



**European Union**

**EU Statement on**

**Agenda item 3: Annual Report of the Director General for 2022**

**51st session of the Industrial Development Board (IDB)  
United Nations Industrial Development Organisation (UNIDO)**

**Vienna, 3-6 July 2023**

Mr. President,

I have the honour to speak on behalf of the European Union and its Member States. The following countries align with this statement: North Macedonia\*, Montenegro\*, Serbia\*, Albania\*, Ukraine, Republic of Moldova, Bosnia and Herzegovina\* and Norway\*.

Mr. President,

I congratulate you on your election and assure you of our full cooperation. I would like to thank the outgoing IDB President, Ambassador Solano-Ortiz of Costa Rica, and other Bureau members, namely Switzerland, Kenya, India and Poland for their outstanding work since the last IDB.

The EU and its Member States reiterate their support for the UNIDO Director General's agenda under the motto "Progress by innovation". We shall continue to follow closely the implementation of the UNIDO reforms, particularly with respect to field offices, paying attention to decentralisation, gender parity and equitable geographical representation. We encourage the Oversight Advisory Committee (OAC) and the Office of Evaluation and Internal Oversight (EIO) to continue advising UNIDO's management on the impact of the reform. To ensure that these offices will be able to conduct their work in an independent manner, we deem important that they are sufficiently and predictably funded.

We find it important that the work of UNIDO is inclusive and that gender mainstreaming is part of every project and programme. Providing sufficient and predictable funding from the regular budget for the Unit for Gender Equality and the Empowerment of Women would be an important step forward in this regard. Further efforts also need to be made to achieve gender parity. As a gender champion, the EU has joined the Group

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\* Candidate Countries North Macedonia, Montenegro, Serbia, Albania and 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.

of Friends for Gender Equality and the Empowerment of Women and we commend Finland and Honduras for this initiative.

We trust that a strengthened UNIDO will prove itself fit for purpose to support its Member States to meet their development goals as part of the UN-wide efforts. We encourage a prominent role for UNIDO in the UN processes notably in the global periodic review of Sustainable Development Goal (SDG) 9 during the High Level Political Forum (HLPF) this month in New York. The inability of the IDB to reach consensus on an HLPF input was a missed opportunity for this organisation. Regardless, we encourage the Secretariat to use every possibility to bring its activities to the attention of the SDG Summit in September. For the first time, also the European Union has submitted its Voluntary Review, which complements the national reviews of EU Member States. “UNIDO’s Global Network of Regional Sustainable Energy Centres and the Regional Centres for Renewable Energy & Energy Efficiency in the Caribbean, Pacific, Africa and Central America” are mentioned therein, as a best practice example.

Mr. President,

We are pleased that at the May Programme and Budget Committee (PBC) session, UNIDO Member States reached consensus on the 2024–2025 budgets. We commend the leadership of the PBC Chair, the Ambassador of Pakistan, and we express our appreciation to the Co-Chairs of the Informal Working Group from Poland and India, for their hard work that contributed to this outcome.

However, looking into the reports on the financial situation of UNIDO, we note with concern that the amount of arrears remains high. We continue to call on all UNIDO Member States to pay their assessed contributions on time, in full and without conditions. It is vital that member states shoulder their responsibility in this regard to ensure that UNIDO is adequately resourced. Only then, can the organisation deliver and be of service to its membership. The EU Member States collectively contribute 28 % of the UNIDO’s regular budget – paid in full and on time. 7 out of the 16 UNIDO Member States, which renounced their Unutilised Balances (UB), are EU Member States. The European Union – the largest donor of UNIDO from governmental resources – supports 39 ongoing projects amounting to almost EUR 300,000,000. Their focus is on poverty eradication, sustainable economic development, decent job creation and climate action. The European Union is also exploring with UNIDO its role as contributor to Global Gateway initiative.

Mr. President,

With reference to the Annual Report presented by the Director General, we would like to reiterate that the EU attaches great importance to food security and agribusiness; fair global value chains; energy efficiency and improved access to renewable energy in order to reduce industrial greenhouse gas emissions. We look forward to further strengthening EU-UNIDO cooperation in these areas, as discussed during the High Level Dialogue in Brussels in December 2022.

With the understanding that the goals of the Paris Agreement cannot be achieved without decarbonising of industry, we encourage UNIDO to participate in the upcoming Climate Ambition Summit and provide input on green industrial transformation based on its mandate to help Member States achieve SDG9. We also look forward to a strong engagement from UNIDO leading up to and during COP28 in Dubai.

Strengthening global food security is a top priority for the EU. In this context and beyond, the EU continues to condemn, in the strongest possible terms, the Russian Federation's unprovoked and unjustified war of aggression against Ukraine, with the involvement of Belarus. It undermines international peace and security and has already led to severe consequences on global economy. It has further exacerbated food and energy crises, affecting in particular the most vulnerable States. We stand in full solidarity with the Ukrainian people. The EU, as Team EUROPE, remains the leading humanitarian donor committing EUR 1.6 billion for food security related activities in the most affected countries in the Sahel, Lake Chad, and Horn of Africa. The EU's "Solidarity Lanes" initiative has so far enabled the export of 23 million tonnes of grain and other agricultural products from Ukraine through land routes to global markets. Together with the UN Black Sea Grain Initiative, it has contributed to a drop in food price over the last months by making sure that the much-needed grain from Ukraine is again available on the global markets.

In line with EU support for the UN Development System reform, we appreciate the UNIDO Programme for Country Partnership (PCP), which have proved to be a valuable tool at country-level to strengthen ownership of project activities. We would appreciate to be kept informed about the expansion of the programme and the implementation of the Mid-term Review recommendations. Referring to the UNDS' objectives, we encourage UNIDO to step up its cooperation with other UN organisations and agencies for a maximum development impact. We acknowledge the progress made in this respect.

I thank you for your attention.