



**G-77 and China statement during the UNIDO Industrial Development Board,
51st session, 3-6 July 2023, delivered by H.E. Aftab Ahmed Khokher, Ambassador and
Permanent Representative of Pakistan**

Agenda item 4: Report of the Programme and Budget Committee

Mr. President,

1. The Group of 77 and China would like to convey its appreciation to H.E. Aftab Ahmad Khokher, Ambassador and Permanent Representative of Pakistan and Chair of the 39th session of the Programme and Budget Committee, for the Report of the Programme and Budget Committee (PBC).

2. The Group wishes to recall the points it had raised during the 39th session of the PBC, and reiterates the following:

(a) On the Report of the External Auditor for 2022

Bearing in mind the points it raised on this agenda item at the 39th session of the PBC, the Group of 77 and China strongly urges UNIDO to fully implement all the findings and recommendations of the External Auditor for 2022 on an equal basis, regardless of the level of importance and priority assigned to them in the report, as well as to work on closing the remaining unresolved, partially resolved, and still-open findings of the previous and prior audit years, as the Group considers all of these recommendations to be particularly pertinent to ensure that the Organization functions as efficiently and effectively as possible.

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

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. The Group further requests the Director General to continue holding discussions with all former Member States to encourage them to rejoin the Organization.

(c) On the Report by the informal working group on Programme and Budget Committee-related issues (IWG)

The Group of 77 and China would like to emphasize its appreciation of the mandate of the IWG and believes that 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 and, therefore, encourages all Member States to continue participating in the meetings of the IWG. The Group supports the discussions on the creation of a levy on voluntary contributions by non-contributing

parties, as a way to strengthen the regular budget and encourages non-contributing parties to engage in the debate.

(f) On the mobilization of financial resources

The Group maintains the view that a sufficient, assured and predictable funding is vital for UNIDO to effectively deliver its core mandate and activities and encourages the donor community to continue their contributions to UNIDO's programmable funds, including dedicated trust funds and special purpose funding at the country, regional or global level. The Group also encourages the Director General to continue searching for diverse and innovative funding resources, as well as to work on initiatives aimed at the efficient use of available resources.

In this regard, the Group takes note of the ongoing rebranding of the Special Account of Voluntary Contributions for Core Activities (SAVCCA) to Innovation and Transformation Fund (ITF) and urges UNIDO to place at the heart of the rebranding efforts the value to be derived from such an endeavour.

The Group welcomes the recommendation of the PBC pertaining to the preparation of strategic guidelines on partnerships and resource mobilization.

(j) On budget flexibility

The Group takes note of the different views expressed by Member States with regard to the budget flexibilities proposed by the Secretariat with a view to improving budget management.

3. With this statement, the Group of 77 and China takes notes of the Report of the Programme and Budget Committee.

Thank you, Mr. President.