



**G-77 and China Statement during the 41st session
of the Programme and Budget of UNIDO,
22 – 23 June 2026,
delivered by H.E. Shambhu S. Kumaran,
Ambassador, Permanent Representative of India**

Agenda item 3: Annual Report of the Director General for 2025

1. On behalf of the Group of 77 and China, I congratulate you, H.E. Ms. Matilda Aku Alomatu Osei-Agyeman of Ghana, and the other Members of the Bureau on your election as Chair of the Programme and Budget Committee (PBC) of UNIDO, at its 42nd session. I also commend Mr. Jorge Luis Hidalgo and the Bureau for their outstanding work during the 41st session.
2. The Group takes note of the introductory remarks by Director General Gerd Müller and the update on the implementation of the medium-term programme framework (MTPF) 2026–2029. The Group welcomes the activities and achievements of UNIDO as well as the Director General’s commitments, and efforts for improving the governance of the Organization. We encourage UNIDO to continue working towards full implementation of its mandate, to further assist developing countries and economies in transition to continue on the path towards economic and social prosperity through industrialization.
3. The Group takes note of the UNIDO Annual Report for 2025 contained in document PBC.42/2, which presents the work undertaken by UNIDO during the year in fostering inclusive and sustainable industrial development amid global challenges.
4. The Group attaches great importance to all the initiatives, activities, and programmes implemented or planned by the Organization with the aim of, inter alia, 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.
5. In this regard, the Group notes with appreciation UNIDO’s efforts in the fields of industrial policy advisory and quality standards services, supporting agro-industrial parks, strengthening SMEs and startups, promoting circular economy, driving clean energy access and climate action and enhancing digitalization and innovation.
6. The Group also takes note of the progress 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, particularly in developing countries.
7. The Group commends the mobilization of additional financing in 2025, especially \$460.2 million in net voluntary contributions—representing a 31 per cent increase from 2024—and the technical cooperation delivery of \$335.6 million, alongside a \$1.2 billion portfolio for future implementation. To sustain this momentum and guarantee the Organization’s long-term financial sustainability, the Group reaffirms the great importance of predictable and sufficient funding. We encourage Member States and donors in a position to do so, to support more predictable and flexible funding arrangements, including through increased voluntary contributions.

8. In regards to the delivery of technical cooperation, the Group encourages the expansion of the Programme for Country Partnerships (PCPs) and urges UNIDO to remain resolute in developing concrete, result-oriented partnerships to effectively implement high-quality programmes across all regions in line with the priorities and needs identified by the beneficiary countries, including through Country Programmes and PCPs. The Group emphasizes that the focus of technical cooperation should be on the actual results, outcomes and impacts on Member States' institutions and people, avoiding overemphasis on the financial TC delivery targets only.

9. The Group emphasizes the importance of technology transfer to realize inclusive and sustainable industrial development and encourages all Member States to support the developing countries in this regard. The Group supports initiatives designed to pilot innovative technologies in developing countries, aiming to advance a sustainable and resilient industrial ecosystem. The Group further encourages UNIDO to continue advancing knowledge-sharing and technology transfer, inter alia through North-South, South-South and triangular industrial cooperation.

10. The Group commends UNIDO's strengthened role as a partner for least developed countries (LDCs), small island developing States (SIDS), and Middle-Income Countries (MICs). Furthermore, we welcome the expansion of industrial recovery programmes to restore livelihoods, create jobs, and rebuild the foundations for stability in conflict-affected states.

11. The Group underscores trade and investment restrictive measures that undermine the global trade order and global supply chains, 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.

12. 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.

13. Regarding UNIDO personnel, while taking note of the recent 15-point recruitment improvement plan, the Group reiterates its urgent and long-standing request for improvements in the equitable geographical distribution of staff. The Group strongly urges the Secretariat to establish concrete mechanisms, in consultation with Member States, that guarantee this request across all levels, especially at the senior and management levels, with particular attention to under-represented regions and Member States, to reflect the diversity of Member States and foster greater inclusion.

14. The Group emphasizes the importance of promoting gender equality and the empowerment of women (GEEW) in line with national laws and within the context of ISID. In this regard, we acknowledge the fact that women now represent 43 per cent of the total workforce of UNIDO, and that 71 per cent of newly approved programmes advance gender equality. The Group supports the adoption of the resolution establishing the International Day of Women in Industry on 21 April and commends its first commemoration in 2026. Furthermore, the Group encourages the Director General to allocate sufficient resources to ensure the achievement of gender balance and GEEW-related results and targets.

15. The Group welcomes the adoption of the Riyadh Declaration and relevant resolutions during the twenty-first session of the General Conference (GC.21) which chart the direction of UNIDO's work for the future of industries and recognize the potential of sustainable industrialization. Furthermore, the Group encourages the Secretariat to continue working on a

systematic implementation of all the GC resolutions in close consultation with Member States. We also take note of UNIDO's active engagement in the UN80 process, advocating for the strengthening of synergies and joint operations while preserving the decision-making authority of Specialized Agencies, in order to revitalize the UN development agenda.

16. The Group underscores UNIDO's ongoing efforts to advance agro-industrialization and food security. In line with the Riyadh Declaration, and the General Conference resolution GC.21/Res.5, we urge the Organization to continue its efforts to end hunger through innovation and local value addition, specifically by facilitating investments in agricultural infrastructure and reducing post-harvest losses. The Group encourages the Secretariat to continue working on a systematic implementation of GC.21/Res.5, including by exploring the development of an action plan in close consultation with Member States.

Thank you, Chair.



**G-77 and China Statement during the 41st session
of the Programme and Budget of UNIDO,
22 – 23 June 2026,
delivered by H.E. Eduardo Paes Saboia,
Ambassador, Permanent Representative of Brazil**

Agenda item 4: Report of the External Auditor for 2025

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 2025, as contained in Document PBC.42/4 and expresses appreciation to Mr. Counsellor Mohamed El Faisal Youssefand the Egyptian Accountability State Authority for this report.
2. The Group takes note with appreciation the cooperation extended by UNIDO to the External Auditor, particularly the access to data and information without restrictions and with transparency.
3. The Group welcomes the continuation of the approach by the External Auditor to focus on four main areas of audit, namely, assessing the implementation of the previous external auditors' recommendations, 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.
4. The Group takes note of the key findings of the audit including performance audit, financial audit and IT audit. Furthermore, the Group expresses its concern regarding the findings pertaining to weakness in planning and reporting, project implementation delays, insufficient risk management framework, governance and oversight gaps, weak monitoring mechanisms, and data integrity and systems alignment issues, including critical IT security vulnerabilities. In this regard, the Group urges UNIDO to address these issues and to further enhance internal controls and oversight mechanisms .
5. The Group takes note of the 52 new recommendations issued for 2025, of which 11 are classified as high priority and 13 as medium priority. Furthermore, the Group acknowledges the corrective actions taken by the Secretariat regarding the closure of 71 out of 103 recommendations from prior years. The Group strongly urges UNIDO to fully implement all remaining recommendations on an equal basis to improve efficiency, transparency, and accountability.
6. On human resources, the Group reiterates its urgent request for equitable geographical distribution of personnel, especially at senior and management levels. Appointment of new employees from countries who have officially withdrawn from UNIDO must be avoided. Taking note of the new recruitment improvement plans, we urge the Secretariat to swiftly implement the External Auditor's recommendation to establish concrete mechanisms that guarantee equitable representation.
7. Concluding, the Group strongly encourages the Organization to carry on all the external and internal auditors' recommendations, as it will ultimately contribute to the continuous improvement of the Organization's operations and the sound management of its resources.



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22 – 23 June 2026,
delivered by Ms. Nidhi Dhiman,
Permanent Mission of India**

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 PBC 42/5. We note that the collection rate of assessed contributions stood at 17.2 percent as of 31 March 2026 and we commend 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 to ensure predictable and sufficient funding for UNIDO's core mandate, while recognizing the difficulties some Member States experience for reasons beyond their control in paying their full contributions on time.

3. The Group takes note that the collection rate of prior years' arrears stands at 2.7 per cent, compared to 0.6 percent in 2025. We strongly encourage Member States in arrears to consider concluding multi-year payment plans, and in this regard, we welcome that one Member State has recently expressed its willingness to formalize such a plan to address their outstanding financial obligations.

4. Furthermore, the Group appreciates the efforts of the Director General to reach out to former Member States to settle their arrears, which amounts to €71.15 million, and we urge him to continue his efforts to improve UNIDO's financial situation. We also encourage the Director General to continue fostering further dialogue with other former Member States to explore their return to the Organization. In this regard, we commend the Director General and the Secretariat for the efforts that facilitated the return of a former Member State to the Organization.

Chair,

5. With respect to the unutilized balances of appropriations (UBs), the Group takes note that 20 Member States voluntarily renounced 18.5 per cent of the total distributable amount. We encourage Member States to continue deliberations on UBs to find a sustainable solution that guarantees full budget implementation.

6. Finally, 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. In this regard, we encourage UNIDO to continuously optimize internal management, and rationalize the allocation of resources and professional staff on project implementation to further enhance technical cooperation (TC) efficiency, thereby minimizing the financial pressure of Member States.



**G-77 and China Statement during the 41st session
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22 – 23 June 2026,
delivered by Ms. Rocio Argomedo,
Permanent Mission of Chile**

Agenda item 6: Budget implementation flexibility

Chair,

1. The Group of 77 and China takes note of the report by the Director General on Budget implementation flexibility and recalls the interim decisions adopted by the General Conference at its twenty-first session.
2. The Group takes note that these decisions granted horizontal flexibility to increase technical cooperation expenditure up to 27 per cent of the operational budget for the 2026–2027 and 2028–2029 bienniums, as well as vertical flexibility for the regular budget for the period 2026–2027.
3. We welcome the Secretariat's reporting on the practical utilization of these funds. In particular, the Group welcomes the allocation of these flexible resources to augment technical cooperation capacities in areas of vital importance to developing countries. We view positively the funding directed toward the expansion of the Programme for Country Partnerships (PCPs), agro-industrial park development, post-conflict recovery projects, and the new Skills for Sustainable Industrial Transformation in Africa initiative.
4. Furthermore, the Group acknowledges the use of these flexible funds to advance structural efficiencies within the Organization, including the enhancement of information technology capacity, digitalization, procurement, and the independent evaluation workplan.
5. Moving forward, the Group encourages UNIDO to continue exercising this budget implementation flexibility to maximize technical cooperation delivery, swiftly respond to the emerging industrial needs of developing countries, and further optimize internal management.
6. Finally, the Group requests the Director General to maintain regular, detailed reporting to the policymaking organs on the specific reasons and operational impacts of these increased expenditures.



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22 – 23 June 2026,
delivered by H.E. Evangelina Bernas,
Ambassador, Permanent Representative of Philippines**

Agenda item 7: Report of the informal working group on Programme and Budget Committee-related issues

Chair,

1. The Group of 77 and China takes note of the document PBC.42/7 on and continues to appreciate the work of the Informal Working Group on Programme and Budget Committee-related issues (IWG). We are particularly grateful for the dedication and leadership of the co-chairs from Pakistan and Hungary.
2. The Group also takes note of the 11 sessions of IWG that were held and the topics that have been identified and considered in 2025 and the current year by the IWG. The wide range of topics considered—spanning audit and oversight, human resources and equitable geographical representation, financial management, and programmatic initiatives in Africa—are of great interest to members of the Group.
3. The Group acknowledges the role 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.
4. The Group believes that the mandate of the IWG has the potential to be expanded further to include discussions on emerging issues as per the request from Member States within the overall mandate and objectives of UNIDO.
5. The Group takes note of the findings from the EIO's recent engagements. While we welcome the successful closure of 129 out of 150 Management Action Plans (MAPs), we urge the Secretariat to swiftly implement the 21 MAPs that remain in progress to address key organizational risks. The Group also urges the Secretariat to address the findings in the Independent Strategic Evaluation of UNIDO's Results-Based Management (RBM) regarding the weak accountability structures that limit effective RBM implementation and other major constraints that are undervalued in human resources systems.
6. Based on the report of the Independent Oversight Advisory Committee (OAC), the Group notes with appreciation the Committee's recognition of a number of positive developments within the Organization. At the same time, the Group takes note with concern of the observations presented in the report of the OAC regarding changes in the position of EIO Director. In this regard, the Group urges the Secretariat to provide a formal and comprehensive reply to the OAC's report and the specific issues it raises and further urges the Secretariat to guarantee the independence of the EIO and to continue strengthening governance, accountability and oversight coordination across the Organization.
7. The Group also emphasizes the critical need for predictable funding for the EIO. Recognizing that funding predictability remains a major challenge, we urge the Secretariat to

ensure that adequate financial resources are allocated and released in a timely manner to fully support the EIO's approved work plan and activities.

8. To preserve the independence, credibility, and effectiveness of UNIDO's oversight functions, the Group welcomes the forthcoming review of the EIO Charter and OAC Terms of Reference. We take note of the OAC's advice that these revisions should provide greater clarity on the processes, roles, and responsibilities for handling sensitive oversight matters. In this regard, the Group requests the Secretariat for the early circulation of the EIO Charter draft revisions and to indicate clear timelines ahead of the Board's pre-session informal consultations, and encourages for an inclusive and transparent consultation process with Member States.

9. The Group underscores the ongoing discussions on talent management and reiterate our long-standing call for the Director General to decisively address the underrepresentation of developing countries, particularly at the senior management level, expecting these consultations to translate into concrete improvements in the Organization's geographic balance.

10. Finally, the Group encourages all Member States to continue participating in the meetings of the IWG.



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Permanent Mission of Chile**

Agenda item 8. Mobilization of financial resources

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 mobilization of additional finances in 2025, notably the \$460.2 million in net voluntary contributions—representing a 31 per cent increase from 2024. We further welcome the technical cooperation delivery of \$335.6 million.
2. The Group acknowledges the important role of the governmental donors and multilateral funds, particularly noting the mentioned in the 92 per cent increase in funding from the Global Environment Facility (GEF) to \$81.3 million, and the increase from the Multilateral Fund (MLF) to \$67.4 million. We extend our appreciation for their continued voluntary contributions.
3. The Group underscores that resource mobilization efforts should be aligned with the development priorities of Member States benefitting from technical assistance, as well as with the strategic objectives of the Organization, in order to maximize development impact and effectiveness.
4. 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.
5. Regarding thematic allocations, the Group notes that safeguarding the environment remains a primary focus of voluntary contributions, attracting 55 per cent of total funding. However, the Group strongly encourages the governmental donors and multilateral funds to attribute more resources towards UNIDO's other core thematic priorities.
6. We recommend UNIDO and its funding partners to ensure equitable resource allocation across all developing countries to fulfil their urgent needs, particularly middle income countries (MICs), least developed countries (LDCs), small island developing states (SIDS), and countries in conflict / post-conflict situations, to accelerate the achievement of the 2030 Agenda.
7. The Group supports UNIDO's ongoing efforts to expand partnerships and pursue innovative financing channels, including through blended finance and engagement with international financial institutions, within its mandate, to promote inclusive and sustainable industrial development, particularly for developing countries.
8. Finally, we encourage Member States and donors in a position to do so to support the Organization's long-term financial stability, including through increased unearmarked voluntary contributions, to ensure predictable and sufficient funding.



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of the Programme and Budget of UNIDO,
22 – 23 June 2026,
delivered by H.E. Azzeddine Farhane,
Ambassador, Permanent Representative of Morocco**

Agenda item 11: Fourth Industrial Development Decade for Africa (IDDA IV)

Chair,

1. The Group of 77 and China takes note of the report on the Fourth Industrial Development Decade for Africa (IDDA IV) as contained in document PBC.42/11, and notes the conclusion of IDDA III in July 2025.
2. Recalling the findings of the independent strategic evaluation of IDDA III, the Group recognizes that the Decade contributed significantly to elevating Africa's industrialization on the global political agenda. In this regard, the Group calls upon UNIDO to strengthen productive capacities, foster innovation and sustainable industrialization, enhanced regional value chains, mobilize predictable financing and strategic partnerships and ensure strong African ownership and leadership in implementation.
3. The Group further welcomes the recent adoption of the United Nations General Assembly Resolution proclaiming the IDDA IV for the period 2026–2035.
4. The Group notes that in 2025, UNIDO implemented 304 ongoing country-level projects across Africa, welcomes the \$77.75 million in net voluntary contributions mobilized for the region this past year,, and further notes that nine Programmes for Country Partnership (PCPs) were at various stages of development and implementation.
5. 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.
6. The Group welcomes UNIDO's commitment in 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.
7. The Group appreciates UNIDO's coordination with the relevant African Organizations 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).
8. 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.

9. The Group recalls the Forum on China-Africa Cooperation (FOCAC) in September 2024, witnessed by UNIDO, the outcome documents, the Beijing Declaration and the Action Plan. The Group supports the partnership between UNIDO and China through the Center of Excellence, which continues to advance agricultural modernization, sustainable energy solutions, digital technology, industrial policy, and SME capacity development across Africa.

10. The Group emphasises the importance of the recruitment of the Secretariat of IDDA and is confident that the Secretariat will take necessary measures towards an enhanced coordinated role in the immediate implementation of IDDA IV.

11. The Group further requests UNIDO to work in tandem with the African Union Commission and other relevant African stakeholders to expedite the development of the programme of action for IDDA IV.