

**STATEMENT OF THE REPUBLIC OF KENYA  
TO BE DELIVERED AT THE 51<sup>ST</sup> SESSION OF THE UNIDO INDUSTRIAL  
DEVELOPMENT BOARD (IDB): 3-6 JULY 2023**

**Agenda Item 4: Report of the Programme and Budget Committee, including sub-items (a) to (j)**

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**Mr. President,**

1. Kenya aligns itself with the statements delivered by the African Group and the Group of 77 and China regarding this Agenda Item - and wishes to supplement these statements with a few additional observations in our national capacity.
2. Firstly, we echo the sentiments of other delegations in expressing appreciation towards the Chair of the 39th Session of the UNIDO Programme and Budget Committee, **His Excellency Ambassador Aftab Ahmad Khokher, Permanent Representative of Pakistan**, for his commendable leadership throughout the 39th Session of the PBC.
3. Recalling our contributions during the Session, the Kenya delegation wishes to underscore the following key points with regard to sub-items (a), (c), (h) and (j):

**Mr. President,**

***On Sub-Item (a): Report of the External Auditor for 2022***

4. The Kenya delegation reiterates its appreciation and admiration for the exceptional work conducted by the Accounts Chamber of the Russian Federation since July 2020, **including the Audit of UNIDO for the year 2022**. We observe with approval the External Auditor's unmodified opinion, which confirms that UNIDO's financial records for the year uphold the established rules, standards, and regulations.
5. Kenya echoes the call for UNIDO to fully integrate all the findings and recommendations presented in the Report of the External Auditor for 2022 and, alongside other efficiency measures being pursued by the Organization, continues to encourage UNIDO to **also** actively work towards resolving any unresolved, partially resolved, and still-open findings from the preceding audits.

**Mr. President,**

***On Sub-Item (c): Report by the Informal Working Group (IWG) on Programme and Budget Committee-related issues***

6. Kenya appreciates the pivotal role played by the IWG as a forum for extensive deliberation on the pressing issues impacting the Organization, such as budgetary flexibility, the execution of technical cooperation in all its forms, the proposed transformation of SAVVCA into the envisaged "Innovation and Transformation Fund," personnel reforms, among other measures intended to enhance the Organization's operational efficiency.
7. Recognizing the significance and breadth of this mandate, we seize this opportunity to express our genuine appreciation to the co-Chairs, India and Poland, for their diligent management of the IWG's deliberations. We hereby duly acknowledge the information contained in the Report of the Co-Chairs of the IWG.

**Mr. President,**

***On Sub-Item (h): Appointment of the External Auditor***

8. Kenya humbly takes this opportunity to remind distinguished delegations that the Auditor General of the Republic of Kenya, with the endorsement of the Government of Kenya, has submitted her application for appointment to the post of External Auditor of UNIDO for the term commencing 1st July 2024.

9. In this context, we urge the Secretariat to equip delegations, in a timely manner, with all the necessary information concerning the modalities for the candidates to present themselves to member states and seek their support ahead of the next UNIDO General Conference.

**Finally, Mr. President,**

***On Sub-Item (j): Budget implementation flexibility***

10. Kenya recognizes and appreciates that the **budget implementation flexibility proposals**, as presented by the Secretariat, are meant to support UNIDO's quest for agility and responsiveness to the evolving needs of Member States. This includes the calls for increased support from UNIDO in emerging areas such as the green industrial transition and climate action, which are particularly pertinent for Member States such as Kenya.

**11. In light of this, Kenya generally backs both the "Vertical" and "Horizontal" Flexibility proposals put forth by the Secretariat<sup>1</sup>.**

12. Kenya also respects the range of perspectives shared by our fellow Member States on the budget flexibility proposals. We remain optimistic that, in keeping with the Organization's tradition of open and collaborative discourse, all opinions will be thoroughly assessed before a final decision is recommended.

**Mr. President**

13. Having expressed these points, Kenya acknowledges the Report of the Programme and Budget Committee.

**We thank you, Mr. President.**

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<sup>1</sup> Which call upon Member States to allow the Director General –

- to make transfers between the major objects of expenditure within result areas – of up to 10 per cent of the initially appropriated amounts in the regular budget (i.e., "Vertical" Flexibility); and
- to increase expenditure on technical cooperation to promote Inclusive and Sustainable Industrial Development (ISID) up to EUR 60 million of the operational budget, commensurate with the actual income received (i.e., "Horizontal" flexibility).