

**Statement of the G-77 and China at the 17th Session of the UNIDO General
Conference, delivered by
H.E. Mr. Reza Najafi, Permanent Representative of the Islamic Republic of
Iran and Chairman of the Vienna Chapter of the Group of 77**

Vienna, 27 November 2017

Madam President,

1. On behalf of the Group of 77 and China allow me to congratulate you on your election as the President of the 17th 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, we will have a very successful session. The Group also takes this opportunity to convey its special thanks to the outgoing President and bureau for their 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 of 77 and China believes that, despite the outstanding progress of many of the economies of the members of the Group, 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-sufficient and sustainable development. Due to these 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.

3. In this context the Group reaffirms the relevance of UNIDO, as the leading organization in the UN system focusing on Industrial development as a means towards poverty reduction, capacity building, job creation and decreasing inequalities among the societies and nations.

Madam President,

4. The Group welcomes the Annual Reports of 2015 and 2016 of UNIDO, and highly values the initiatives, activities and programmes planned and implemented by the Organization. The Group commends, UNIDO, in particular for its technical assistance and capacity-building programmes, especially in the developing countries. The Group takes note of the efforts by

UNIDO to promoting partnerships, cooperation and knowledge sharing among Member States and with relevant stakeholders, and urges the Organization to strengthen its work to increase South-South, North-South, as well as triangular cooperation on a results-based management.

5. The Group welcomes the theme of the current General Conference “Partnering for Impact-Achieving the Sustainable Development Goals”, and appreciates the role of UNIDO in building collaborative partnerships for the aim of achieving ISID, as well as the 2030 Agenda. In this regard, the Group looks forward to the deliberations of the Sixth ISID Forum taking place in the margins of the General Conference.

6. The Group recalls the Lima Declaration “Towards inclusive and sustainable industrial development” and reaffirms its firm commitment 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.

7. In this regard, the Group urges the Secretariat to further promote best practices and to include, among others, technology transfer as a mechanism for sustainable impact of all UNIDO activities in developing countries.

8. The Group takes note of the pilot Program for Country Partnerships (PCPs). The Group looks forward to receiving the results of the mid-term review for the pilot PCPs, with a view to encourage Member States and international donors to support the implementation of PCPs and its expansion, through among others, the partnerships trust fund.

Madam President,

9. The Group takes note with appreciation of the medium-term program framework, 2018-2021. In this regard, the Group reiterates the importance of the four complementary core functions of the Organization: technical cooperation; policy analysis and advice; norms and standard-related activities; and convening and partnerships, and encourages the Organization to increasingly integrate and scale up its activities across these functions.

10. The Group stresses the priority of technical cooperation as a core activity which is one of the main pillars of the Organization’s support to the Member States. The Group encourages the Organization’s plans to move towards bigger-sized projects and programs that allow both the budgeting of sufficient staff resources funded through voluntary contributions as well as a more sizeable impact of UNIDO’s assistance, while stressing on the demand-driven nature of the technical cooperation projects of the Organization.

11. The Group encourages the Secretariat to develop policy tools and programs in cooperation with Member States that can help integrate core activities with technical cooperation activities and projects in Member States.

12. The Group welcomes the inclusion of “Strengthening knowledge and institutions” as a new strategic priority, and calls on the Secretariat to fully integrate the new priority in its projects’ design in consultations with Member States.

13. 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.

Madam President,

14. The Group welcomes the fact that the updated MTPF for the period 2018-2021 takes further steps towards establishing a closer and formal link between UNIDO’s results and the SDGs. The Group appreciates that all UNIDO’s activities that support Member States in achieving ISID have been aligned with the 2030 Agenda, and encourages UNIDO to further engage in the discussions of the HLPF to highlight UNIDO’s role in achieving Goal 9 and the other SDGs. The Group also encourages UNIDO to further engage in the discussions on the reform process of the United Nations Development System, aiming at promoting the Organization’s contributions to development at country level.

15. The Group appreciates UNIDO’s role in eradicating poverty and addressing the specific structural transformation needs of LDCs. The Group emphasizes on UNIDO’s continued support, upon request, to address the special needs of the LDCs, including the countries in transition in the context of graduation, to achieve inclusive and sustainable industrial development. The Group stresses the importance of UNIDO’s role in providing technical cooperation, and policy analysis and advisory services to LDCs.

16. The Group highlights the importance of UNIDO’s support for Middle Income Countries (MICs) to help, upon request, achieve competitiveness and sustainability and avoid the middle-income trap by strengthening industrial competitiveness and trade and fostering private sector and partnership development, accountability, and institutional capacity, in order to support MICs efforts to achieve regional integration, cooperation and connectivity.

17. The Group underlines the importance to strengthen knowledge sharing and networking for the LDCs and MICs, through existing and future platforms and networks.

18. The Group stresses the importance of UNIDO’s support to Member States in the field of agri-business, trade capacity building and job creation. The Group takes note of UNIDO’s plans to establish an Industry 4.0 knowledge-sharing platform, which aims at enhancing the understanding of opportunities and challenges on the associated frontier issues and their key enablers among Member States.

19. The Group welcomes UNIDO's efforts in the field of energy and environment to support Member States to maximize their productivity while simultaneously minimizing their resource use, leading to increased profitability and resilience. The Group takes note of UNIDO's plans to provide balanced support for countries, to help them define the appropriate level of ambition, plan the way forward and help access the necessary means for moving towards a circular economy.

20. In this regard, the Group requests UNIDO to initiate a discussion with Member States about the new emerging issues in industrialization, before applying them in its plans and projects, aiming at achieving better understanding of such issues and their effect on the global trends in industrialization.

Madam President,

21. 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. 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 his efforts in trying to develop alternative mechanisms to improve and sustain the financial situation of the Organization, while emphasizing 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 programs.

22. The Group expresses its satisfaction that 2016 was once more an excellent year in terms of mobilization of voluntary contributions. The Group welcomes the increase in the amounts of voluntary contributions in 2016 by 4.8 million euros to a total of 216.8 million euros. The Group notes the significant imbalance between the regular budget, funded by assessed contributions, and the voluntarily financed operational budget, and calls upon the Secretariat to propose ways to bridge this gap. 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 G-77 countries.

23. The Group also takes note of the candidature of the Auditor-General of the Philippines, Mr. Michael Aguinaldo, as External Auditor of UNIDO and that he is the sole candidate for the position. The Group is pleased that the Auditor-General of a Member State of the Group with a distinguished and proven track record in the field of auditing, has presented its services to the Organization. The Group is of the view that such will redound to UNIDO's benefit.

24. 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.

25. In this context, and taking into account the adoption of the 2030 Agenda for Sustainable Development, the Group encourages the Director General to invite potential new and former Member States to consider joining the Organization in light of its importance for the implementation of the SDGs, particularly SDG 9.

26. Lastly, the Group of 77 and China is confident that this Conference will provide us with 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, Madam President.