

Statement of the G-77 and China at the 16th Session of the UNIDO General Conference, Vienna, 30 November - 4 December, delivered by H.E. Ambassador Armin Andereya, Permanent Representative of Chile and Chairman of the Vienna Chapter of the Group of 77

Mr. President,

1. On behalf of the Group of 77 and China allow me to congratulate you on your election as the President of the 16th session of the UNIDO General Conference, as well as other members of the bureau on their election. The Group is confident that with your experience and diplomatic skills, we will have a very successful session. The Group also takes this opportunity to convey its special thanks to the outgoing bureau for the commendable work. The Group wishes to thank the Secretariat for the organization of this Conference, including making available the relevant documents in a timely manner.
2. The Group assures its unwavering support to the Organization, especially in its efforts to fulfill its enhanced responsibilities in light of the adoption of the 2030 Agenda for Sustainable Development. The Group is aware of the challenges the Organization is facing, including those that might affect delivery of technical cooperation. In this regard the Group would like to express its appreciation for Director General Mr. LI Yong for his leadership of the Organization in these challenging times. The Group also supports the efforts of the Director General in trying to develop alternative mechanisms to improve and sustain the financial situation of the Organization, while stressing on the importance that these efforts would minimize the impact of the expected financial constraints on the budget of the Organization and would ensure the continuity for projects and technical assistance programmes.
3. Despite the outstanding progress of many of the economies of the members of the Group of 77, factors such as the high levels of poverty, unequal income distribution and still low levels of competitiveness and productivity, constrain the possibilities for a greater participation in the international trade and for self-sustained and sustainable development. Due to the above factors, there should be no doubt about the importance of industrialization as an essential driver for development, especially for developing countries through amongst others, the creation of decent productive employment, income generation, the facilitation of social integration, including the integration of women and youth into the economic growth process. In addition, the development of the public and private sectors and entrepreneurship, the facilitation of transfer and fostering of technological change and innovation, trade capacity-building, the promotion of agro-industry, resource-

efficient production and clean and renewable energy access for productive use all contribute as drivers for industrial development.

4. In this context the Group reaffirms the relevance of UNIDO, as the sole organization in the UN system focusing on Industrial development as a means toward poverty alleviation, capacity building, job creation and decreasing inequalities among the societies and nations.
5. The Group also takes note of the Director General reports on activities related to energy and environment, in particular, section four of the report on activities related to energy on climate policy and networks especially on innovative partnerships, multi-level, and integrated solutions to address the energy, climate, and development challenges. The Group, however, urges the Organization to give more consideration to the activities related to adaptation to Climate change impacts through more integration of adaptation to climate change to the activities of the Organization similar to those articulated in the Director General report on UNIDO activities related to agribusiness, trade capacity-building and job creation particularly in paragraphs 17, 18 and 19, as well as developing these activities and projects in a more resilient manner and is looking forward to a successful outcome of the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change in Paris.
6. The Group further takes note of the Annual Report 2013 and Annual Report 2014 which convey in clear terms the broad range of initiatives, activities and programs which the Organization undertook in the last two years. The Group encourages the Director General and the staff of the Organization to continue to move forward in pursuit of initiatives and the implementation of programmes that will place our countries further on the road to industrial development and economic and social prosperity.
7. The Group recalls the Lima Declaration and reaffirms the firm commitment of all Member States to the Inclusive and Sustainable Industrial Development (ISID) and reiterates the important role of UNIDO as the central coordinator of international industrial cooperation towards inclusive and sustainable industrial development in the United Nations system.
8. The Group is pleased to note that throughout the last two years the Organization addressed the concept of ISID with relevant stakeholders in its Member States and beyond, as well as the scope for technical cooperation and other services. As is reflected in the latest edition of the Annual Report, seminars, workshops and conferences on ISID took place in several G-77 countries and others, which

facilitated fruitful analysis and discussion, at the regional and local level on the concept of ISID and the important role it should play in the implementation of the 2030 Agenda for Sustainable Development.

9. In this regard, the Group welcomes the inclusion of Goal 9 “build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” within the set of integrated and indivisible Sustainable Development Goals. This is a goal which has a direct bearing on the function of the UNIDO. In addition, UNIDO’s activities are going to contribute towards the achievement of the objectives of many more SDGs. The Group reaffirms its support to the Director General and his team to ensure that the Organization plays its due role in realization of SDGs in the Member States.
10. The Group takes note of document GC.16/CRP.5 on the Development and expansion of UNIDO’s partnership approach: the Programme for Country Partnership, aimed at promoting a partnership-based modality for the provision of UNIDO services, as one of the modes of technical cooperation. While the Group welcomes this initiative, it looks forward to consideration of guidelines and criteria for its implementation by this General Conference.
11. The Group takes note of the ongoing Programmes for Country Partnership in Ethiopia and Senegal. The central role of UNIDO in these multi-stakeholder initiatives is reflected in the coordination platforms established by the national Governments in Ethiopia and in Senegal. The Group welcomes the extension of this initiative to Peru and looks forward to its expansion to other members of the Group.
12. The Group highlights UNIDO’s efforts to implement this modality as a way to reinforcing the efforts and enhancing the effectiveness of the Country Programmes and other programmes and projects already in place and those also require further financial support. Taking into account the interest of the Group to replicate these country partnership models in other countries and other regions, the Group would like to be informed in due course about the progress on the implementation of these projects.
13. The Group also underlines that these new modalities at current stage should not substitute the existing modalities of TC delivery. Likewise, the Group requests that UNIDO continues to support initiatives of South-South and triangular cooperation which had proven successful in the past as regards knowledge transfer and knowledge networking. The Group also believes that North-South

Cooperation, particularly for transfer of cutting edge technology to the developing countries, also remains crucial to the work of UNIDO.

14. The Group expresses its satisfaction that 2014 was once more an excellent year in terms of mobilization of voluntary contributions. The Group is pleased that the overall volume of voluntary contributions for UNIDO services towards its Member States reached a total of US\$191.3 million. This has made possible that funds available for future implementation have also culminated in a record volume of US\$489.6 million. The Group takes this opportunity to recognize the voluntary contributions from governments and institutions that facilitated further technical cooperation, as well as advisory services in many of the countries that make up the Group of 77.
15. The Group also takes note of the proposal by the Director General to create two special accounts, namely the Special Account of Voluntary Contribution for core activities (SAVCCA) and the Major Capital Investment Fund (MCIF) as approved by the IDB in June this year. While the Group supports the efforts of the Secretariat to devise such domestic mechanisms for mobilizing resources, the Group is of the view that the two accounts be reported in the Organization's financial statements and audited by the External Auditor as part of the annual audit.
16. The Group welcomes the Transparency Initiative launched by the UNIDO. The Open Data Platform will be an excellent tool for all the Member States and other stakeholders to be briefed about UNIDO's past and present programmes in a very effective and transparent way.
17. On the issue of the readjustments in the UNIDO's field operations, the Group takes note of the DG's Action Plan submitted in pursuance to the decision of the IDB. The Group is of the view that the restructuring proposed should be implemented in close consultations with Member States, particularly those affected by such decisions. It should also be ensured that the proposed streamlining does not have an adverse impact on the TC delivery.
18. The Group requests the Director General to strengthen the Regional Bureaus of UNIDO, as a means to provide the support that is most appropriate to the field offices, in particular, taking into account the changes that are scheduled. Appreciating the need for the Action Plan by the Director General on UNIDO Field Policy Network, as contained in GC.16/6, the Group stresses for proportionate re-allocation and re-distribution of resources between the envisaged

Regional Bureaus and the Country Offices. In order to enable better coordination among the field offices and the UNIDO Secretariat, staff re-adjustment in the field offices may take into account staff competence, so that it should not impact adversely on the field offices' capabilities.

19. The Group reiterates its concerns regarding the withdrawal of some Member States from the Organization, which has also resulted in a significant reduction in the regular budget. In this regard, the Group calls upon the Director General to enhance the visibility of UNIDO and its mandate in order to encourage Member States to stay with the Organization by channeling public information and outreach initiatives. The message must be sent forth that industrial development is a cause worthy of participation by the international community and that through UNIDO countries can accelerate their development processes. The result will clearly benefit developed and developing countries alike and may even encourage former Member States back into UNIDO's fold.
20. In this context, and taking into account the adoption of the 2030 Agenda for Sustainable Development, the Group encourages the Director General to invite former member states to consider rejoining the Organization in light of its importance for the implementation of the SDGs, particularly SDG 9.
21. Lastly, the Group of 77 and China is confident that this Conference can afford us the opportunity for constructive discussions that address the main challenges of industrialization in our countries; the need for financial support for higher levels of technical cooperation delivery; and supporting innovative means towards achieving inclusive and sustainable industrial development.

Thank you, Mr. President.