



## **Industrial Development Board**

### **Fifty-second session**

Vienna, 25–27 November 2024

Agenda item 4

### **Report of the Programme and Budget Committee**

## **Report of the Programme and Budget Committee on the work of its fortieth session (10–11 June 2024)**

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## Introduction

1. The Programme and Budget Committee held its fortieth session at UNIDO headquarters, Vienna International Centre, on 10 and 11 June 2024. All 27 Members of the Committee participated in the session: Algeria, Austria, Brazil, China, Egypt, Finland, Germany, Ghana, Hungary, India, Indonesia, Iran (Islamic Republic of), Italy, Japan, Kenya, Malta, Mexico, Morocco, Pakistan, Peru, Poland, Russian Federation, South Africa, Spain, Switzerland, Türkiye and Uruguay.

2. The following 61 Members of UNIDO also attended the session: Afghanistan, Albania, Angola, Argentina, Armenia, Azerbaijan, Bangladesh, Bosnia and Herzegovina, Burkina Faso, Chile, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Democratic People's Republic of Korea, Dominican Republic, Ecuador, El Salvador, Guatemala, Guinea, Honduras, Iraq, Israel, Jordan, Kuwait, Lao People's Democratic Republic, Lebanon, Libya, Malaysia, Montenegro, Namibia, Netherlands (Kingdom of the), Nicaragua, Norway, Oman, Panama, Paraguay, Philippines, Qatar, Republic of Korea, Republic of Moldova, Romania, Saudi Arabia, Serbia, Slovenia, Sri Lanka, State of Palestine, Sudan, Sweden, Syrian Arab Republic, Tajikistan, Thailand, Togo, Tunisia, Ukraine, United Arab Emirates, United Republic of Tanzania, Venezuela (Bolivarian Republic of), Viet Nam and Yemen.

3. The following organizations were represented: Asian Forest Cooperation Organization (AFoCO), European Union (EU), International Bamboo and Rattan Organization (INBAR), League of Arab States (LAS) and West African Health Organization (WAHO).

4. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation H.E. Mr. Ferenc Dancs (Hungary) as Chair; Mr. Khaled Ali Mohamed Elmenshawy (Egypt), Ms. Claudia Elizabeth Guevara de la Jara (Peru) and Ms. Dyah Dinanti Puspitasari (Indonesia) as Vice-Chairs; and Mr. Hubert Mükusch (Germany) as Rapporteur.

5. The agenda for the fortieth session as adopted by the Committee is contained in document PBC.40/1. Following the adoption of the agenda and the approval of the schedule of work as considered by the Enlarged Bureau, the Director General made an introductory statement that was duly taken into account by the Committee in the consideration of the relevant agenda items.

6. The report of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

7. The report contains the conclusions reached by the Committee. The annex to the present report contains a list of documents submitted to the Committee at its current session.

8. The following conclusions of the Committee contain recommendations that call for action by the Board at its fifty-second session or are of relevance to the work of that session:

Conclusion	Subject	Page
2024/2	Budget implementation flexibility	4
2024/3	Mobilization of financial resources	4

## I. Organizational and procedural matters

9. On 10 June, the Committee considered a proposal by the Chair to optimize the utilization of available conference-servicing resources and adopted the following conclusion, waiving its twenty-four hour notice period for the suspension of rules:

### **Conclusion 2024/1 Utilization of available conference-servicing resources**

The Committee, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 24 of its rules of procedure relating to the quorum, for the meetings of its fortieth session only, provided no substantive decisions were taken at those meetings.

10. The Committee decided to set up informal, in-session consultations with the aim of facilitating the drafting of conclusions and entrusted the Vice-Chair Mr. Khaled Ali Mohamed Elmenshawy (Egypt) to chair those consultations. The Committee furthermore set the deadline for the receipt of draft conclusions at 5.15 p.m. on 10 June 2024, and decided to close the list of speakers at 10 a.m. on 11 June 2024.

## II. Annual Report of the Director General for 2023 (item 3) and Managing for results: Update on the implementation of the medium-term programme framework, 2022–2025 (item 3 (a))

11. On 10 June, the Committee considered the *Annual Report of UNIDO 2023* and its appendices (PBC.40/2 and PBC.40/2/Appendices) as well as a report by the Director General providing an update on the implementation of the medium-term programme framework, 2022–2025 (PBC.40/3). Statements were delivered under this item.

12. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 3 and 3 (a).

## III. Report of the External Auditor for 2023 (item 4)

13. On 10 June, the Committee considered the report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial year 1 January to 31 December 2023 (PBC.40/4); a document prepared by the Secretariat containing the annexes to the report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2023 (unaudited) (PBC.40/CRP.2); and a note by the Independent Audit Advisory Committee providing comments on the report of the External Auditor (PBC.40/CRP.3). Statements were delivered under this item.

14. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided on item 4.<sup>1</sup>

## IV. Financial situation of UNIDO, including unutilized balances of appropriations (item 5)

15. On 11 June, the Committee considered a report by the Director General on the financial situation of UNIDO (PBC.40/5) and a note by the Secretariat on the status of assessed contributions (PBC.40/CRP.4). Statements were delivered under this item.

16. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 5.<sup>2</sup>

<sup>1</sup> The delegation of Austria clarified its position on this matter.

<sup>2</sup> The delegation of the Russian Federation clarified its position on this matter.

## V. Budget implementation flexibility (item 6)

17. On 11 June, the Committee considered a note by the Secretariat on budget implementation flexibility (PBC.40/6).

18. On 11 June, after consideration of a draft conclusion on budget implementation flexibility, submitted by the Chair (PBC.40/L.2), the Committee adopted the following conclusion:

### Conclusion 2024/2

The Programme and Budget Committee:

(a) Took note of decision GC.20/Dec.14 and document IDB.52/6-PBC.40/6;

(b) Recommended that the fifty-second session of the Industrial Development Board continue negotiating with a view to taking the interim decision, on a time-bound basis for the biennium 2024–2025, to allow the Director General to make, within the amounts approved by the General Conference for the regular budget, transfers between the major objects of expenditure within result areas up to [10] per cent of the initially appropriated regular budget amounts from which the transfers are made.

## VI. Report by the informal working group on Programme and Budget Committee-related issues (item 7)

19. On 11 June, the Committee considered the report by the Co-Chairs of the informal working group on Programme and Budget Committee-related issues and an update thereto (PBC.40/7 and PBC.40/CRP.5). Statements were delivered under this item.

20. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Co-Chairs on item 7.

## VII. Mobilization of financial resources (item 8)

21. On 11 June, the Committee considered a report by the Director General on the mobilization of financial resources (PBC.40/8); a section on funding and financial contributions in chapter 6 of the *Annual Report of UNIDO 2023* (PBC.40/2); and a note by the Secretariat on projects approved under the Industrial Development Fund, thematic and individual trust funds, and other voluntary contributions in 2023 (PBC.40/CRP.6). Statements were delivered under this item.

22. On 11 June, after consideration of a draft conclusion on the mobilization of financial resources, submitted by the Chair (PBC.40/L.3), the Committee adopted the following conclusion:

### Conclusion 2024/3

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

“The Industrial Development Board:

(a) Takes note of the information contained in document IDB.52/8-PBC.40/8;

(b) Decides to delegate to the Director General the authority to approve in an equitable and transparent manner projects for financing, previously prepared and agreed by the UNIDO Secretariat and the concerned parties and donors, under the Industrial Development Fund in 2024 and 2025 in

accordance with the priorities defined in the medium-term programme framework 2022–2025 (IDB.49/8-PBC.37/8);

(c) Encourages Member States and other funding partners to increase their voluntary contributions to UNIDO, including for the Partnership Trust Fund as well as the UNIDO Innovation and Transformation Fund (ITF) and the Major Capital Investment Fund (MCIF);

(d) Also encourages all funding partners to consider contributing programmable funds, specifically to enable UNIDO to respond rapidly to requests for assistance and develop and implement its programmatic activities in a prompt and coordinated manner;

(e) Requests Member States to consider contributing to UNIDO to enable the Organization to work with funding sources requiring co-funding, either through contributing to the dedicated trust funds or by special purpose funding at the country or global level;

(f) Encourages Governments of recipient countries to play an active role in sharing with UNIDO the responsibility for mobilizing funds for jointly agreed priority activities, and specifically to take the lead in identifying and accessing funds available at the country level, including local cost-sharing opportunities, and funds from bilateral funding partners, multi-donor trust funds, the World Bank as well as other development finance institutions;

(g) Strongly recommends that Member States cooperate with and support the Organization in its efforts to develop and promote its programmes and initiatives in the international development context, and especially through international conferences and other forms of dialogue, in order to ensure that these initiatives are well known, their relevance for international development targets are recognized, and resources are made available.”

## **VIII. General risk management (item 9)**

23. On 11 June, the Committee considered a report by the Director General on general risk management (PBC.40/9).

24. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 9.

## **IX. Updated medium-term investment proposals (item 10)**

25. On 11 June, the Committee considered a report by the Director General on the updated medium-term investment proposals, 2024–2025 (PBC.40/10).

26. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 10.

## **X. Third Industrial Development Decade for Africa (IDDA III) (item 11)**

27. On 11 June, the Committee considered a report by the Director General on the Third Industrial Development Decade for Africa (IDDA III) (PBC.40/11). Statements were delivered under this item.

28. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 11.<sup>3</sup>

<sup>3</sup> The delegation of the Italy clarified its position on this matter.

## **XI. United Nations development system reform (item 12)**

29. On 11 June, the Committee considered a report by the Director General on the United Nations development system reform (PBC.40/12). Statements were delivered under this item.

30. On 11 June, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 12.

## **XII. Date of the forty-first session (item 13)**

31. On 11 June, the Committee took note of the entry contained in the annotated agenda (PBC.40/1/Add.1) on the dates reserved for the policymaking organs of UNIDO in 2024 and 2025.

32. On 11 June, after consideration of a draft conclusion on the date of the forty-first session, submitted by the Chair (PBC.40/L.4), the Committee adopted the following conclusion:

### **Conclusion 2024/4**

The Programme and Budget Committee decided to hold its forty-first session from 13 to 15 May 2025.

## **XIII. Adoption of the report (item 14) and closure of the fortieth session**

33. On 11 June, the Committee adopted the draft report on the work of its fortieth session (PBC.40/L.1) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report. Statements were delivered following the adoption of the report.

34. The Committee closed its fortieth session in the afternoon of 11 June 2024.

## Annex

## List of documents submitted to the fortieth session

<i>Agenda item</i>	<i>Symbol</i>	<i>Title</i>
1	Election of officers	-
2	Adoption of the agenda	PBC.40/1 PBC.40/1/Add.1 PBC.40/CRP.1
		Provisional agenda Annotated provisional agenda List of documents
3	Annual Report of the Director General for 2023	PBC.40/2 IDB.52/2 PBC.40/2/Appendices IDB.52/2/Appendices
		<i>Annual Report of UNIDO 2023</i> Appendices to the Annual Report of UNIDO 2023
3 (a)	Managing for results: Update on the implementation of the medium-term programme framework, 2022–2025	PBC.40/3 IDB.52/3
		Managing for Results: Update on the implementation of the medium-term programme framework, 2022–2025. Report by the Director General
4	Report of the External Auditor for 2023	PBC.40/4 IDB.52/4 PBC.40/CRP.2 PBC.40/CRP.3
		Report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2023 Annexes to the report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2023 (unaudited) Comments on the Report of the External Auditor. Note by the UNIDO Independent Oversight Advisory Committee
5	Financial situation of UNIDO, including unutilized balances of appropriations	PBC.40/5 IDB.52/5 PBC.40/CRP.4
		Financial situation of UNIDO. Report by the Director General Status of assessed contributions. Note by the Secretariat
6	Budget implementation flexibility	PBC.40/6 IDB.52/6
		Budget implementation flexibility. Note by the Secretariat
7	Report by the informal working group on Programme and Budget Committee-related issues	PBC.40/7 IDB.52/7 PBC.40/CRP.5
		Report by the informal working group on Programme and Budget Committee-related issues. Report by the Co-Chairs Update on the report by the informal working group on Programme and Budget Committee-related issues. Report by the Co-Chairs
8	Mobilization of financial resources	PBC.40/8 IDB.52/8 PBC.40/2, chapter 6 IDB.52/2, chapter 6 PBC.40/CRP.6
		Mobilization of financial resources. Report by the Director General Funding performance. <i>Annual Report of UNIDO 2023</i> Projects approved under the Industrial Development Fund, thematic and individual trust funds, and other voluntary contributions in 2023
9	General risk management	PBC.40/9 IDB.52/9
		General risk management. Report by the Director General

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	<i>Agenda item</i>	<i>Symbol</i>	<i>Title</i>
10	Updated medium-term investment proposals	PBC.40/10 IDB.52/10	Updated medium-term investment proposals, 2024–2025. Report by the Director General
11	Third Industrial Development Decade for Africa (IDDA III)	PBC.40/11 IDB.52/11	Report on the Third Industrial Development Decade for Africa (IDDA III). Report by the Director General
12	United Nations development system reform	PBC.40/12 IDB.52/12	United Nations development system reform. Report by the Director General
13	Date of the forty-first session	PBC.40/1/Add.1	Annotated provisional agenda
14	Adoption of the report	-	-

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