



**Statement of the G-77 and China during the 53<sup>rd</sup> session  
of the Industrial Development Board of UNIDO,  
30 June – 3 July 2025,  
delivered by H.E. Mr. Maurice Makoloo,  
Ambassador, Permanent Representative of Kenya**

**Agenda Item 3 - Annual report of the Director General for 2024.**

Thank you Mr. President.

1. The Group of 77 and China takes note of the Annual report of the Director General for 2024, which presents advancements in fostering inclusive and sustainable industrial development amid global challenges.
2. The Group underscores 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, as they aim at promoting sustainable industrialization, increasing job opportunities, advancing economic competitiveness and market access, attaining food security, advocating fair and sustainable regional and global supply chains, strengthening regional integration, safeguarding the environment and mitigating climate change-related trade-restrictive measures, including border carbon taxes.
3. In this regard, the Group notes with appreciation UNIDO's efforts in the fields of providing industrial policy advisory and quality standards services, supporting agro-industrial parks, strengthening SMEs and start-ups, promoting circular economy, driving clean energy access and climate action and enhancing digitalization and innovation.
4. The Group also takes note of the Global Alliance on Artificial Intelligence for Industry and Manufacturing and recognizes the importance of bridging the digital divide between nations and industries, ensuring that no one is left behind in the AI revolution.
5. The Group acknowledges that funds mobilized by UNIDO in 2024 for technical cooperation reached a total of \$663.6 million and that the technical cooperation delivery increased by 29 per cent compared to 2023, reflecting donors' sustained confidence in UNIDO's capacity to drive sustainable development.
6. However, the Group notes that the technical cooperation delivery for the year 2024, as measured under IPSAS, amounted to €218.3 million in expenditure, compared to €241.6 million in 2023. It further notes that there is a cash balance of €846.1 million, compared to €420.2 million in 2023, for technical cooperation, which augurs well for the Organization's future implementation.
7. The Group encourages UNIDO to strengthen existing and develop new Programme for Country Partnerships (PCPs) with a view to implementing more projects, for example, on agri-food industry, food security, industrial upgrading and adding value to products with high export potential. The Group urges UNIDO to remain resolute in developing concrete and result-oriented partnerships with funding partners and recipient countries to effectively implement national programmes, Country Programmes (CPs) and PCPs.
8. The Group acknowledges the efforts regarding the establishment of 34 new or updated partnerships with the private sector, facilitating collaboration, availing knowledge-sharing, transfer of technology and resource mobilization for impactful projects and underscores the significance of public-private cooperation in advancing sustainable development goals. We also encourage UNIDO to continue strengthening partnerships, cooperation, knowledge-sharing and transfer of technology through North-South, South-South, and triangular cooperation.

9. The Group also reaffirms the importance of guaranteeing predictable, sufficient, and varied funding to support the Organization's long-term financial sustainability. We encourage UNIDO to continue exploring innovative and diversified funding sources. In this regard, the Group takes note of the launch of the Transformation Pathways Fund and IFETAA programme, and requests further information on the impact, implementation and progress of these initiatives, while stressing the need to expand the scope of beneficiaries.

10. The Group underscores trade and investment restrictive measures that undermine global trade order and global supply chain, diminish the benefits of trade, and weaken competitiveness hamper the efforts of Member States to diversify and modernize their industrial sectors and negatively affect multilateral cooperation.

11. The Group remains strongly convinced that upholding multilateralism, including supporting an effective United Nations development system and avoiding the promulgation and imposition of any unilateral coercive measures and protectionist actions on developing countries not in accordance with international law and the Charter of the United Nations, is essential to improve solidarity and international cooperation framework, safeguard the legitimate interests of all Member States, and reinforce capabilities to attain the Sustainable Development Goals.

12. The Group reiterates its long-standing request for improvements in the equitable geographical distribution of UNIDO personnel and transparency in the recruitment process, especially at senior and management levels. The Group, again, requests an update on the impact of structural reforms within the Secretariat, including their influence on staff morale and geographic representation. The Group believes that equitable distribution is essential to reflect the diversity of Member States and foster greater inclusion.

13. Additionally, the Group expresses its concern pertaining to the appointment of new employees from countries that officially withdrew from UNIDO, and in this regard, urges the recruitment of employees from UNIDO Member States.

14. The Group welcomes the ongoing collaboration between the Kingdom of Saudi Arabia and UNIDO regarding the preparations of the twenty-first session on the General Conference to be held in Riyadh from 23 till 27 November 2025.

Thank you, Mr. President.



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**Agenda Item 4 - Report of the Programme and Budget Committee**

Thank you, Mr. President,

1. The Group of 77 and China would like to convey its appreciation to Mr. Jorge Luis Hidalgo, Alternate Permanent Representative of Mexico, chair of the 41<sup>st</sup> session of the Programme and Budget Committee, and the members of the bureau. The Group wishes to reiterate the following points:

*(a) On the Report of the External Auditor for 2024*

2. The Group takes note of the Report of the External Auditor for 2024, as contained in Document IDB.53/3 and its addendum and expresses its appreciation to Mr. Ali Rashwan and the Egyptian Accountability State Authority for this report.

3. The Group also takes note of the cooperation extended by UNIDO to the External Auditor, particularly the access to data and information without restrictions and with transparency.

4. The Group notes that of the 56 recommendations presented by the External Auditor, 18 are considered of high priority, 31 are of medium priority, and 7 are deemed of low priority. The Group notes with appreciation that 11 recommendations have been already implemented, especially regarding the financial statements.

5. The Group expresses its concerns regarding the findings in the External Auditor report, including those related to:

- Assets management,
- Lack of administrative authority or responsibility to UNIDO field office managers over the ongoing projects,
- Lack of equitable geographical representation, as one regional group represents 40% of the total number of UNIDO staff, and the continued recruitment of new employees from countries that officially withdrew from UNIDO,
- Lack of necessary personnel in field offices,
- Exceeding the annual limit for official travel days and the corresponding United Nations-approved per diem rates,
- Unsettled advance payments to vendors and the non-coordination between the Procurement Department and other departments to review outstanding supplier balances,
- The need for a comprehensive review and update of all IT policies and procedures to align with current operational needs, security requirements, and structural changes within the Organization.

6. The Group further notes with concern that of the 47 recommendations from prior years that have been validated by the External Auditor, only 7 have been implemented, 18 have been partially implemented, while implementation of 14 are ongoing and 8 have not been implemented at all.

7. The Group welcomes the acknowledgement by the Director General of the findings of the External Auditor's Report and strongly urges UNIDO to strengthen its efforts to improve its rate of compliance with the recommendations of the External Auditor and to carry on all the external

and internal auditors' recommendations. We look forward to continuous improvement of the Organization's operations and the sound management of its resources.

***(b) On Financial situation of UNIDO, including unutilized balances of appropriations***

8. The Group takes note of the report by the Director General on the Financial Situation of UNIDO as contained in document IDB.53/4, and welcomes the rate of collection of assessed contributions for the year 2024 reaching 95.1 per cent, which is higher than that for 2023 at 91.9 per cent.

9. The Group notes that the accumulated outstanding assessed contributions at year-end were €19.9 million, excluding an amount of €71.2 million due from former Member States, compared to €21.7 million in 2023. The Group requests of the Director General to continue reaching out to former and current Member States to settle their arrears.

10. 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.

11. The Group also encourages the Director General to further expand the discussions with other former Member States to include the possibility of their return to the Organization.

12. The Group takes note of the efforts of the Secretariat regarding the search for efficiency, savings, including full cost recovery, modernizing operations through digitalization, automation and artificial intelligence, and streamlining key processes across finance, procurement, human resources and travel management, with the aim to enhance accuracy, decrease processing times and reduce costs.

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

***© Report of the informal working group on Programme and Budget Committee-related issues***

14. The Group takes note of the document IDB.53/5 and 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.

15. The Group also takes note that a total of 15 sessions of IWG were held and the topics that have been identified and considered in 2024 and the current year by the IWG, including the medium-term investment proposals 2024 – 2025, the work of the Joint Inspection Unit (JIU), the proposed programme and budgets 2026 – 2027, the new scale of assessment, the budget flexibility and the proposed medium-term programme framework 2026 – 2029, and other related matters, are of great interest to members of the Group.

16. 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.

Thank you, Mr. President.



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**Agenda item 5: Programme and Budget, 2026-2027**

Thank you, Madam Vice-President,

1. The Group of 77 and China takes note of the proposed Programme and Budget 2026-2027 as presented in document IDB.53/6/Rev.1, which contains the proposals of the Director General for the biennium 2026-2027.
2. The Group also notes that the revised proposed Programme and Budget 2026-2027 is prepared according to results-based budgeting principles, in compliance with General Conference decision GC.18/Dec.14.
3. The Group recognizes the challenges of working within limited resources, balancing savings and income with expenditure and obligations, and coping with shifting demands due to difficult global challenges, global economic slowdown, and consequently a decrease in national income which have negatively impacted many Member States.
4. Taking into account the financial circumstances of Member States, the Group, therefore, welcomes the adjustments made to the initial programme and budgets proposals and the adoption of a zero real growth budget, without sacrificing the quality of service delivered, particularly in the area of technical cooperation.
5. In this regard, the Group notes with appreciation the Director General's commitment to increase technical cooperation delivery to Member States to €808 million for the 2026 - 2027 biennium.
6. The Group urges UNIDO to further strengthen the efficiency of human resources management, asset management and logistics services, and adopt forceful cost saving measures, including through the implementation of the recommendations of the internal and external auditors.

Madam Vice-President,

7. Regarding the budget implementation flexibility, the Group takes note of the document IDB.53/9/Rev.1, and welcomes the interim implementation of the horizontal and vertical flexibility for the biennium 2026-2027, which will improve the efficiency in the budget execution, paving the way for more unearmarked technical cooperation delivery, recruiting more consultants and field office staff to expedite the implementation of technical cooperation programs and availing more recourses for underbudgeted activities.

Thank you, Madam Vice-President.



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**Agenda item 6: Medium-Term Programme Framework, 2026–2029**

Thank you, Madam Vice-President.

1. The Group of 77 and China takes note of the document IDB.53/10 on the UNIDO Medium-Term Programme Framework (2026–2029), which introduces the strategic priorities of the Organization during this period to be supported by the programme and budgets, 2026–2027 and 2028–2029.
2. The Group emphasizes that the strategic as well as the cross-cutting priorities shall be realized in accordance with the Constitution of UNIDO to implement its core mandate of supporting its Member States in attaining inclusive and sustainable industrial development.
3. The Group supports that the Organization's approach in the area of fair and sustainable supply chains will focus on six key dimensions: value addition, standard compliance, skills development, resource efficiency, regional integration and sustainable investment.
4. The Group encourages UNIDO to strengthen and increase its work focused on expanding and adding value to agricultural production processing, including through facilitating investments to build infrastructure and improve mechanization and technology adoption, improving access to finance, enhancing food processing technologies and value addition, strengthening agricultural value chains, and reducing post-harvest losses.
5. The Group recalls UNIDO Climate Change Strategy which establishes a comprehensive framework to support Member States in achieving low greenhouse gas emissions and climate-resilient industrial development. The Group calls upon UNIDO to finalize its action plan, which will cover raising the profile of inclusive and sustainable industrial development in climate discourse, facilitating international cooperation, supporting adaptation and resilience building, enabling participation in high-integrity low carbon markets and boosting renewable energy adoption, with a particular focus on green hydrogen development and addressing climate change-related trade-restrictive measures, including border carbon taxes.
6. The Group stresses the important role UNIDO shall play in offering policy advisory services to increase the capacity of its Member States to formulate and implement stronger industrial policies and strategies and adopting comprehensive, multi-dimensional systemic approach that bridges gaps in education systems, industry requirements and entrepreneurial ecosystems.
7. The Group urges UNIDO to promote industrial diversification, which is fundamental to sustain economic growth and minimize the risks of over-reliance on just few sectors, especially in the midst of global economic uncertainty.
8. The Group expresses support for UNIDO's tailored regional strategies in responding to the industrial development needs of its Member States, taking into account the unique requirements and goals of each group of countries. In this regard, the Group encourages scaling-up UNIDO's programs related to middle-income countries as guided by its "Strategic framework for partnering with middle-income countries".

9. The Group supports UNIDO's endeavors to foster digitalization and artificial intelligence, including through enhancing Member States digital capacities, leveraging open-source technologies to democratize access to digital solutions and creating relevant partnerships, such as UNIDO's Global Alliance on Artificial Intelligence for Industry and Manufacturing.

10. The Group recognizes that policies which strengthen industrial linkages to downstream sectors is essential for many Member States to increase export revenue, create high-skilled jobs, and enhance resilience of regional and global value chains, including with regard to adding value to critical minerals. Therefore, the Group calls upon UNIDO to support the promotion and strengthening of linkages to downstream sectors.

11. The Group encourages UNIDO's efforts in harnessing the full potential of women and youth as leaders and agents of change to contribute to the transformation of economies to achieve growth in the context of promoting sustainable and inclusive industrialization.

12. The Group underscores UNIDO's efforts in advancing circular economy principles across industrial sectors, eliminating and reducing persistent organic pollutants through the introduction of best techniques and environmental practices in industrial processes, helping industries transition away from ozone-depleting substances and supporting coastal and maritime industries in adopting cleaner production methods.

13. The Group supports UNIDO's strategic approach to innovative financing, designed to bridge the significant financing gap required to achieve industrial development, which involves leveraging a range of innovative financial mechanisms, including but not limited to blended finance, impact investment, green bonds, and results-based financing, to attract both private and public resources.

14. In this regard, the Members of the Group will continue engaging constructively with other Member States and UNIDO to reach consensus on the MTPF in accordance with the core mandate of UNIDO.

Thank you, Madam Vice-President.



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**Agenda item 9: UNIDO's Cooperation with Africa**

Thank you, Madam Vice-President.

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.53/14 which highlights the progress made in the implementation of IDDA III.
2. The Group notes that in 2024, UNIDO implemented over 297 projects across Africa, with a total budget of \$168.66 million and further notes that nine Programmes for Country Partnership (PCPs) were at various stages of development and implementation.
3. The Group recognizes that UNIDO launched several projects across Africa to promote agribusiness and agro-industry, advance trade capacity, compliance to trade regulations and access to markets, improve sustainable energy and climate action, promote circular economy and sustainability, and enhance entrepreneurship and skills development.
4. The Group welcomes UNIDO's commitment to enhancing the technological and industrial capabilities of African countries in harnessing the 4th industrial revolution, focusing on digital transformation, innovation, and artificial intelligence, and welcomes further strengthening the Alliance for Industry 4.0 and Smart Manufacturing in Africa (AISMA) as a key cooperative network for Industry 4.0 expertise.
5. The Group appreciates UNIDO's coordination with the relevant African Organization to enhance economic development in Africa and regional integration, including the African Union Commission, the African Union Development Agency-New Partnership for Africa's development (AUDA-NEPAD), the Secretariat of the African Continental Free Trade Agreement (AfCFTA), the Common Market for Eastern and Southern Africa (COMESA), Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), the African Business Council, the African Development Bank, the Afreximbank, and the United Nations Economic Commission for Africa (UNECA).
6. The Group takes note with appreciation the collaboration between UNIDO with the African Union (AU), European Union and five African Regional Economic Communities (RECs), in implementing the African Trade Competitiveness and Market Access Programme.
7. The Group welcomes the Forum on China-Africa Cooperation (FOCAC) in September 2024, witnessed by UNIDO, and takes note of its outcome documents: the Beijing Declaration and the Action Plan. The Group supports the partnership between UNIDO and China to establish a Center of Excellence, aimed at advancing agriculture modernization, sustainable energy solutions, digital technology, industrial policy, and SME capacity development across Africa.
8. The Group takes note of the independent strategic evaluation for the IDDA III 2016-2025 undertaken by the Office of Evaluation and Internal Oversight and the Management Action Plan (MAP) for IDDA III, developed in response to the strategic evaluation and the Roadmap for IDDA IV preparation.



9. Considering the imminent end of the designated term of IDDA III and the ongoing planning for IDDA IV, the Group emphasizes the importance of ensuring the full recruitment of the Secretariat of IDDA III. The Group is confident that the Secretariat will take necessary measures towards an enhanced coordinated role in the implementation of IDDA.

10. The Group calls upon UNIDO to fully implement the Management Action Plan (MAP) for IDDA III to address the challenges faced in its implementation, including the lack of effective coordination, weak knowledge management and limited funding. The Group further requests UNIDO to work in tandem with the African Union Commission and other relevant African stakeholders in developing IDDA IV.

Madam Vice-President,

11. The Group takes note of the ongoing implementation of the Organization's Strategy for Africa 2023 – 2025 and requests for a complete assessment of the implementation of this strategy, aiming at assessing achievements, addressing challenges and setting priorities while preparing for the next cycle 2026–2029.

12. The Group further takes note of the ongoing consultations being held to ensure that regional and continental priorities are adequately reflected.

13. The Group underscores the importance of aligning the next cycle 2026–2029 with the Organization's MTPF 2026–2029, the IDDA IV, as well as with the Second Ten-Year Implementation Plan (2024–2033) of the Agenda 2063 of the African Union.

14. The Group requests UNIDO to continue strengthening partnerships and resource mobilization to support the implementation of the strategy for Africa.

Thank you, Madam Vice-President.



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**Agenda Item 10 - Climate neutral industry and circular economy**

Thank you, Mr. Vice-President,

1. The Group of 77 and China takes note of the updates provided by the Director General on UNIDO's activities related to climate neutrality and the circular economy, as presented in documents IDB.53/18 and IDB.53/19.
2. The Group commends UNIDO for its ongoing efforts to integrate circular economy across diverse sectors and regions, as one of the means to achieve sustainable development, and notes with appreciation the support for the transition of industrial parks toward eco-industrial parks continued through the Global Eco-Industrial Parks Programme, which focuses on strengthening national policies and providing technical assistance to the government and industrial parks management entities to implement the International Framework for Eco-Industrial Parks.
3. The Group welcomes the Green Forward Industry programme (2024–2028) which aims at strengthening the competitiveness of small and medium-sized enterprises (SMEs) through making the shift to green and circular economy, thus paving the way for further market access and job creation, and further welcomes the EU4 Green Recovery East programme (2025–2028), which focuses on policy reforms and capacity development measures that facilitate investments in the areas of environment and climate resilience, and the Financing Agrochemical Reduction and Management programme, which seeks to promote eco-friendly crop solutions to reduce harmful persistent organic pollutants and highly hazardous pesticides.
4. The Group supports promoting circularity in the construction supply chain as well as designing greener plastic products and minimizing plastic packaging leakage into the environment. The Group further supports the SWITCH to Circular Economy project, with its three domains, namely plastic, textiles and electronics.
5. The Group welcomes the establishment of Chemicals and Waste Financing Partnership Facility, which will enable the financing of SMEs in Asia transitioning to circular economy, and strongly urges UNIDO to replicate this initiative in Africa and Latin America and the Caribbean.
6. The Group encourages UNIDO to take into account the contribution of many developing countries that are producers of the critical minerals to carbon neutrality, and underscores that UNIDO can support the development of the value chain in order to contribute to their economic development.
7. The Group also values the collaboration between UNIDO and key partners, including the European Union, the Global Environment Facility, and the Green Climate Fund, to implement programs that address plastic waste, resource efficiency, and eco-industrial parks. These partnerships are crucial for mobilizing resources and technical expertise, enabling Member States to adopt innovative, low-carbon, and resource-efficient practices, while duly taking into account that industry in developing countries is not a major contributor to greenhouse gas emissions.

8. The Group welcomes the endorsement of UNIDO's strategy in response to climate change during the 51<sup>st</sup> session of the Industrial Development Board and takes note of the ongoing work regarding the development of an action plan for this strategy in consultation with Member States and relevant stakeholders, in particular Global Environment Facility, the Green Climate Fund and the Adaptation Fund.

9. The Group underscores that the action plan shall be guided by the low-greenhouse gas emission and climate-resilient development principle, and enhance the efficiency, effectiveness and coordination of UNIDO's activities in support of Member States' climate priorities related to the inclusive and sustainable industrial development.

10. The Group supports the strategy's aims of enhancing UNIDO's role in arranging an adequate, sustainable and predictable financing and transfer of clean and innovative technologies to the developing countries, providing a platform for investment mobilization and climate partnerships and fostering South-South, North-South and triangular cooperation to enable the transfer, early adoption and implementation of climate related technologies and innovations, according to their national policies and priorities.

11. The Group expresses its concern regarding the introduction of climate change-related trade-restrictive measures, including border carbon taxes, which severely affect the smooth flow of industrial exports of developing countries. In this regard, the Group emphasizes that the envisaged action plan shall highlight the needed programs and activities to be undertaken to support developing countries in addressing such measures.

12. The Group requests UNIDO to avail the revised version of the action plan for consideration by Member States before presenting it as a conference room paper to the twenty-first session of the General Conference.

Thank you, Mr. Vice-President.



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**Agenda Item 11 - Inclusive and sustainable development in middle-income countries**

Thank you, Mr. Vice-President,

1. The Group of 77 and China takes note of document IDB.53/20 on the report presented by the Director General on inclusive and sustainable development in middle-income countries (MICs). The Group notes the work of UNIDO in the context of its strategic framework for partnering with MICs, which aims to address the specific and diverse industrial development needs of MICs.
2. The Group welcomes the High-Level Ministerial Conferences on MICs, held in Rabat in February 2024, and in Manila in April 2025, takes note of the Rabat Declaration and the Makati Declaration and encourages UNIDO to support the implementation of the recommendations contained in the declarations, bearing in mind the MICs'-unique challenges and that 104 UNIDO Member States are currently classified as MICs according to the World Bank.
3. The Group appreciates UNIDO's efforts in fostering partnerships and convening platforms such as the Multilateral Industrial Policy Forum, and notes that the second version of the forum which was held in Saudi Arabia in October 2024, marked a significant advancement in global discussions on sustainable industrial development and that the insights generated at the forum provide a valuable foundation for advancing sustainable industrial policies in MICs and globally.
4. The Group notes that MICs were assisted through UNIDO's various global, regional and national TC projects and as of May 2025, UNIDO continued to implement over 420 national TC projects in its MIC Member States and requests UNIDO to continue to incorporate issues related to the specific needs of Middle-Income Countries in its work plan, in addition to its focus on the industrial development of LDCs, LLDCs, and SIDS.
5. The Group welcomes the ongoing update of the regional programme for Latin America and the Caribbean, in alignment with the MICs Strategic Framework and directed by decision IDB.52/Dec.7. and requests for the continued effort in resource mobilization for its implementation.

Thank you, Mr. Vice-President.



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**Agenda Item 16 - UNIDO Independent Oversight Advisory Committee**

Thank you, Mr. Vice-President,

1. The Group takes note of the Report of the Independent Oversight Advisory Committee (OAC) as contained in document IDB.53/25 and its addendum which represents the management response.
2. The Groups acknowledges with appreciation the work of OAC, and underscores its concerns pertaining to the findings in the assurance review of UNIDO’s internal governance mechanisms, conducted by the Office of Evaluation and Internal Oversight, which highlight significant weaknesses in the internal governance structure of UNIDO.
3. The Group takes note that the UNIDO management has developed a set of management action plans (MAPs) with clear responsibilities, deliverables and deadlines involving senior management and that the UNIDO management is committed to implement these MAPs by the second and fourth quarters of 2025. The Group urges UNIDO to adhere to the agreed timeline for implementing these MAPs.
4. The Group recognizes that OAC remains concerned about the progress and results of the organizational reform that has been going on for four years. While noting that the UNIDO Management has announced the conclusion of the process in December 2024, the Group requests the OAC to continue following up with UNIDO on the results of the organizational reform process and to report back to the Member States at the next IDB.
5. The Group takes note of OAC’s concerns on the method of measuring technical cooperation delivery and its call for a standard method to be developed to measure TC delivery, and a mechanism to be established to augment the quantitative targets for TC delivery with qualitative outputs and outcomes.
6. In this regard, the Group requests UNIDO to address OAC’s concerns, bearing in mind that the technical cooperation delivery for the year 2024, as measured under IPSAS, amounted to €218.3 million in expenditure, compared to €241.6 million in 2023 and that there is a cash balance of €846.1 million, compared to €420.2 million in 2023, for technical cooperation, which augurs well for the Organization’s future implementation.
7. The Group notes with concern the OAC’s observation pertaining to the extended delays within the Organization to implement important management action plans (MAPs). The Group notes the management’s commitment to implement these MAPs and urges the management to expedite the implementation of all outstanding high-priority and critical MAPs as these are vital for strengthening the effectiveness and efficiency of internal governance.
8. The Group recalls the OAC’s recommendations regarding the implementation of Full Cost Recovery (FCR) strategies and the development of a cost-accounting system to provide a mechanism to determine the actual cost in support of the FCR system. In this regard, the Group welcomes the positive assessment of the OAC pertaining to the measures undertaken by the

management in this regard, as expressed during its meeting with the Member States on 29 May 2025, and requests the OAC to continue following up this important matter.

Thank you, Mr. Vice-President.



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**Agenda Item 17 - Evaluation and internal oversight activities**

Thank you, Mr. Vice-President,

1. The Group of 77 and China takes note of documents IDB.53/27 and IDB.53/28 on the report presented by the Director of the Office of Evaluation and Internal Oversight (EIO), outlining the evaluation and oversight activities undertaken in 2024.
2. The Group appreciates the role of the Office in enhancing UNIDO's accountability, transparency, and efficiency through independent evaluations, audits, and investigations that are essential for effective organizational governance.
3. The Group welcomes in this regard EIO's confirmation that it functioned independently and objectively without interference and influence from any internal or external parties.
4. The Group commends the efforts made by EIO to conduct six internal audits and takes note of the assurance review of UNIDO's internal governance mechanisms, which resulted in management action plans (MAPs) designed to enhance strategic alignment, improve decision-making, accountability, and foster a cohesive organizational structure. The Group reiterates its request for the implementation of these MAPs according to the agreed timeline.
5. The Group takes note that EIO completed 24 preliminary evaluation reports and issued six investigation reports on the 31 complaints of misconduct received in 2024. The Group requests EIO to provide a detailed and categorized report on the UNIDO's response to misconduct for 2024.
6. The Group notes with concern that only 60% of the Management Action Plans (MAPs) resulting from internal audits have been fully implemented since 2018 and that only two out of 79 internal audit MAPs were implemented timely and 15 have been overdue for more than two years.
7. The Group takes note that EIO has issued 10 evaluation reports, including two strategic evaluations and five project evaluation reports covering various aspects of UNIDO's priorities and operations. The Group further notes that since 2021 there are 30 Management Action Plans (MAPs) resulting from evaluation reports, of which 9 were closed, 6 were considered ongoing and 15 overdue.
8. The Group, therefore, requests the Director General to continue prioritizing the completion of overdue MAPs, in particular the promulgation of the TC Guidelines and operational annexes, and ensure regular follow-up mechanisms with senior management to address any barriers to timely implementation.
9. The Group notes the limitations faced by EIO due to budgetary and staffing constraints, which affect its capacity to cover all high-risk areas. In this regard, and bearing in mind the adoption of a zero real growth budget for the biennium 2026-2027, as well as the Decision IDB.52/dec.9, the Group urges the Director General to report to Member States on the ways to provide a sustainable, predictable and cost-efficient budget for EIO.

Thank you, Mr. Vice-President.



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**Agenda Item 18 - Personnel matters**

Thank you, Mr. Vice-President,

1. The Group of 77 and China takes note of document IDB.53/29 on the report provided by the Director General on personnel matters, which provides an overview of UNIDO's workforce composition, recent developments in recruitment, and ongoing initiatives for human resource management. The Group recognizes the importance of these efforts in enhancing UNIDO's organizational capacity and in supporting the effective delivery of its mandate.
2. The Group commends the progress made toward gender parity, with women now representing up to 45% of UNIDO's staff, particularly the increase in female representation, noting that further efforts are still needed for the professional and higher categories particularly from developing countries. The Group encourages the Director General to continue implementing targeted initiatives to achieve greater gender parity at all levels and upholding the principle of equitable geographical representation within the Organization.
3. The Group expresses its concern pertaining to the appointment of new employees from countries that officially withdrew from UNIDO, and in this regard, urges the recruitment of employees from UNIDO Member States.
4. The Group reiterates its long-standing request for improvements in the equitable geographical distribution of UNIDO personnel, especially at senior and management levels. The Group further reiterates its request for an update on the impact of structural reforms within the Secretariat, including their influence on staff morale and geographic representation. The Group believes that equitable distribution is essential to reflect the diversity of Member States and foster greater inclusion. The Group requests the Director General to provide a progress report on this matter.
5. The Group also acknowledges the efforts to enhance recruitment policies and practices, including expanding eligibility criteria and streamlining procedures to attract a diverse pool of qualified candidates, especially from under-represented geographical groups. The Group encourages the Director General to maintain momentum in modernizing recruitment processes, ensuring transparency, attracting top talent from a wide geographical base within the membership and further strengthening diversity across the Organization.
6. Additionally, the Group appreciates the progress in developing and implementing learning and development programs, which provide continuous professional growth opportunities for UNIDO staff. To build an agile and effective workforce, the Group requests the Director General to continue prioritizing initiatives that promote a culture of continuous learning and to provide updates on the impact of these programs at the next IDB session.
7. Finally, the Group takes note of the ongoing review of the staff contractual framework aimed at aligning UNIDO's practices with those of other UN organizations. The Group looks forward to further details on this review and encourage the Director General to ensure that this alignment supports both the operational needs of the Organization and the well-being of its personnel.





**Statement of the G-77 and China during the 53<sup>rd</sup> session  
of the Industrial Development Board of UNIDO,  
30 June – 3 July 2025,  
delivered by H.E. Mr. Maurice Makoloo,  
Ambassador, Permanent Representative of Kenya**

**Agenda Item 20: Recommendation of a candidate for the post of Director General**

Thank you, Mr. President.

1. On behalf of the Group of 77 and China allow me to congratulate you, Excellency, Mr. Mohammad Kamran Akhtar Malik, Permanent Representative of Pakistan, on your election as the President of the 53<sup>rd</sup> session of the Industrial Development Board of UNIDO, as well as other members of the bureau on their election.

2. The Group is confident that under your able leadership, this session will lead to productive outcomes that will strengthen the role of UNIDO in promoting inclusive and sustainable industrial development.

3. The Group would also like to thank Her Excellency Ambassador Gabriela Sellner, Permanent Representative of Austria, President of the 52<sup>nd</sup> session and members of the Bureau for their hard work and dedication during the previous session.

4. The Group takes note of the statement of the Director General Gerd Müller on the activities and achievements of UNIDO as well as his vision, commitments, and efforts for improving the governance of the Organization. We encourage UNIDO to continue working towards the full implementation of the Organization's mandate, to further assist developing countries to continue on the path towards economic and social prosperity through industrialization.

Mr. President,

5. The Group of 77 and China takes note of document IDB.53/31 on Candidates for the post of Director General. The Group would like to express its full support for the re-election of Dr. Gerd Müller for the post of Director General of UNIDO and further expresses its appreciation for his leadership and outstanding efforts throughout the past four years.

6. During his first term of office, Dr. Gerd Müller has guided the Organization with his dynamic leadership and has enhanced the support of the Organization for developing countries in realizing inclusive and sustainable industrial development.

7. He has managed to help the Organization to reposition itself to address the current and emerging industrial development-related challenges that developing countries are facing, especially in the fields of creating more jobs, access to markets, food security, climate action, and sustainable supply chains.

8. He also succeeded in increasing the technical cooperation delivery remarkably during the last four years and has explored new avenues for resource mobilization to ensure the sustainable work of the Organization, at a time when the world is facing a decline in the conventional financial support to development.

9. The Group is certain that Dr. Müller's re-election will provide an opportunity for the Organization to further benefit from his meritorious skills, and looks forward to further support for developing countries to be enhanced.

10. The Group of 77 and China remains fully committed to support UNIDO's work and endeavors in the years to come.

Thank you, Mr. President,