



**G-77 and China statement during  
the 52nd session of the Industrial Development Board,  
25-27 November 2024,  
delivered by H.E. Laura Gil,  
Ambassador, Permanent Representative of Colombia**

**Item 14 - Evaluation and internal oversight activities**

Thank you, Madam President,

1. The Group of 77 and China takes note of the reports presented by the Director of the Office of Evaluation and Internal Oversight, outlining the evaluation and oversight activities undertaken in 2023. We appreciate the role of the Office in enhancing UNIDO's accountability, transparency, and efficiency through independent evaluations, audits, and investigations that are essential for effective organizational governance.

2. We commend the efforts made by the Office to conduct nine strategic-level internal audits and issue 24 evaluation reports, which provided valuable insights into UNIDO's operations, including project management, procurement, and internal governance. These engagements contribute significantly to improving the effectiveness of UNIDO's processes and outcomes.

3. However, the Group notes that only 55–60% of the Management Action Plans (MAPs) resulting from internal audits have been fully implemented since 2019. We believe that timely implementation of MAPs is critical for addressing operational risks and achieving organizational goals. Therefore, we request the Director General to prioritize the completion of overdue MAPs and ensure regular follow-up mechanisms with senior management to address any barriers to timely implementation.

4. Additionally, we are concerned about the limitations faced by the Office due to budgetary and staffing constraints, which affect its capacity to cover all high-risk areas. In this regard, we urge the Director General to explore options for providing a sustainable and predictable operational budget for the Office of Evaluation and Internal Oversight, including resources for travel, training, and IT systems, to strengthen its operational independence and ensure comprehensive oversight coverage.

5. The Group views positively the Office's proposal to create a pooled evaluation fund by integrating resources allocated for evaluations within project budgets. We believe this mechanism could enhance the sustainability of the evaluation function, allowing UNIDO to effectively measure and report on the impact of its initiatives. We request the Director General to report on the feasibility and potential implementation of this pooled funding mechanism at the next Board session.

6. The Group of 77 and China takes note of the critical findings raised in document the Assurance Review on UNIDO's Internal Governance Mechanisms, published on 5

November 2024, highlighting the need for immediate improvements in aligning the organization's purpose with its governance practices and daily operations. We note significant deficiencies in strategic direction, inter-divisional coordination, and clarity around the Director General's priorities, especially in key areas like clean energy, climate action, food security, and sustainable supply chains. We urge the Director General to establish a clear strategic framework, improve internal communication, and ensure that all governance bodies align with UNIDO's core mission and strategic objectives. We request regular updates on the progress of these corrective measures.

7. The Group is further concerned by governance issues affecting the Leadership Board (LB) and Operations Committee (OC), which have not consistently fulfilled their mandates, and gaps in the Delegation of Authority procedures that have led to ambiguities in accountability across various levels. The Group notes the management response annexed to the aforementioned document, including the commitment to further elaborate the needed measures, in particular through the ongoing formulation and update of management action plans, to address the findings and observations from this review. We also request additional periodic progress reports to ensure the implementation of the recommendations introduced by the External Auditor, the independent Oversight Advisory Committee and the Office of Evaluation and Internal Oversight.

Thank you, Madam President.