



**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 13 - UNIDO Independent Oversight Advisory Committee**

Thank you, Madam President,

1. The Group takes note of the Report of the Independent Oversight Advisory Committee as contained in document IDB.52/22 and acknowledges with appreciation the work of the Committee.

2. The Committee has raised some important points on UNIDO's work including the following:

**Reform and Restructuring**

3. In view of OAC the reform process is progressing at a slow pace and has had some challenges. In this regard OAC has recommended that: (a) UNIDO should evaluate the reform process to assess the progress made thus far, identify gaps and determine if it is on track to achieve the overall objectives; and (b) Management should take steps to garner greater staff involvement in the process.

**Technical Cooperation Delivery**

4. OAC has expressed its concerns over sustainability of 25% per annum increase in TC delivery. The OAC believes that TC delivery must be linked to the actual implementation of projects and programmes, promoting development in Member States and that TC delivery should also be measured by qualitative targets, allowing for a better assessment of the development impact in Member States.

5. The Group notes that in 2023, funds mobilization for UNIDO's technical cooperation set a new milestone the technical cooperation delivery stood at value of \$225.2 million. Moreover, the Organization increased its funds mobilization by 44 per cent, reaching a total of \$328.4 million. The Group supports the 25% increase in TC delivery and requests the Secretariat to formulate a comprehensive report outlining the details of plans and funding sources to address the concerns of the OAC on the issue.

**Enterprise Risk Management (ERM)**

6. In view of the ongoing reform process, OAC believes that UNIDO faces increased risks and challenges. The OAC has expressed its concern about the effectiveness of the Organization's ERM functions and has suggested that Management should take immediate steps to identify, manage and mitigate risks in a proactive manner and take immediate steps to have an updated risk register that includes all the key risks facing UNIDO.

**Result-based Budgeting (RBB) and Full Cost Recovery (FCR)**

7. The OAC has expressed its concerns on the slow pace of implementing the RBB method in formulating UNIDO's budget and has recommended that the management should clearly define and strengthen the results framework so that resources can be determined to support the achievement of specific results. OAC further recommended that the management should fast-track the full implementation of FCR strategies and to develop a cost-accounting system to provide a mechanism to determine the actual cost in support of the FCR system.

8. OAC has also recommended that workplans of Evaluation and Internal Oversight (EIO) including internal audit, evaluation and investigation may be further enhanced and strengthened.

Madam President,

9. The Group expects the Director General and the Secretariat to take due cognisance of the issues and concerns raised in the report of OAC and implement the recommendations of OAC in an effective and efficient manner.

Thank you, Madam President.