



**G-77 and China Statement during the UNIDO PBC 39th Session,
delivered by HE Mr Azzeddine FARHANE,
Permanent Representative of Morocco,
15th – 17th May 2023**

Agenda item 3: Annual Report of the Director General for 2022

Chair,

1. On behalf of the Group of 77 and China, I congratulate you, Excellency Ambassador Aftab Ahmad Khokher, Permanent Representative of Pakistan, on your election as Chair of the Programme and Budget Committee (PBC) of UNIDO, at its 39th session. I also congratulate the other Members of the Bureau on their election. We are confident that under your able leadership, we will have fruitful deliberations during this session.
2. We assure you of our full cooperation and active participation in the Session. We will endeavour to make your work easier, by contribution meaningfully on matters pertinent to the Group.
3. The Group would like to commend His Excellency Ambassador Alessandro Cortese, Permanent Representative of Italy, and members of his Bureau for the sterling work they carried out during the 38th session of the PBC.
4. The Group takes note of the introductory remarks by Director General Gerd Müller and reassures him of its support for his leadership of UNIDO. In particular, the Group appreciates the Director General's ongoing efforts to implement the ambitious, timely and much needed reforms to reduce costs, modernize the Organization and make it more efficient, in line with the needs of Member States, in particular developing countries.
5. The Group also wishes to thank the Secretariat for the preparatory work, including the timely issuance of documents for the session.
6. Concerning the agenda item 3, the Group expresses its appreciation to the Director General for the Annual Report of UNIDO for 2022 covering the reform initiatives, achievements and improvements made, as well as challenges faced by the Organization during the past year. The Group wishes to provide the following remarks on the report.
7. At the outset, the Group welcomes the implementation of the organizational reform programmes and the 17 per cent increase in the implementation of technical projects in 2022, especially in the areas of climate and environmental protection, food security and renewable energies, for the purpose of promoting inclusive and sustainable industrial development in Member States.
8. The Group reaffirms the great importance it attaches to all the initiatives, activities, and programmes implemented or planned by the Organization during the period covered in the report. We encourage the Director General and the Secretariat to continue working towards full implementation of the Organization's mandate, in order to put developing countries and economies in transition on the path towards economic and social prosperity through industrialization.
9. The Group commends UNIDO for the technical assistance, policy advice and capacity building programmes it provided to Member States, particularly developing countries and Least Developed Countries (LDCs) and encourages UNIDO to strengthen its work in areas of

cooperation on industrial parks, industrial policy, development of SMEs and employment, green development, circular economy, digitalization and innovation, while exploring cooperation in new areas such as green hydrogen. We also encourage UNIDO to continue to strengthen partnerships, cooperation, and knowledge-sharing among Member States and other stakeholders, including through South-South, North-South, and triangular cooperation.

10. The Group recognizes the importance of resource mobilization and encourages UNIDO to explore ways of channeling climate finance funds to the implementation of projects on the basis of climate vulnerability of the related countries.

11. The Group notes with appreciation UNIDO's continued contribution towards the achievement of the Sustainable Development Goals (SDGs) by participating in various activities throughout 2022, including the IDB submission of an input document to the High-Level Political Forum (HLPF) on Sustainable Development in 2022 as the HLPF reviewed SDGs 4, 5, 14, 15 and 17 and further notes that the input document to the HLPF for 2023 has not been adopted.

12. The Group further notes with satisfaction that the amount of funding secured in the past year from external sources for the implementation of UNIDO projects and programmes amounted to US\$ 621.9 million, of which US\$ 200.00 million has been mobilized and US\$ 180.3 utilized in 2022. This achievement is a testament to UNIDO's relevance as a key player among global development organizations.

13. Regarding Programme for Country Partnerships (PCPs), the Group has followed, with keen interest, the implementation of PCPs in Cambodia, Cote d'Ivoire, Egypt, Ethiopia, Kenya, Kyrgyzstan, Morocco, Nigeria, Peru, Rwanda, Senegal, Tanzania, and Zambia. We strongly encourage UNIDO to expand PCPs to other members of the Group, upon their request. We also attach great importance to the successful implementation of various activities under the framework of Country Programmes (CPs) in Member States.

14. Finally, the Group welcomes significant progress in the implementation of the Medium-Term Programme Framework (MTPF) for 2022-2025 and the application of Integrated Results and Performance Framework (IRPF) in preparation of this report. Such improvement allows for a clearer comparison and analysis of the Organization's achievements both in quantitative and qualitative terms, and therefore should continue in future reports.

15. With these remarks, the Group takes note of the Annual Report of the Director General for 2022 as contained in document IDB.51/2 - PBC.39/2.

Thank you, Chair.



**G-77 and China Statement during the UNIDO PBC 39th Session,
delivered by HE Mr Mohamed Hamdy Mohamed ELMOLLA,
Permanent Representative of the Arab Republic of Egypt,
15th – 17th May 2023**

Agenda item 4: Report of the External Auditor for 2022

Chair,

1. The Group of 77 and China takes note of the Report of the External Auditor on the accounts of the United Nations Industrial Development Organization (UNIDO) for the financial year starting from 1 January to 31 December 2022, as contained in Document IDB.51/3 PBC.39/3 and expresses appreciation to Mr. Alexei Kudrin and the Accounts Chamber of the Russian Federation for this report.
2. The Group welcomes the continuation of the approach by the External Auditor to focus on three main areas of audit, namely, financial audit, performance audit and IT audit, with the aim of providing the best overview of the operations of UNIDO while keeping focus on risks and the interests of key stakeholders.
3. The Group is pleased with the sustained use of the classification system to categorize the findings and recommendations as either critical, high, medium, or low priority in terms of actions to be undertaken. We remain of the view that this methodology is a useful tool to make maximum use of UNIDO's limited resources. In this regard, we note that, of the recommendations by the External Auditor, 3 are considered of critical priority, 8 are of high priority, 11 are of medium priority, and 4 are deemed of low priority. Nonetheless, the Group encourages the Organization to fully implement all these recommendations on an equal basis.
4. We however note with concern that of the 67 recommendations from prior years that have been validated by the External Auditor, only 35 have been implemented while implementation of 14 are ongoing and 18 have not been implemented at all. We call upon UNIDO to strengthen its efforts to improve its rate of compliance with the recommendations of the External Auditor. We urge the Organization to continue working on the partially resolved observations and to address the open and ongoing issues in the report, regardless of their identified priority rankings.
5. We are concerned that, just like the previous year, the three critical issues identified by the External Auditor continue to be in the area of Information Technology General Controls, with only one of them remediated and two not remediated. We strongly urge UNIDO to carry on applying measures to strengthen its IT infrastructure and close the gaps in its systems to protect system integrity and data consistency.
6. We continue to note that funding for After Service Health Insurance, or ASHI, remains an area of concern as one of the long-term liabilities for the Organization, and we look forward to continuing the discussion in the Informal Working Group on PBC-related issues with the view to arriving at a viable solution to this issue.
7. Concluding, the Group strongly encourages the Organization to carry on with its initiatives that aim at streamlining, rationalizing, capacitating, and improving UNIDO's management and operation, particularly with regard to the Organization's accountability mechanisms.

Thank you, Chair



**G-77 and China Statement during the UNIDO PBC 39th Session,
delivered by HE Mrs Evangelina Lourdes BERNAS,
Permanent Representative of the Republic of the Philippines
15th – 17th May 2023**

Agenda item 6: Report of the informal working group on Programme and Budget Committee-related issues

Chair,

1. The Group of 77 and China continues to appreciate the work of the Informal Working Group on Programme and Budget Committee-related issues (IWG) and is particularly grateful for the dedication and leadership of the co-chairs from Poland and India.
2. The Group is appreciative of the mandate of the IWG and believes it is a valuable platform for both the Secretariat and Member States to deliberate and explore possible recommendations on important issues, including the programme and budgets of UNIDO. The Group also believes that the mandate of the IWG has the potential to be expanded further to include discussions on emergent issues within the overall mandate and objectives of UNIDO.
3. The Group takes note of the topics that have been identified and considered in 2022 by the IWG. The topics like efficiency and effectiveness of the programme and budgets implementation, the financial situation of UNIDO and other related matters like women empowerment and personnel matters; are of great interest to members of the Group, who continue to look forward to participating in the discussions on these matters in the IWG.
4. The Group encourages all Member States to continue participating in the meetings of the IWG.

I thank you, Chair.



**G-77 and China Statement during the UNIDO PBC 39th Session,
delivered by HE Mrs Evangelina Lourdes BERNAS,
Permanent Representative of the Republic of the Philippines
15th – 17th May 2023**

Agenda item 5: Financial situation of UNIDO, including unutilized balances of appropriations

Chair,

1. The Group of 77 and China takes note of the report by the Director General on the Financial Situation of UNIDO as contained in document IDB.51/4-PBC.39/4 and welcomes the marginal improvement in the rate of collection of 2023 assessed contributions as compared to those of 2022 and 2021 and commends Member States that have paid their assessed contributions on time.

2. The Group encourages all Member States to pay their assessed contributions in full and on time in order to maintain a healthy and stable financial outlook for the Organization. Predictable, sufficient, and assured funding remains vital for UNIDO to effectively deliver its core mandate of promoting inclusive and sustainable industrial development in Member States, particularly developing countries. In this regard, the Group also recognizes difficulties some Member States experience for reasons beyond their control in paying their full contributions on time.

3. The Group takes note of the improvement in the rate of collection of prior years' arrears, which is now 4.3 percent, up from 3.6 percent in 2022. In this regard, the Group encourages the Members States in arrears to consider concluding multi-year payment plans to settle outstanding assessed contributions.

4. The Group also appreciates the efforts of the Director General to reach out to former Member States to settle their arrears including advances to the Working Capital Fund and urges him to continue his efforts to improve the financial situation of the Organization. The Group also encourages the Director General to further expand the discussions with former Member States to include the possibility of their return to the Organization.

5. The Group also wishes to acknowledge the efforts of Donor Governments, international financial institutions, the European Union and other partners from the donor community for their contributions. The Group strongly encourages UNIDO to exert more efforts towards resource mobilization for its activities to attain inclusive and sustainable industrial development.

6. With these comments, the Group of 77 and China takes note of the draft decision on this agenda item.

I thank you, Chair.



**G-77 and China Statement during the UNIDO PBC 39th Session,
delivered by Mr. Hasan Abbas, Permanent Mission of Pakistan
15th – 17th May 2023**

Agenda item 16: Third Industrial Development Decade for Africa (IDDA III)

Chair,

1. The Group of 77 and China takes note of the report on the Third Industrial Development Decade for Africa (IDDA III) as contained in document IDB.51/15 – PBC.39/15 which highlights the progress made in the implementation of IDDA III.

2. The Group underscores UNIDO's role as the central coordinating agency within the United Nations system responsible for fostering inclusive and sustainable industrial development in Member States. To this end, the Group expresses its appreciation to the Director General of UNIDO for initiating the process for the development of a UNIDO Africa Strategy, which will provide a common guiding framework for the Organization's interventions in promoting industrial development in Africa and urges the Director General to continue the consultations with Member States and all stakeholders and provide regular updates on progress of the development of the Strategy with the aim of completing the process before the 20th session of the General Conference.

3. The Group appreciates UNIDO's various initiatives on the continent of Africa, including technical assistance activities, collaborative efforts, global forums and advocacy, and normative activities aimed at firmly anchoring Africa on the path towards inclusive and sustainable industrial development.

4. The Group welcomes the collaboration between UNIDO, the African Union Commission (AUC) and other stakeholders in organizing the 17th Extraordinary Session of the AU Assembly of Heads of State and Government on Africa's Industrialization and Economic Diversification which was held in Niamey, Niger, from 20th – 25th November 2022 and the subsequent development of an action plan for the implementation of the decisions of the Session. The Group urges UNIDO to continue supporting and mobilizing IDDA III partners for the successful implementation of the Action Plan.

5. The Group further welcomes the development of the draft UNIDO LDC Strategy which was presented to the 5th United Nations Conference on Least Development Countries (UN LDC 5) held in Doha, Qatar from 5th – 9th March 2023. The Group wishes to encourage UNIDO to work towards achieving synergy between the Africa Strategy and the LDC Strategy to avoid overlap and ensure consistency in the implementation of the Organization's industrial development initiatives.

6. The Group notes with appreciation that, in 2022, UNIDO had more than 250 projects under implementation in Africa totalling \$63.3 million excluding interregional and global portfolios, within the framework of Programme for Country Partnerships (PCPs) and Country Programmes (CP).

Chair,

7. The Group also acknowledges with appreciation UNIDO's activities aimed at enhancing the capacities of African countries to benefit from the 4th Industrial Revolution. The Group notes UNIDO's unique position to offer strategic support in technology transfer, knowledge sharing and capacity building through educational and vocational training with enhanced focus on African women and youth.

8. To further enhance economic growth on the African continent, the Group encourages UNIDO to align with the core objectives of the African Continental Free Trade Agreement (AfCFTA). In this regard, emphasis should be placed on building systemic resilience through local manufacturing, energy efficiency through sustainable alternatives, green technology, harmonization of standards, and building local and human capacity to respond to both internal and external shocks.

9. Taking into account the approaching conclusion of the designated term of IDDA III, the Group underscores the importance of the full implementation of the IDDA III Joint Roadmap and remains hopeful that the IDDA III Secretariat will play a more coordinated role in implementing the Joint Roadmap.

10. The Group also encourages UNIDO to continue collaborating with Member States, strategic development partners, other United Nations and inter-governmental agencies, as well as development finance institutions to support the implementation of objectives of the IDDA III. Maintaining synergies between UNIDO and the African Union will contribute towards building technical competencies and policy knowledge for the development and implementation of regional and continental industrial initiatives.

Chair,

11. To conclude, the Group of 77 and China appreciates UNIDO's continued contributions to Africa's socio-economic development through the vehicle of the IDDA III.

Thank you, Chair.



**G-77 and China Statement during the UNIDO PBC 39th Session,
delivered by Mr. Hasan Abbas, Permanent Mission of Pakistan
15th – 17th May 2023**

Agenda item 7: Programme and Budget, 2024-2025

Chair,

1. The Group takes note of the proposed Programme and Budget 2024-2025 as presented in document IDB.51/6 – PBC39/6, which contains the proposals of the Director General for the biennium 2024-2025.
2. The Group also notes that the proposed Programme and Budget 2024-2025 is prepared based on results-based budgeting principles, in compliance with General Conference decision GC.18/Dec.14. This is the second time that UNIDO has adopted this approach in such a comprehensive and consolidated manner, following the General Conference decision.
3. The Group further notes, with appreciation, the Director General's proposal to increase technical cooperation delivery to Member States by up to 25 per cent during the 2024-2025 biennium.
4. The Group recognizes the challenges working within limited resources, balancing savings and income with expenditure and obligations, and coping with shifting demands due to difficult global circumstances occasioned by the COVID-19 pandemic, the climate change and the energy crisis, which have negatively impacted many Member States. We therefore call on UNIDO to come up with a realistic budget that takes into account the circumstances of Member States without sacrificing the quality of service delivered to stakeholders, particularly in the area of technical cooperation.
5. Regarding budget flexibility, the Group encourages UNIDO to come up with a solution that ensures that the Organization is responsibly flexible in terms of moving resources between objects of expenditure to deal with future exigencies.
6. The Group takes note of the ongoing rebranding of the Special Account of Voluntary Contributions for Core Activities (SAVCCA) to Innovation and Transformation Fund (ITF), and urges UNIDO to place at the heart of the rebranding efforts the value to be derived from such an endeavour.
7. While the Group welcomes the Director General's reform initiatives aimed at increasing technical cooperation and ensuring the efficiency and effectiveness of UNIDO, including by improving human resources management and gender mainstreaming, it also continues to convey its request for the Director General to enhance efforts to recruit and promote professionals from under-represented regions, especially at higher management positions.

Mr. Chair,

8. On a related note, with regard to the scale of assessments under agenda item 8, the Group is of the view that the maximum assessment rate for any Member State of UNIDO should not

exceed 22% in line with the approved assessment rate of the United Nations and the well established practice by UNIDO.

Thank you, Chair.



**G-77 and China Statement during the Closing of the UNIDO PBC 39th Session,
delivered by Mr. Bolivar L. Bao, Permanent Mission of the Philippines
15th – 17th May 2023**

Mister Chair,

1. The Group of 77 and China extends its warmest congratulations to you and your Bureau on the successful conclusion of the 39th session of the Programme and Budget Committee. The Group greatly appreciates your leadership in the effort to bring the Committee to consensus despite the diverging positions we have encountered.
2. The Group also expresses its appreciation to the Secretariat for the excellent support they have given to make this session of the PBC as smooth as possible.

Mister Chair,

3. The Group of 77 and China reiterates its support for UNIDO in the pursuit of inclusive and sustainable industrial development. Its ability to deliver this mandate, especially for developing countries, is crucial, and the Group recognizes that for this to happen, the Organization must be assured that it will be able to continue to function optimally.
4. The Group, therefore, welcomes the adoption of the Organization's Programme and Budget for the biennium 2024-2025, and we commend all delegations for showing flexibility in this very important process.
5. The Group, nevertheless, remains cognizant that there are still many things that need to be addressed in the days ahead in order to ensure that the concerns raised by many delegations are adequately answered. The Group believes that continuing dialogue between Member States and UNIDO is necessary for us to come to an understanding of how best the Organization could serve its constituency, which are the Member States.
6. The Group, therefore, requests UNIDO through the Director General to remain engaged in discussions with the Member States ahead of the upcoming session of the Industrial Development Board to ensure that our voices and concerns are heard and considered, with the view to resolving any remaining questions.