

**Draft Statement of the Group of 77 & China during the 13th session of
the UNIDO General Conference, 7 – 11 December 2009**

Mr. President, (H.E. Mr. Ali Asgar Soltanieh, Permanent Representative of the Islamic Republic of Iran)

It is with great pleasure that I congratulate you on behalf of the Group of 77 and China on your election as the President of the 13th session of the UNIDO General Conference.

The Group is confident that your experience and skills will contribute to the success and fruitful conclusion of this session. On behalf of the Group, I also take this opportunity to extend my congratulations to other members of the Bureau on their election. The Group would also like to thank your predecessor H.E. Ambassador Omar ZNIBER, Permanent Representative of Morocco, for successfully steering the work of the 12th session of General Conference. The Group also expresses its appreciation to the Secretariat for the organization of this Conference.

Mr. President,

The Group of 77 and China welcomes the opening remarks by the Director-General, Dr. Kandeh Yumkella and reaffirms its support to the Organization and to the excellent work fulfilled during his term in office.

The Group would also like to take the opportunity to congratulate Dr. Kandeh Yumkella for his reappointment as Director-General of UNIDO. The Group expresses its appreciation of his outstanding efforts throughout the past 4 years, during which the work of UNIDO has indeed witnessed significant and tangible developments and improvements in all areas of its work. The Group wishes him success in his second term.

Mr. President,

The Group highly appreciates UNIDO's initiative on hosting the LDCs Ministerial Conference focusing on the theme "Impact of the Global Economic Crisis on the LDCs' Productive Capacities and Trade Prospects: Threats and Opportunities".

Agenda Item 7: Annual reports of the Director-General on the activities of the Organization for 2007 and 2008

Mr. President,

The Group appreciates the efforts of the Secretariat in producing the Annual Reports for 2007 and 2008 in a comprehensive and well-presented manner, and encourages it to include comparative indicators for each regional programme in these reports.

The Group would like to reiterate its views expressed on this agenda in the 34th and 36th sessions of IDB, which are:

- a) stressing its concern that the thematic area of poverty reduction through productive activities received the least support from the donor community in relation to the other thematic areas; thus, encouraging the donor community to support UNIDO's activities in this thematic area and requesting the Director General to continue his efforts to mobilize additional resources to combat poverty through sustainable industrial development.
- b) congratulating the Organization for receiving an award for its successful contribution in phasing out ozone depleting substances in relevant productive sectors, within the framework of the Montreal Protocol benefiting from both financial and technical resources of the Global Environmental Facility (GEF).
- c) requesting UNIDO to undertake further effective measure towards cooperation with GEF, as well as with other Multilateral Environmental Agreements and donors, in order to reuse, recycle waste and reduce chemicals and pollutants in industrial processes.
- d) acknowledging that UNIDO strongly supports the efforts to combat climate change, promote industrial energy efficiency, support cleaner production techniques and promote renewable energy programmes as well as recalling that the appointment of the Director General as Chair of UN-Energy for the years 2008-2009 confirmed the high international standing of UNIDO in the thematic area of environment and energy.
- e) appreciating the engagement of the Organization in the development of ISO 50001 on the Management System Standard for Energy and hoping that the Organization will take into account the situations and needs of developing countries in developing such standard.
- f) appreciating the significant role played by the Programme Approval Committee in the continuous improvement of UNIDO's technical cooperation activities, especially in project design, implementation modalities and incorporation of monitoring, reporting and evaluation mechanisms.

- g) believing that the performance of the field offices has a direct bearing on the quantity and quality of technical cooperation delivery by the Organization; thus stressing the need of ensuring coordination between UNIDO Head Quarters, UNIDO Representatives and national counterparts; also, urging the Secretariat, while implementing the decentralization initiative, to keep in mind the national needs and priorities, as well as the establishment of better mechanisms for a transparent and efficient follow-up for projects implementation.
- h) taking notes of UNIDO's study and research undertakings as well as its global forum activities and believing that the results and the outcomes thus achieved could prove beneficial to the developing countries and LDCs by way of greater and effective technical cooperation delivery; therefore, requesting the Secretariat to regularly inform the Member States of such activities and their concrete outcomes in terms of improving and enhancing the Organization's fulfilment of its mandate.

Agenda Item 9: Forum on industrial development issues

1. The Group takes note of the document GC.13/9 entitled Forum on Industrial Development Issues. The Group would like to express its appreciation for the Secretariat's efforts in holding this Forum.
2. The Group believes that the Forum will help identifying the best ways to address the added challenges due to the effects of the global economic slowdown.
3. The Group believes that the deliberations on the theme of seizing opportunities for greening industries would provide a good platform for constructive discussions. The Group would like UNIDO to enhance and strengthen its efforts in its other two thematic priorities as well, namely poverty alleviation through productive activities and trade capacity building.
4. The Group hopes that in line with the results-based management approach that UNIDO is undertaking, the recommendations of this Forum would be reflected in UNIDO's specific programmes and projects, thus enhancing the added value of UNIDO's technical cooperation in developing countries.

Agenda Item 10: Financial matters:

- (a) **Scale of assessments of Member States;**

1. The Group takes note of the document IDB.36/3 entitled Scale of Assessments for the fiscal period 2010-2011.
2. Recalling General Conference resolution GC.10/Res.1, the Group encourages the Secretariat to undertake efforts towards bringing back former member states so as to minimise the variance between the UN and UNIDO scale of assessments.
3. The Group requests the Secretariat to keep Member States informed of its efforts in this regard through relevant documentation at the governing bodies' sessions.

(b) Financial situation of UNIDO;

1. The Group takes note of the document GC.13/12 entitled Financial Situation of UNIDO.
2. The Group takes note of the information that the regular budget's implementation as well as the assessed contributions' collection rates are comparable with the corresponding previous periods. With a view to undertaking all the activities envisaged in the programme and budgets, the Group urges the Secretariat to work towards realizing greater collection rates which are achievable keeping in view the fact that collection rates in excess of 90% have been achieved in recent years.
3. The Group welcomes the information that 81 Member States, including 11 LDCs, have already made full payment for their assessed contributions for the year 2009, while partial payments have been received in respect of another 25 Member States, including 5 LDCs.
4. The Group is disappointed to note that the number of Member States without voting rights has risen over the previous year. The Group is also dismayed to note that the amount of outstanding assessed contributions for prior years continues to remain above the Euro100 million mark.
5. The Group appeals to all Member States having long-standing/large financial obligations to the Organization, to consider benefiting from the modality of multi-year payment plan to settle their arrears. At the same time, appreciating its efforts towards this end, the Group encourages the Secretariat to intensify its efforts to effect full payment of the outstanding amounts.

(d) Accounting standards;

Mr. President,

1. The Group takes note of the document GC.13/10 entitled International Public Sector Accounting Standards and thanks the Secretariat for the same.
2. The Group highlights the importance of the adoption of IPSAS by UNIDO in its financial management system. The Group believes its adoption will enhance the Organization's accountability and transparency through improved financial reporting, resulting in more efficient utilization of resources and enhanced financial management.
3. The Group also requests the Secretariat to keep Member States informed of the progress in the matter at the respective sessions of the Policy Making Organs.

Agenda Item 11. Implementation of the medium-term programme framework, 2008-2011, including:

- (a) Regional programme for Latin America and the Caribbean;**
- (b) Regional programme for Africa;**
- (c) Arab regional programme; and**
- (d) Other regional programmes**

1. The Group takes note of document GC.13/5 on the implementation of the medium-term programme framework, 2008-2011.

(a) Regional programme for Latin America and the Caribbean;

1. The Group of 77 and China acknowledges the presentation of the document GC13/5-IDB36/14 that contains information on the execution of the Medium Term Programme, 2008/2011, for Latin-America and the Caribbean, that brings up to date the information presented in document IDB35/14, on the execution the medium term programmatic framework in the last six months.
2. The G77 and China takes note of the activities of the Secretary for the implementation of the Regional Programme for Latin-America and the Caribbean, approved at the second meeting of experts that took place in November 2007. Notwithstanding, the Group considers that the above mentioned activities have been insufficient to make full use of the

potentialities of the region and ask for new efforts in the broadening of the Regional Programme.

3. The Group considers that the information conveyed in the documents prepared by the Secretariat, and specially those contained in the document GC13/5-IDB36/14, should reflect clearly the work done, the objectives reached and the short and medium term proposals as defined in the Programme Framework. It draws one's attention that in the part that corresponds to the Latin-American and Caribbean Programme the information provides is no consistent with the annual Reports prepared by the Secretariat and previously presented to member-states in Sessions of both the Industrial Development Board and the Programme and Budget Commission in 2207 and 2008.

4. The G77 and China reminds the Secretariat about the need that the identification of the activities undertaken by UNIDO should be made in close consultation with the Member States and stresses the observation made by the Latin-American and Caribbean Group that actions should take into account the regional and subregional integration processes.

5. The Group expresses its willingness to increase the exchange of information and the coordination with the Secretariat in view of increasing activities of technical cooperation in the main three thematic areas of the Organization.

(b) Regional programme for Africa;

1. The Group commends the Organization for its efforts in the three thematic areas in ensuring the relevance, cost effectiveness and sustainability of UNIDO services in Africa and their impact on the development process.

2. The Group appreciates the initiative undertaken by UNIDO to establish an e-learning platform on traceability, as well as the studies conducted on the topic "Africa and the Global Industrial Economy: Strategies for Prosperity", which were a follow-up of the international conference on sharing innovative agri-business solutions which took place in Cairo in November 2008.

3. However, despite the importance of the agribusiness industry to African countries, the industry still faces numerous challenges such as fragmented markets, price controls, poor infrastructure that hamper production, the current pressure on natural resources such as land and water

and the fact that many of the agricultural production generated in the continent are not globally competitive. The Group therefore urges UNIDO to intensify its efforts in Africa pertaining to the agro-industry and welcomes the High-level Conference on development of agri-business and agro-industry that will be held in Nigeria in March 2010.

4. The Group notes with appreciation the efforts by UNIDO in West Africa and welcomes the request by the Great Lakes Region following the African Union Summit held in Sharm El-Sheikh, Egypt in June 2008, to extend the UNIDO youth employment skills development initiative similar to the Multi-stakeholder Programme for Productive and Decent Work for Youth in the Mano-River Union to other Regions of the continent.

5. The Group further supports as well all UNIDO activities pertaining to the implementation of energy-related projects and cleaner production practices in Africa.

6. The Group also encourages UNIDO to assist countries in the continent, guided by the programmatic objectives and priorities identified in the MTPF 2010-2013, to strengthen their productive capacities by addressing issues related to regulatory and institutional capacities, technical barriers to trade as well as improving productivity and competitiveness.

(c) Arab regional programme;

1. The Group welcomes UNIDO's activities in the Arab regional programme, based on the implementation of the guidelines contained in the MTPF 2008-2011, and the recommendations of the Arab regional round table held at the twelfth session of the General conference (GC.12/Res.2).

2. The Group encourages UNIDO's to pursue its technical cooperation in promoting sustainable development through productivity growth, with an emphasis on industrial modernization and upgrading technology diffusion and trade facilitation.

3. The Group stresses the important role of UNIDO in enhancing SME development in the Arab region and strengthening the agro-related industries. The Group welcomes in this regard, the international conference entitled "From Farm to Markets: Providing Know-how and Finance" that was organized in Egypt in November 2008, and that considered issues related to value chains, market access and the traceability of agro-products to markets based on the experience of a successful UNIDO project.

4. The Group also welcomes the preparatory assistance proposal that has been formulated for the development of a comprehensive technical cooperation programme in the Mediterranean region that will be implemented by UNIDO in cooperation with the Union for the Mediterranean in the context of the Mediterranean Business Initiative.

5. The Group appreciates UNIDO's strategy to enable LDC's in the Arab region to benefit from the globalization process through technical cooperation services in the field of youth entrepreneurship development and sustainable demand-driven approach as well as vocational training.

6. The Group also appreciates the joint declaration that was signed with the Egyptian Ministry of Trade and Industry, and South Africa as chair of the 18th session of the Conference of African Ministries of Industry CAMI for creating industrial initiatives that led to the realization of the MDGs and promoting South-South cooperation.

7. The Group commends UNIDO's efforts in the thematic area of energy and environment in the Arab region. In this respect, The Group encourages UNIDO to continue providing a platform for a proactive dialogue to strengthen interregional cooperation and partnerships among the Arab countries, with a focus on reducing the environmentally impact of products throughout their life cycle through the design of environmentally friendly and cost- effective products.

(d) Other regional programmes

Mr. President,

1. Under the thematic priority area of “poverty alleviation through productive activities”, the Group encourages UNIDO to continue promoting development of the private sector and agri-business, transfer of suitable modern technologies, and better access to energy for developing countries to advance the pace of their industrialization.

2. As regards trade capacity-building, the Group encourages UNIDO, while pursuing “Aid for trade” initiative, to increase technical cooperation activities by placing primary focus on technology and know-how transfer conducive, inter alia, to a diversification of production and an achievement of compliance with international standards.

3. With respect to the thematic area of “Environment and Energy”, the Group requests UNIDO to give due consideration to the Manila Declaration

on Green Industry in Asia in the formulation and implementation of new programmes and projects in all the Asian regions. The Group encourages UNIDO to explore venues of cooperation with the newly established International Renewable Energy Agency (IRENA) while formulating its projects in the field of renewable energy.

4. The Group re-emphasizes the importance of South-South industrial cooperation and hence, encourages UNIDO to promote and synergize the measures undertaken in this respect to optimize such cooperation.

5. The Group takes note of the activities carried out by UNIDO in terms of improving the industrial development in the Arab countries. The Group 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, and to supplement them with the outcome of the 2009 Arab Round Table.

6. The Group urges UNIDO to enhance its technical cooperation activities in Central Asia with emphasis on productivity growth, industrial modernization and trade capacity building in the sub region. The Group requests the Organization to mobilize necessary financial resources for this purpose by intensifying dialogue with donors.

Agenda Item 12: Medium-term programme framework, 2010-2013

Mr. President,

1. Recalling the Statement of the Group in the 35th session of the IDB, the Group welcomes the comprehensive proposals of the Director-General on the medium-term programme framework 2010-2013, contained in document IDB.35/8/Add.1, and commends the Organization for its initiative in structuring the MTPF in a new format which includes the identification of expected policy and institutional outcomes at the country-level, within each of the thematic priorities, as well as of the streamlining of the different thematic programme components in conformity with those outcomes.

2. The Group encourages the Organization to fully implement the proposed MTPF, 2010-2013, based on results-based management approach, which includes programmatic results, indicators, and impacts at the overall thematic levels. The Group urges UNIDO to brief Member States at regular intervals on how these novel features benefit the Organization in tangible terms while implementing the MTPF 2010-2013.

3. The Group expresses its concern regarding the use of the concept of Human Security as a programme component of UNIDO. The Group is aware that the United Nations General Assembly has not reached a consensual agreement regarding this concept. Realizing the importance of UNIDO's activities in countries emerging from crisis, and at the same time, bearing in mind its mandate, the Group urges UNIDO to refer to the programme component as post-crisis industrial rehabilitation, as contained in GC.10/Res.6.

Agenda Item 13: UNIDO major conferences

Mr. President,

1. The Group of 77 and China takes note of the document GC.13/13 entitled UNIDO major conferences. The Group would like to thank the Secretariat for their provision of information, in a concise form, on the conferences convened by UNIDO during 2008 and 2009.

2. The Group appreciates the thematic focus, geographical distribution as well as the level of participation in these conferences. The Group is pleased to note that these conferences deliberated upon issues of relevance to developing countries generating important proposals and recommendations. The Group hopes that not only will there be a follow-up of these events but also that the outcome of these conferences will be taken into account in planning and implementing the Organization's activities. The Group believes that greater and better technical cooperation in the field by the Organization should be viewed as the ultimate tangible benefit of these conferences.

3. The Group requests the Secretariat to formulate an appropriate research agenda on the basis of the principles outlined in documents GC.10/14 and GC.10/CRP.4 in order to provide an analytical and conceptual framework for its global forum and TC activities.

4. The Group of 77 and China also encourages the Secretariat to continue undertaking such activities, in consultation with Member States, as required to fulfil the Organization's global forum functions.

Agenda Item 15: Cooperation Agreement with the United Nations Development Programme

Mr. President,

1. The Group takes note of the documents GC.13/CRP.1 entitled Joint terminal evaluation of the implementation of the cooperation agreement between UNIDO and UNDP, GC.13/6 entitled Cooperation agreement with UNDP - Executive summary of the joint terminal evaluation as well as GC.13/7 entitled Joint management response to the joint terminal evaluation of the cooperation agreement with UNDP.
2. The Group would like to thank the joint terminal evaluation team for the accomplished mission and the useful findings and suggestions.
3. The Group takes note of the fact that the opening of the UNIDO Desks enabled the Organization to expand its field presence, which has proved to be increasingly important to the Organization and can be achieved by using national staff. However, the Group is of the view that UNIDO should undertake expansion of its field representation in a carefully planned step by step approach, taking into account the recommendations of the joint evaluation team, and in consultation with Member States.

Agenda Item 16: UNIDO activities in agro-related industries and agribusiness

Mr. President,

1. The Group of 77 and China takes note of the document GC.13/14 prepared by the Secretariat and the Report of the President of the 36th session of the IDB on its decision IDB. 36/Dec.16.
2. The Group believes that UNIDO's activities in agro-related industries and agribusiness are very important for the developing countries and the LDCs as these may address the twin objectives of enhanced food security and poverty alleviation.
3. The Group participated actively during the informal consultations and noted with concern the lack of enough funding available for UNIDO's activities in this area. The Group therefore urges the donor community to remedy this situation by paying this sector its due so that future food crisis could be avoided. In this context, the Group also expresses its support to the

idea of creating Trust Funds (the rationale for which is explained in the document IDB.36/12/Add.1,chapter III A), which would enable the design of quality TC programmes in this area possibly resulting in a multiplier effect on actual TC delivery.

4. The Group welcomes the release of the book “Agro Industries for Development”, a co-publication by the FAO, IFAD and UNIDO, which was prepared as a follow-up of the first “Global Agro Industry Forum” organised in April 2008 in New Delhi, followed by the “International Conference on Sharing Innovative Agri-business Solutions”, held in Cairo in November 2008. The Group, while recognising the importance of the advisory services of UNIDO, urges it to make full use of the knowledge available in this publication for providing the policy advice and designing the TC programmes most suitable to the respective member countries.

5. The Group would like to reiterate its position that technology transfer and capacity-building are among the main functions of UNIDO, which can help the developing countries and LDCs to achieve real progress with a sense of ownership. In this context, the Group encourages UNIDO to scale up its projects in this field such as the establishment of rural technology centres.

6. Finally, Mr. President, the Group of 77 and China hopes that UNIDO would continue to work closely with FAO, IFAD, AfDB, IDB and other such organisations on promotion of agro-industry and agribusiness.

Agenda Item 17: UNIDO activities in the field of energy and environment

Mr. President,

1. The Group welcomes the inclusion of this agenda item for the current session of the General Conference as the discussions under this item would help UNIDO to refocus on its priorities with in the field of environment and energy and also to underscore the need for a balance among its three thematic priorities in general.

6. The Group welcomes UNIDO’s initiative to participate through best industrial sustainable practices in United Nations efforts to achieve the Millennium Development Goals. The Group hopes to see better cooperation and coordination of UNIDO with other recognised International organisations active in the field of environment and energy in order to create synergy among their respective actions and to avoid duplication of efforts.

3. The Group believes that UNIDO's efforts in this field should result in the following benefits of developing countries:

a) Increased access to modern energy supplies, especially based on renewable energy for supporting the development of productive capacities;

b) Improvement in efficient use and management of energy, natural resources and materials by transfer and deployment of new energy efficient technologies;

c) Implementation of programmes involving changes in product design and technology which maximize the reuse and recycling of waste materials;

d) Technical assistance in the implementation of international environmental agreements, especially those related to sustainable industrial development.

4. The Group welcomes UNIDO's role in the "Clean Technology Forum", held in Manama, Bahrain from 2 to 4 February 2009, the "International Energy Conference" held in Vienna from 22 to 24 June 2009, "The International Conference on Green Industry in Asia: Managing the Transition to Resource Efficient and Low-carbon Industries" held in Manila, the Philippines from 9 to 11 September 2009 and the "Global Renewable Energy Forum" held in Leon, Mexico, from 7 to 9 October 2009. The Group appreciates the Secretariat's efforts in organising these conferences and encourages it to ensure proper follow-up, so that the Member States could see the direct advantages emanating out of holding such conferences.

Agenda Item 21: Matters related to intergovernmental, non-governmental, governmental and other organizations

Mr. President,

1. The Group takes note of the document GC.13/11 entitled "Matters related to intergovernmental, non-governmental, governmental and other organizations".

2. The Group expresses its satisfaction at the review undertaken by the Secretariat of the cooperation status between UNIDO and about 200 intergovernmental, non-governmental, governmental and other organizations.

3. The Group takes note of the low response level from these organizations and is surprised to note that some of the organizations are not traceable. In view of the revealing results of the review, the Group suggests that similar reviews be undertaken periodically to enable Member States' deliberations and possible decisions on the matter.

4. The Group would like the Secretariat to consider possible ways of benefiting from the agreement/consultative status of these organizations for enhancing UNIDO's visibility.

Thank you Mr. President.