



European Union
Statement on the UNIDO Independent Audit Advisory Committee
Agenda Item 15
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United Nations Industrial Development Organisation
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I have the honour to speak on behalf of the European Union and its Member States. The following countries align themselves with this statement: Turkey§, Norway+, Armenia, the Republic of North Macedonia*, Montenegro*, Serbia*, Albania*, Bosnia and Herzegovina*, Ukraine and the Republic of Moldova.

The EU and its MS are amongst the proponents of the Audit Advisory Committee, since the inception of its activities. We have been following closely its reports and recommendations, as well as their implementation by the UNIDO Secretariat. We considered the AAC most recent reports, document IDB.48/20 on the AAC Chair's report and the UNIDO Management Response, as well as documents IDB.48/22 and IDB.48/CRP.9 on the Membership of the Independent Advisory Committee.

Allow me to highlight a few issues where we believe further progress is needed:

1. We look forward to the application of the results-based budgeting principles in the draft budget 2022 – 2023. Along those lines, we encourage the AAC to continue engaging with the UNIDO Secretariat on issues of financial management, namely on full-cost recovery and results-based budgeting, and to pursue further acceleration of their implementation over the coming months. To that effect, we encourage the AAC, within the framework of its mandate, to engage with the draft budget 2022-2023, for providing regular information to the IDB, on its alignment with the results-based budgeting principles.
2. We note with satisfaction the increasing attention to Enterprise risk management (ERM), as there should be an explicit link between the results-based management and risk management, as specifically recommended in the findings of the MOPAN independent assessment of UNIDO's Performance. Despite these steps, ERM is still far from being embedded at UNIDO. We encourage the AAC to continue working on this topic and the UNIDO management to focus on turning the current draft policy documents into actionable risk management.
3. We share AAC concern about the gender balance in UNIDO's senior management. The EU, together with other Member States, have been consistent in urging UNIDO to use every opportunity to promote gender equality in the Organisation. We also encourage all colleagues to consider nominating female candidates in the upcoming call for nominations to the AAC, scheduled for 2022.

§ Candidate Country

* Candidate Countries The Republic of North Macedonia, Montenegro, Serbia and Albania, as well as potential Candidate Country Bosnia and Herzegovina continue to be part of the Stabilisation and Association Process.

+ Norway is a member of the EFTA and of the European Economic Area.

4. We welcome the identified priority areas in the AAC work plan for 2020/2021, on which the Committee will advise UNIDO within the scope of its mandate, namely: UNIDO alignment with the UN reform, results-based budgeting, accountability framework for operations, risk management framework, and technology management and digitalisation. We strongly encourage the AAC to follow and oversee their implementation and to inform the Member States on a regular basis on the progress achieved.

Thank you, Chair!