

25TH PROGRAMME AND BUDGET COMMITTEE OF THE UNIDO
[5th-7th MAY, 2009]

AGENDA ITEMS 4, 5 & 6

INDIA: STATEMENT BY AMBASSADOR SAURABH KUMAR

- 4: Financial situation of UNIDO**
- 5: Programme and budgets, 2010-2011**
- 6: Scale of assessments for apportionment of the regular budget expenses for the biennium 2010-2011.**

Compliments to the Chair. Our delegation would like to thank Director General Yumkella for his introductory remarks explaining the position in respect of the financial performance and budget of UNIDO. He and other colleagues in the Secretariat deserve our appreciation for their efforts in building an overall positive scenario in respect of the financial situation of UNIDO and otherwise, adding new feathers to UNIDO's cap over the last year and more.

2. We associate ourselves with the statement made on behalf of the G-77 and China by the distinguished PR of Argentina, Ambassador Curia, and will therefore confine our remarks to a few additional points.

3. We welcome and share the upbeat assessment by UNIDO of its growth prospects, reflected in the rising trend of funds mobilisation

and TC deliveries, especially in the new areas of environment and energy. A note of caution may, however, be in order in our opinion regarding the conventional core activity of UNIDO in the area of agro-industries, which should not be allowed to slide down, or slip away from, the radar screen in the process. Mr. Chairman, we all know the importance of this sector for the developing countries, where the rural economy is even today the mainstay of the bulk of their population. Value addition in, and modernisation of, this sector can enhance the purchasing power of the rural poor incompare because of its strong forward and backward linkages. Especially so in the face of the current global economic slowdown, which has shrunk world trade by an unprecedented 9% and resulted in a massive decline in private capital flows to the developing world (estimated by the International Institute of Finance to be close to US\$700 billion in 2009, with little chance of reversal in 2010). This has aggravated the setback to the prospects for industrialisation in the developing countries caused by the fluctuations in the international prices of food grains and the instability of world markets for agricultural products in recent years. Our Prime Minister, Dr. Manmohan Singh, had therefore called for increased flow of resources to these countries from international financial and other institutions at the recent Summit of the G-20 countries in London.

4. For this reason, Mr Chairman, we would have preferred to see greater emphasis on agro-industry projects in the "Programme and Budgets 2010-11". We would like to suggest that the Budget figures be presented in a manner that clearly brings out the weightage accorded to this sector in the TC Programme, sub-grouped under the headings

- (i) “technology and value addition”,
- (ii) “strengthening the supply chain and enhancing market access” and
- (iii) “standards, certification and other forms of capacity building”.

5. The sub-heading “Technology and Value Addition” could be further detailed technology-wise, with all the TC delivery programmes and projects pertaining to a particular technology listed under it. Such a (disaggregated and re-grouped) presentation of funding and financial performance data would be helpful for Members of the IDB and PBC in providing strategic guidance to the Secretariat. ‘Technology and Value Addition’ -- in general, and in the agro-manufacturing industries in particular -- constitutes, in our view, the summum bonum – ‘the core of the core’ – of UNIDO’s mandate, for it is easily the dominant determinant of dynamism in a country’s changing comparative and competitive advantage profile. It may therefore be worthwhile to re-organise the disaggregated data as above, at least in this respect if not all aspects of UNIDO’s activities, in order to make it more suitable for enabling strategic oversight of the Secretariat’s functioning by Member States.

6. Mr Chairman, we would like to present a draft Resolution for this purpose and would appreciate it if it could be given consideration by the distinguished members of the Committee. We request you, Mr Chairman, for it to be distributed to the Committee through your good offices for adoption before concluding our work today.

7. We would like to offer two other suggestions, Mr Chairman :

- (i) First, regarding follow up on conferences etc: The proceedings of any Conference organised by UNIDO, or attended by its staff members, must be reported upon in substantive terms, i.e. beyond generalities concerning its aims and objectives, high level participation in it, importance of the theme and so on. Concrete outcomes need to be highlighted and factored into UNIDO's on-going programmes, possibly through separate documents presented to the next session of the IDB for suggesting modifications/revision of the rolling MTPF that stem from each Conference held in the period since the last session of the IDB. Only then can the high expenditure on travel, and charge on UNIDO's time and energies, be justified; not on the basis of minimalist achievements like awareness creation and opinion building or buzzwords like networking etc.

- (ii) Secondly, we also concur with those who have sought savings, or more savings I should say, in respect of travel expenses, publicity glossies and some other expenditures referred to by other members (as e.g. those not strictly within UNIDO's mandate etc). So also on the proposed expenditure on IT systems for the abstract objective of 'Enterprise Resource Planning' (and 'Business Process Reengineering'), which is to be of a high order and whose tangible benefits need to be looked into much more closely in our view. Financial prudence is a basic duty,

incumbent on all public servants, that needs no elaboration or justification.

8. Finally, Mr. Chairman, might we also suggest a little brevity in the Secretariat documents in order to make them more readable and to save the readers' time? Intentions, motivations or the purpose of doing whatever it is that is claimed to have been done could invariably be done away with. They are obvious to the reader without need for being pointed out. A norm of shorter sentences, that come to the point directly without qualifying clauses, would go a long way in making the documents more user friendly. So also liberal use of 'Bullet' formulations, which can cut out repetitive phrases.

9. We trust, Mr. Chairman, that these observations will be taken in the spirit in which they have been made. I thank you, Mr. Chairman, and all colleagues for their kind attention.