



United Nations Industrial Development Organization

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Programme and Budget Committee

Forty-first session

Vienna, 13–15 May 2025

Item 2 of the provisional agenda

Adoption of the agenda

Annotated provisional agenda

Opening of the session

The forty-first session of the Programme and Budget Committee will be opened by His Excellency Mr. Ferenc Dancs (Hungary), in his capacity as Chairperson of the fortieth session.

Item 1. Election of officers

In accordance with rule 17.1, each year, at the commencement of its regular session, the Committee shall elect from among the representatives of its members a Chairperson and three Vice-Chairpersons, and from among the delegations of its members a Rapporteur. Rule 17.3 stipulates that the offices of the Chairperson, the three Vice-Chairpersons and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairperson of the forty-first session should be elected from members of the Committee from States in List C, and the three Vice-Chairpersons from African States in List A, States in List B and States in List D. The Rapporteur should be elected from members of the Committee from among Asian States in List A.

Item 2. Adoption of the agenda

A provisional agenda for the forty-first session, prepared by the Director General in consultation with the Chairperson of the Committee, in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.41/1 as stipulated in rule 12.

The Committee will have before it:

- Provisional agenda ([PBC.41/1](#))

* Reissued for technical reasons on 18 March 2025.

For reasons of sustainability, this document has not been printed. Delegates are kindly requested to refer to electronic versions of all documents.



- Annotated provisional agenda ([PBC.41/1/Add.1](#))
- List of documents ([PBC.41/CRP.1](#))

Item 3. Annual Report of the Director General for 2024

In accordance with Article 11.6 of the Constitution, the Director General is to prepare an annual report on the activities of the Organization. In its resolution GC.4/Res.2, the General Conference requested the Director General to fully incorporate in future annual reports the programme performance report according to Industrial Development Board decision [IDB.7/Dec.11](#). At the request of the Board through decision [IDB.23/Dec.12](#), annual reports include information on operational activities for developments arising from relevant United Nations General Assembly resolutions, including the quadrennial comprehensive policy review in accordance with United Nations General Assembly resolution [79/226](#) of 19 December 2024.

In compliance with Conference resolution [GC.17/Res.1](#), paragraph 16, and Board decision [IDB.44/Dec.2](#), paragraph (c), the annual report also informs Member States of the implementation of the medium-term programme framework (MTPF) and of UNIDO's contribution to the realization of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals. Pursuant to Board decision [IDB.44/Dec.2](#), paragraph (d), the *Annual Report of UNIDO 2024* will provide information in a concise manner.

The *Annual Report of UNIDO 2024* reports on progress towards the achievement of the biennial targets at the aggregate level, and as contained in the programme and budgets 2024–2025. A detailed set of data and information related to these targets, including a comparison with the achievement in 2023, is available in Appendix M of the report. The *Annual Report of UNIDO 2024* acknowledges the limitations of some of the indicators in the IRPF, and the scope for further improvement in the quality assurance process to achieve better reporting accuracy. The lessons learned during the 2024–2025 biennium are being factored into the preparation of the MTPF 2026–2029.

In line with decision [IDB.46/Dec.13](#), paragraph (i), Member States will be updated on the progress made in the implementation of the Third Industrial Development Decade for Africa (IDDA III).

Article 9.4 (d) of the Constitution stipulates that the Board shall request members to furnish information on their activities related to the work of the Organization. In decision [IDB.1/Dec.29](#), Member States were requested to inform the Board of their activities related to the work of the Organization when reviewing the annual report. Due to the reduction of the number of sessions of the Board in non-General Conference years (decision [IDB.39/Dec.7\(f\)](#)) and following the practice established in 2013, the annual report will be presented through the Programme and Budget Committee to the Board.

Member States may therefore wish to include information on their activities as they relate to the work of UNIDO in the statements delivered by their representatives to the Committee under this item.

The Committee will have before it:

- *Annual Report of UNIDO 2024* ([PBC.41/2-IDB.53/2](#))
- Appendices to the *Annual Report of UNIDO 2024* ([PBC.41/2/Add.1-IDB.53/2/Add.1](#))

Item 4. Report of the External Auditor for 2024

Financial regulations 11.9 and 11.10 stipulate that the reports of the External Auditor, together with the audited financial statements, shall be completed not later than 20 April and shall be transmitted through the Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the

Board, which shall forward them to the Conference with such comments as it deems appropriate.

In its conclusion 1987/19, paragraph (j), the Committee requested the Director General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources. Starting in 2011, the financial performance report, i.e. the financial statements compliant with International Public Sector Accounting Standards (IPSAS), has been included in the External Auditor's report.

The report of the External Auditor will also include information on the implementation of recommendations included in the report of the External Auditor for 2023 (PBC.40/4-IDB.52/4).

The Independent Oversight Advisory Committee, in line with its terms of reference (Board decision IDB.48/Dec.5, annex, paragraph 2 (f)), will provide its comments on the report of the External Auditor to this session.

The Committee will have before it:

- Report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2024 (PBC.41/3-IDB.53/3)
- Annexes to the report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2024 (unaudited) (PBC.41/CRP.2)
- Comments on the Report of the External Auditor. Note by the UNIDO Independent Oversight Advisory Committee (PBC.41/CRP.3)

Item 5. Financial situation of UNIDO, including unutilized balances of appropriations

The report by the Director General to the Industrial Development Board at its fifty-second session and the update thereto (IDB.52/5 and IDB.52/CRP.3) covered a wide range of issues within the context of the financial situation of UNIDO. That information will be updated in a document submitted to the present session.

Through decision GC.20/Dec.15, paragraph (h), the Conference requested the Director General to report on the state of financing and implementation of the programme and budgets, 2024–2025 to the Programme and Budget Committee, the Industrial Development Board and the General Conference of UNIDO. The Conference further requested the Director General to report to the next two sessions of the Programme and Budget Committee on efficiencies and savings between sessions, with the understanding that the search for efficiencies and savings must be a continuous management process, without hampering the core functions of the Organization.

The Committee will thus have before it:

- Financial situation of UNIDO. Report by the Director General (PBC.41/4-IDB.53/4)
- Status of assessed contributions. Note by the Secretariat (PBC.41/CRP.4)

Item 6. Report by the informal working group on Programme and Budget Committee-related issues

Through decision IDB.45/Dec.7, paragraph (d), the Board established an informal working group, without cost implications, to address Programme and Budget Committee-related issues of the Organization.

In its decision IDB.46/Dec.8, paragraph (b), the Board extended the mandate of the informal working group until it is decided by the Board to conclude its deliberations, and requested its Co-Chairs to continue reporting annually to the Board through the Programme and Budget Committee.

The General Conference, through decision [GC.20/Dec.15](#), encouraged further efforts in consultation with Member States within the informal working group on Programme and Budget Committee-related issues to improve results-based structure, management and reporting at the project, programme and corporate levels.

Furthermore, through decision [IDB.52/Dec.2](#), paragraph (b) (i), the Board requested the Director General to hold consultations with Member States, within the informal working group on Programme and Budget Committee-related issues, regarding UNIDO's organizational vision and strategy, and the new medium-term programme framework.

The Committee will therefore have before it:

- Report by the informal working group on Programme and Budget Committee-related issues. Report by the Co-Chairs ([PBC.41/5-IDB.53/5](#))
- Update on the report by the informal working group on Programme and Budget Committee-related issues. Report by the Co-Chairs ([PBC.41/CRP.5](#))

Item 7. Programme and budgets, 2026–2027

In accordance with Articles 14.1 and 14.2 of the Constitution, the Director General shall prepare and submit to the Board through the Committee a draft programme of work for the following fiscal period, together with the corresponding estimates for those activities to be financed from the regular budget. The Director General shall, at the same time, submit proposals and financial estimates for those activities to be financed from voluntary contributions to the Organization. The Committee shall consider the proposals of the Director General and submit to the Board its recommendations on the proposed programme of work and corresponding estimates for the regular budget and the operational budget. Such recommendations of the Committee shall require a two-thirds majority of the members present and voting. At its twenty-first session, the General Conference will need to consider and approve the programme and budgets, 2026–2027.

The Committee will have before it:

- Programme and budgets, 2026–2027. Proposals by the Director General ([PBC.41/6-IDB.53/6](#))

Item 8. Scale of assessments for apportionment of the regular budget expenses for the biennium 2026–2027

At its twenty-first session, the General Conference will need to establish a scale of assessments for the fiscal period 2026–2027. In accordance with Article 10.4 (b) of the Constitution, the Committee shall prepare the draft scale of assessments for regular budget expenditures, for submission to the Board. Through decision [GC.20/Dec.11](#), the twentieth session of the Conference decided, based on the provisions of Article 15.2 of the Constitution of UNIDO, that future scales of assessments shall be drafted and calculated using the same minimum rates and the same maximum rates as approved by the United Nations General Assembly at its most recent session, all rates being adjusted to take into account the difference in membership between the two organizations in order to derive a UNIDO scale of 100 per cent. The Committee will be provided with the latest information concerning the United Nations scale of assessments applicable for the years 2026 and 2027, and any adjustments that might be required for UNIDO.

The Committee will thus have before it:

- Scale of assessments for the fiscal period 2026–2027. Note by the Secretariat ([PBC.41/7-IDB.53/7](#))

Item 9. Working Capital Fund for the biennium 2026–2027

In accordance with financial regulation 5.4 paragraph (a), the Committee should recommend to the Board the amount and purposes of the Working Capital Fund for the biennium 2026–2027. At its twentieth session, the General Conference decided that the level of the Working Capital Fund for the biennium 2024–2025 should remain at €7,423,030 and that the authorized purposes of the Fund for the biennium 2024–2025 should remain the same as for the biennium 2022–2023, i.e. as stipulated in decision [GC.2/Dec.27](#), paragraph (b).

The Committee will have before it:

- Working Capital Fund for the biennium 2026–2027. Proposals by the Director General ([PBC.41/8-IDB.53/8](#))

Item 10. Budget implementation flexibility (vertical and horizontal)

The twentieth session of the General Conference considered a proposal of the Director General on budget implementation flexibility for the biennium 2024–2025.

With [GC.20/Dec.14](#), the General Conference took an interim decision for the biennium 2024–2025, to allow the Director General to increase expenditure on technical cooperation to promote inclusive and sustainable industrial development up to €60 million of the operational budget commensurate with the actual income received. In accordance with the decision, the Director General shall inform in writing the General Conference through the Programme and Budget Committee and the Industrial Development Board, at the session following such action, of the details and reasons for these increased expenditures. Accordingly, the Director General will report on the application of budget implementation flexibility to the forty-first session of the Committee.

Through decision [IDB.52/Dec.4](#), paragraph (b), the Board requested Member States to continue negotiating through the forty-first session of the Programme and Budget Committee and the fifty-third session of the Industrial Development Board, to allow the Director General, on a time-bound basis for a period to be agreed upon, 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.

In addition, Member States will be invited to consider a proposal of the Director General on budget implementation flexibility for the biennium 2026–2027.

The Committee will thus have before it:

- Budget implementation flexibility. Report by the Director General ([PBC.41/9-IDB.53/9](#))

Item 11. Medium-term programme framework, 2026–2029

In paragraphs (e) and (f) of decision [GC.15/Dec.17](#), the Conference at its fifteenth session requested the Director General to submit from 2015 onwards, on a quadrennial basis, to the Board in the second year of the biennium, through the Programme and Budget Committee, a draft MTPF for four years, taking into account the Lima Declaration: Towards inclusive and sustainable industrial development ([GC.15/Res.1](#)), and the recommendations of the latest comprehensive policy review of operational activities for development.

At its forty-ninth session, the Board took note of document [IDB.49/8](#) on the proposal by the Director General on the medium-term programme framework, 2022–2025.

Further to a consultation process with Member States including, among others, an online survey and engagement through the informal working group on Programme and Budget Committee-related issues as requested by the Board through decision

[IDB.52/Dec.2](#), a proposal by the Director General for the medium-term programme framework 2026–2029, including the future service offer of UNIDO, will be submitted to the Board, through the Committee.

The Committee will thus have before it:

- Medium-term programme framework, 2026–2029: Building future-ready industries for development. Proposal by the Director General ([PBC.41/10-IDB.53/10](#))
- Medium-term programme framework, 2026–2029: Results of the Member States survey. Note by the Secretariat ([PBC.41/CRP.8](#))

Item 12. Mobilization of financial resources

At its twenty-fifth session, the Board adopted decision [IDB.25/Dec.5](#) on funds mobilization for integrated programmes. In paragraph (i), the Board, inter alia, requested the Director General to maintain a continuous dialogue with Member States to actively sustain the common resource mobilization efforts.

The *Annual Report of UNIDO 2024* provides information on mobilization of financial resources for that year.

The Committee will have before it:

- Funding performance. *Annual Report of UNIDO 2024* ([PBC.41/2-IDB.53/2](#))
- Projects approved under the Industrial Development Fund, thematic and individual trust funds, and other voluntary contributions in 2024 ([PBC.41/CRP.6](#))

Item 13. General risk management

In line with conclusion [2016/8](#) of the thirty-second session of the Committee, UNIDO continues to strengthen its enterprise risk management framework and advance information security governance as essential components of its strategic operations. Further to the latest documents on this matter ([IDB.52/9-PBC.40/9](#) and [IDB.52/33](#)), a report will be presented highlighting several key initiatives, including refining the Organization's risk taxonomy to align with strategic priorities, establishing a robust governance structure to support risk management processes and enhancing information security governance to safeguard digital assets effectively. These efforts aim to improve risk identification and mitigation, support informed decision-making and ensure UNIDO's resilience and alignment with its strategic objectives.

The Committee will thus have before it:

- General risk management. Report by the Director General ([PBC.41/11-IDB.53/11](#))

Item 14. Appointment of the External Auditor

In accordance with financial regulation 11.1, an External Auditor, who shall be the Auditor General (or an officer exercising an equivalent function) of a Member State, shall be appointed in the manner and for the period decided by the General Conference. At its twentieth session, the General Conference decided to appoint the Undersecretary at the Accountability State Authority of Egypt as the External Auditor for UNIDO for a period of two years, beginning on 1 July 2024 to 30 June 2026, under the terms of reference specified in the financial regulations of UNIDO ([GC.20/Dec.8](#)).

In decision [GC.6/Dec.18](#), the Conference requested the Director General to invite proposals from Member States for the appointment of an External Auditor and to submit such proposals to the Committee for consideration. A report will be issued to the Committee concerning proposals received.

The Committee will have before it:

- Candidates for the appointment of an External Auditor. Report by the Director General ([PBC.41/12-IDB.53/12](#))
- Candidates for the appointment of an External Auditor. Note by the Secretariat ([PBC.41/CRP.7](#))

Item 15. Updated medium-term investment proposals

In line with paragraph (l) of decision [IDB.43/Dec.6](#), a medium-term investment plan should be updated annually. Proposals updating the medium-term investment plan presented in document [PBC.40/10-IDB.52/10](#) will therefore be presented to the Committee.

The Committee will thus have before it:

- Medium-term investment proposals, 2025–2026. Report by the Director General ([PBC.41/13-IDB.53/13](#))

Item 16. Third Industrial Development Decade for Africa (IDDA III)

United Nations General Assembly resolution [70/293](#) on the Third Industrial Development Decade for Africa, 2016–2025 (IDDA III) mandated UNIDO, as one of the lead Organizations, to develop, operationalize and spearhead the implementation of IDDA III as well as enhance technical assistance and efforts towards resource mobilization for African countries specifically for this purpose.

In its resolution [GC.18/Res.6](#), the General Conference requested the Director General to report regularly to the policymaking organs on the tangible progress in terms of concrete implementation and impact at national levels, as well as the feedback from development partners, with a view to sustaining momentum for resource mobilization and supporting data collection.

A report by the Director General was considered by the fifty-second session of the Industrial Development Board ([IDB.52/11](#)), building on the information contained in [IDB.51/15](#), and in conjunction with the information on IDDA III initiatives contained in the *Annual Report of UNIDO 2023* and the United Nations General Assembly's note by the Secretary-General on IDDA III ([A/78/258](#)).

The Committee will have before it:

- Report on the Third Industrial Development Decade for Africa (IDDA III). Report by the Director General ([PBC.41/14-IDB.53/14](#))

Item 17. United Nations development system reform

In June 2017, the Secretary-General launched his first report on repositioning the United Nations development system (UNDS), and a second report was issued in December 2017. On 31 May 2018, the General Assembly adopted resolution [72/279](#) on the repositioning of UNDS.

In its decision [IDB.46/Dec.12](#), the Board requested the Director General to regularly report on UNDS reform-related matters to the Programme and Budget Committee, the Industrial Development Board and the General Conference of UNIDO.

The Committee will have before it:

- United Nations development system reform. Report by the Director General ([PBC.41/15-IDB.53/15](#))

Item 18. Date of the forty-second session

The following dates have been reserved for the policymaking organs of UNIDO in 2025 and 2026:

30 June–3 July 2025 Vienna	Industrial Development Board, fifty-third session
23–27 November 2025 Riyadh	General Conference, twenty-first session
22–23 June 2026 (<i>tentative</i>) Vienna	Programme and Budget Committee, forty-second session
23–25 November 2026 (<i>tentative</i>) Vienna	Industrial Development Board, fifty-fourth session

Item 19. Adoption of the report
