNIDO during a period of three years, shall be withdrawn, in accordance with paragraph 7 of the said report.

5. Without prejudice to the above, the Group of 77 and China requests UNIDO to promote the engagement of new NGOs, especially those coming from developing countries, interested in obtaining consultative status and of which competence be in conformity with the spirit, purposes and principles of the Constitution of UNIDO. Considering financial constraints natural to these countries, the Group urges UNIDO to create new and innovative ways of engagement, using accessible and affordable technologies, with the intention to democratize such participation. The Group considers that these efforts could benefit UNIDO and Member States projects and programs.

Thank you Mr. President.