



**Statement of the G-77 and China  
during the 40<sup>th</sup> Session of the UNIDO Programme and Budget Committee,  
10<sup>th</sup> – 11<sup>th</sup> June 2024,  
delivered by H.E. Ms. Elena Freije Murillo,  
Ambassador and Permanent Representative of Honduras**

**Agenda Item 3: Annual Report of the Director General for 2023**

Mr. Chair,

1. On behalf of the Group of 77 and China, allow me, to congratulate you, Excellency Ambassador Ferenc Dancs, on your election as the Chairperson of this Committee. Let me also congratulate the other Members of the Bureau. We are confident that under your able leadership, we will have fruitful deliberations during this session.
2. The Group of 77 and China assures you of our full cooperation and active participation during the Session. We will endeavor to make your work easier, by contributing meaningfully on matters pertinent to the Group.
3. The Group would like to commend His Excellency Ambassador Aftab Khokher, Permanent Representative of Pakistan, and members of his Bureau for the sterling work they carried out during the 39th session of the PBC.
4. The Group also wishes to thank the Secretariat for the preparatory work, including the issuance of documents for the session.
5. The Group takes note of the introductory remarks of Director General Gerd Müller and reiterates its support for his leadership of UNIDO. In particular, the Group appreciates the Director-General's ongoing efforts to implement 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.
6. The Group also welcomes the accession of Palau and South Sudan as new Member States, thereby strengthening UNIDO's global presence and impact.
7. The Group notes with appreciation the establishment of 29 partnerships with the private sector, facilitating collaboration and resource mobilization for impactful projects and underscoring the significance of public-private cooperation in advancing sustainable development goals.
8. The Group reaffirms the great importance it attaches to all the initiatives, activities, and programs 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, to put developing countries and economies in transition on the path towards economic and social prosperity through industrialization.

9. The Group commends UNIDO for achieving a 25% increase in the provision of technical cooperation services, coupled with the successful mobilization of 44% of the required funds, as mentioned in the Director General's 2023 Annual Report PROGRESS BY INNOVATION.

Mr. Chair,

10. The Group remains strongly convinced that upholding multilateralism, including supporting an effective United Nations development system and to avoid promulgating and imposing any unilateral coercive measures and actions on developing countries not in accordance with international law and the Charter of the United Nations, is essential to improve solidarity, international cooperation framework and reinforce States' capabilities to attain the sustainable development goals.

11. The Group emphasizes the importance of promoting gender balance and gender equality and the empowerment of women (GEEW) in line with national laws and within the context of ISID, and in this regards welcomes the substantial 50% surge in projects directly addressing gender-related issues in 2023 and UNIDO's programmes and activities undertaken in the developing countries. The Group encourages the Director General to allocate sufficient resources to ensure the achievement of the GEEW-related results and targets.

12. The Group notes the divergent views of Member States of the Organization regarding the "UNIDO operational strategy for gender equality and the empowerment of women 2024-2027" and stresses that the Reports of UNIDO shall use language that respects the cultural diversity of Member States.

13. The Group acknowledges UNIDO's dedication to Clean Energy and Climate Action, particularly through its promotion of renewable energy, energy efficiency, and the production and utilization of green hydrogen. In this regard, the Group recognizes the promotion of the Second Energy Transition in Uruguay through the Renewable Energy Innovation Fund (REIF) and encourages the Organization to extend this programme to other Member States.

14. The Group supports initiatives designed to pilot innovative technologies in developing countries, aiming to advance the circular economy and environmentally sustainable industry.

15. Highlighting regional collaboration and economic advancement, the Group acknowledges the establishment of a new agro-industrial park shared between Zambia and Zimbabwe and encourages UNIDO to implement similar initiatives in other Member States. This initiative underscores the significance of cross-border partnerships in driving economic growth and fostering sustainable development in the region.

16. The Group calls upon UNIDO to persist in advocating for fair and sustainable supply chains, promoting trade and investment, and helping companies to embrace cutting-edge technologies, including smart technologies and artificial intelligence thus enhancing the value addition of SMEs.

17. The Group encourages further strategic collaborations with partners to support initiatives like the Trade Competitiveness and Market Access Initiative for Africa.

18. To promote global development, the Group encourages UNIDO to consider strengthening existing and developing new Country Programmes (CPs) and Programme for Country Partnerships (PCPs) with a view to implementing more projects on agri-food industry, food security, industrial upgrading and adding value to products with high export potential.

19. With these remarks, the Group takes note of the Annual Report of the Director General for 2023 as contained in document PBC.40/2.

Thank you, Mr. Chair.



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**Agenda Item 4: Report of the External Auditor for 2023**

Mr. Chair,

1. The Group takes note of the Report of the External Auditor on the accounts of the UNIDO for the financial year starting from 1 January to 31 December 2023, as contained in Document PBC.40/4.
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.
4. In this regard, we note that, of the new recommendations by the External Auditor, 1 is considered of high priority and 6 are of medium priority. Nonetheless, the Group encourages the Organization to fully implement all these recommendations on an equal basis to further improve efficiency, transparency and motivation of employees. The Group also notes that the number of newly issued recommendations is limited given the significant number of open recommendations from prior years.
5. The Group further notes with concern that of the 57 recommendations from prior years that have been validated by the External Auditor, only 15 have been implemented while implementation of 33 are ongoing and 9 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.
6. The Group expresses its appreciation to Mr Alexei Kudrin and Ms Galina Izotova from the Accounts Chamber of the Russian Federation for their dedicated work and contribution to UNIDO as External Auditors from 2020 until 2023, and also welcomes Mr. Ali Hassan Rashwan, Undersecretary at the Accountability State Authority of Egypt, as the new External Auditor for the

next biennium, with expectation of his professional judgement and independent audit to continue the work to help improve the operation of UNIDO.

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, Mr. Chair.



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during the 40<sup>th</sup> Session of the UNIDO Programme and Budget Committee,  
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**Agenda item 5: Financial situation of UNIDO, including unutilized balances of appropriations**

Mr. 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.52/5-PBC.40/5 and takes note of the the rate of collection of 2024 assessed contributions of 21.3 per cent, as compared to those of 2023 and 2022 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 rate of collection of prior years' arrears, which is now 2.2 per cent, compared to 4.3 percent in 2023. 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.

Mr. Chair,

5. The Group encourages UNIDO to continuously optimize internal management, improve organizational efficiency and effectiveness, and to avoid unnecessary waste of resources and minimize the financial pressure of Member States.

6. The Group also encourages UNIDO to rationalize the allocation of resources and professional staff on project implementation aimed at technical cooperation (TC) efficiency increase.

7. 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.

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

Thank you Mr. Chair



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**Agenda Item 7: Report by the informal working group on Programme and Budget Committee-related issues.**

Mr. 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 Pakistan and Japan.
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 2023 and the current year by the IWG. The topics like unutilized balance of appropriations, personnel matters, increase in technical cooperation (TC) delivery, full cost recovery and enhancing TC implementation, budget flexibility, and other related 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. On personnel matters, the Group expresses serious concern with the implementation of the principle of equitable geographical representation and low level of representation of professional staff from developing countries in UNIDO particularly at the senior management level. The Group calls upon the Director General to address this concern and reiterates its request to the Secretariat to report to the 52<sup>nd</sup> session of the Industrial Development Board on the implementation of this principle, the achievements made so far and the proposals to improve the current representation of Member States in UNIDO.
5. The Group encourages all Member States to continue participating in the meetings of the IWG.

I thank you, Mr. Chair.





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**Agenda Item 8: Mobilization of financial resources**

Mr. Chair,

1. The Group of 77 and China takes note of the Report of the Director General on mobilization of financial resources and welcomes the increase of funds mobilized in 2023 by 44% compared to 2022.
2. The Group acknowledges the important role of the governmental donors and multilateral funds mentioned in the Report and extends its appreciation for their sustainable voluntary contributions to the projects implemented by UNIDO to realize inclusive and sustainable industrial development.
3. The Group appreciates the efforts of the Director General concerning resource mobilization and fully supports his endeavors pertaining to diversifying the sources of funding and pursuing innovative sources of financing, including through additional contributions from traditional and emerging multilateral and bilateral sources.
4. Furthermore, the Group notes that safeguarding the environment remains a focus of contributions with 62% of total funding. Therefore, it encourages the governmental donors and multilateral funds to attribute more towards other main thematic priorities of UNIDO, including advancing economic competitiveness, creating sustainable jobs, meaningfully enhancing technology transfer and fostering industrialization.
5. The Group recommends UNIDO and donors to allocate more available resources into technical cooperation projects to fulfil the urgent needs of Member States, especially the LDC countries including the countries in conflict and post-conflict situation, to accelerate the achievement of the 2030 Agenda.
6. The Group supports UNIDO's efforts in expanding partnerships and seeking new financing channels, within its mandate to promote inclusive and sustainable industrial development particularly for developing countries. The Group encourages UNIDO to remain resolute in developing concrete and result-oriented partnerships with funding partners and recipient countries to effectively implement CPs and PCPs and enhance cooperation to facilitate global development.

Thank you, Mr. Chair.



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**Agenda Item 11: Third Industrial Development Decade for Africa (IDDA III)**

Mr. 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 PBC.40/11 which highlights the progress made in the implementation of IDDA III.
2. The Group highlights the pivotal role of UNIDO as the primary agency within the UN framework tasked with advancing inclusive and sustainable industrial growth in its Member States. In this regard, the Group commends the Director General of UNIDO for developing the UNIDO Africa Strategy, as adopted by the 20<sup>th</sup> session of the General Conference. The strategy serves as a unified guiding blueprint for the organization's efforts to promote industrial development across Africa. The Group encourages the Director General to continue engaging with Member States with the view to elaborate Action Plan for the implementation of the strategy and to allocate necessary funding.
3. The Group welcomes UNIDO's commitment to enhancing the technological and industrial capabilities of African countries in harnessing the 4<sup>th</sup> industrial revolution, focusing on digital transformation, innovation, and artificial intelligence. The Group further appreciates UNIDO's essential support in technology sharing and transfer, knowledge dissemination, and skills development. This includes a strong emphasis on education and training programs tailored for African women and youth, utilizing UNIDO's expertise to help create a more inclusive and technologically advanced industrial environment.
4. The Group appreciates UNIDO's various initiatives in Africa, including technical assistance activities, collaborative efforts, global forums and advocacy, and normative activities aimed at anchoring Africa on the path of inclusive and sustainable industrial development.
5. The Group further welcomes the adoption of the 10<sup>th</sup> Ministerial Declaration of the Least Developed Countries (LDCs) in November 2023 and reiterates its support to UNIDO in developing the implementation plan in consultation with Member States, to expedite the execution of the operational strategy for the Least Developed Countries 2022-2031 in synergy with the UNIDO Strategy for Africa 2023-2025 and other relevant UNIDO strategic frameworks and policies to foster global solidarity and international cooperation.
6. The Group acknowledges that UNIDO's Strategy for Post-conflict/-crisis Situations plays a pivotal role during post-conflict recovery, including through early recovery and reconstruction and

transition to development programmes, with a view to strengthen the foundations for long –lasting peace and prosperity through inclusive and sustainable industrial development.

7. In this regard, the group stresses the importance of further enhancing the implementation of the workplan for the period 2021–2025, in cooperation with its Member States, members of the United Nations development system, development partners, multilateral funds as well as multi -donor trust funds, international financial Institutions and others to fulfil the objectives of the strategy, including through creating partnerships to accelerate effective responses and integrated service packages tailored to each Member State’s individual situation, needs and priorities, and further urges UNIDO to develop a new workplan in consultation with its Member States.

8. The Group requests the Director General to report to the Member States on the developments and steps taken in this regard at the 52nd session of the Industrial Development Board in November 2024, as well as updates during the 41<sup>st</sup> PBC and 53<sup>rd</sup> IDB, and during the 21st session of the General Conference in December 2025. The Group encourages UNIDO to align the Africa Strategy with the LDC’s Strategy and UNIDO’s Strategy for Post-conflict/-crisis Situations with the view to prevent duplication and to ensure coherence and consistency in the execution of UNIDO’s industrial development initiatives, and also encourages the Director General to mobilize additional voluntary resources to this end.

9. The Group notes that in 2023, UNIDO implemented over 271 projects in Africa, with a total funding of \$55.7 million, representing a decrease compared to the \$63.3 million allocated in 2022, excluding interregional and global portfolios. These projects were carried out under the framework of the Programme for Country Partnerships (PCPs) and Country Programmes (CP).

Mr. Chair,

10. With regard to the enhancement of economic development on the African continent, the Group urges UNIDO to align its efforts with the key objectives and initiatives of the African Continental Free Trade Agreement (AfCFTA). The Group recommends further focus in promoting systemic resilience through localized manufacturing, enhancing energy efficiency with sustainable alternatives, and advancing green technologies. Furthermore, the Group emphasises the importance of harmonization of standards and the strengthening of national human capacities, which are essential for effectively addressing internal and external challenges. The Group believes that this strategic alignment would support broader goals of regional economic integration and sustainable development.

11. The Group welcomes the cooperation between UNIDO, the African Union Commission (AUC), and other relevant parties in staging the IDDA III high-level meeting held in September 2023 in New York, in the margins of 78<sup>th</sup> United Nations General Assembly. This event, highly attended, focused on the development, deployment, and retention of industrial skills in Africa. The Group calls on UNIDO to continue in assisting and rallying IDDA III partners to ensure the effective execution of the related Action Plan.

12. Considering the imminent end of the designated term for IDDA III, the Group emphasizes the critical need for the complete execution of the IDDA III Joint Roadmap and to ensure the full

recruitment of the Secretariat of IDDA III. The Group is confident that the Secretariat of IDDA III will take necessary measures towards an enhanced coordinated role in the implementation of this roadmap.

13. The Group urges UNIDO to maintain its cooperation with Member States, other United Nations entities, intergovernmental organizations, strategic development partners and development finance institutions to facilitate the achievement of the IDDA III objectives. Sustaining collaborative efforts between UNIDO and the African Union are essential for enhancing technical skills and policy expertise, which are necessary for the development and implementation of regional industrial strategies.

Thank you, Mr. Chair.