



## **Industrial Development Board**

### **Forty-eighth session**

Vienna, 23–25 November 2020

Agenda item 4

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

## **Report of the Programme and Budget Committee on the work of its thirty-sixth session (29–30 September 2020)**

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## Introduction

1. The Programme and Budget Committee held its thirty-sixth session at UNIDO Headquarters, Vienna International Centre, on 29 and 30 September 2020. The session took place in a hybrid format, involving both in-person attendance and participation online via the Interprefy conferencing platform. All 27 Members of the Committee participated in the session: Algeria, Austria, Brazil, China, Cuba, Finland, Germany, Hungary, Indonesia, Iran (Islamic Republic of), Italy, Japan, Kenya, Kyrgyzstan, Malta, Mexico, Morocco, Philippines, Poland, Russian Federation, South Africa, Spain, Sudan, Switzerland, Tunisia, Turkey, and Venezuela (Bolivarian Republic of).

2. The following 61 Members of UNIDO also attended the session: Afghanistan, Albania, Angola, Argentina, Azerbaijan, Bangladesh, Belarus, Bolivia (Plurinational State of), Burkina Faso, Chile, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Cyprus, Czechia, Democratic People's Republic of Korea, Dominican Republic, Ecuador, Egypt, Ethiopia, India, Iraq, Ireland, Israel, Jordan, Kuwait, Lebanon, Libya, Madagascar, Malaysia, Monaco, Mongolia, Montenegro, Myanmar, Namibia, Nepal, Netherlands, Nicaragua, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Qatar, Republic of Korea, Romania, Saudi Arabia, Senegal, Somalia, State of Palestine, Sweden, Syrian Arab Republic, Tajikistan, Thailand, United Arab Emirates, Uruguay, Viet Nam, and Yemen.

3. The following United Nations bodies were represented: Food and Agriculture Organization of the United Nations (FAO), International Atomic Energy Agency (IAEA), and UN-Habitat.

4. The following organizations were represented: Asian-African Legal Consultative Organization (AALCO), Arab Union for Cement and Building Materials (AUCBM), European Investment Bank (EIB), European Union (EU), Gulf Cooperation Council, International Centre for Genetic Engineering and Biotechnology (ICGEB), International Criminal Police Organization (INTERPOL), League of Arab States (LAS), OPEC Fund for International Development (OFID), and Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS).

5. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation H.E. Mr. J. A. Marcondes De Carvalho (Brazil) as Chair; H.E. Mr. E. Farhane (Morocco), H.E. Ms. D. Krois (Poland), and H.E. Mr. W. A. Bruelhart (Switzerland) as Vice-Chairs; and Ms. B. Nurlan (Kyrgyzstan) as Rapporteur.

6. The agenda for the thirty-sixth session as adopted by the Committee is contained in document PBC.36/1/Rev.1. Following the adoption of the agenda, the Director General made an introductory statement that was duly taken into account by the Committee in the consideration of the relevant agenda items.

7. 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.

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

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

<i>Conclusion</i>	<i>Subject</i>	<i>Page</i>
2020/2	Financial situation of UNIDO	
2020/3	Mobilization of financial resources	
2020/4	Date of the thirty-seventh session	

## I. Organizational and procedural matters

10. On 29 September, the Committee considered a proposal by the Chair to optimize the utilization of available conference-servicing resources and adopted the following conclusion:

### **Conclusion 2020/1 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 thirty-sixth session only, provided no substantive decisions were taken at those meetings.

11. The Committee decided to set up informal, in-session consultations with the aim of facilitating the drafting of conclusions and entrusted the Vice-Chair H.E. Ms. D. Krois (Poland) to chair those consultations.

## II. Report of the External Auditor for 2019 (item 4)

12. On 29 September, 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 2019 (PBC.36/3 and CRP.2) and a note by the Audit Advisory Committee providing comments on the report of the External Auditor (PBC.36/CRP.3).

13. On 30 September, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 4.

## III. Annual Report of the Director General for 2019 (item 3)

14. On 29 September, the Committee considered the *Annual Report of UNIDO 2019* (PBC.36/2).

15. On 30 September, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 3.

## IV. Managing for results: Update on the implementation of the medium-term programme framework, 2018–2021 (item 3 (a))

16. On 29 September, the Committee considered a report by the Director General on Managing for Results: Update on the implementation of the medium-term programme framework, 2018–2021 (PBC.36/5 and CRP.7).

17. On 30 September, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 3 (a).

## V. UNIDO's response to the COVID-19 pandemic (item 11)

18. On 29 September, the Committee considered a report by the Director General on UNIDO's response to the COVID-19 pandemic (PBC.36/11).

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

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

20. On 29 and 30 September, the Committee considered a report by the Director General on the financial situation of UNIDO ([PBC.36/4](#)) and a note by the Secretariat on the status of assessed contributions (PBC.36/CRP.4).

21. On 30 September, after consideration of a draft conclusion on the financial situation of UNIDO, submitted by the Chairperson (PBC.36/L.2), the Committee adopted the following conclusion:

### **Conclusion 2020/2**

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 [PBC.36/4](#);
- (b) Urges those Member States and former Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years’ arrears, to do so without delay;
- (c) Requests the Director General to pursue his efforts and contacts with Member States and former Member States to effect the collection of arrears and to report on the results of his efforts.”

## **VII. United Nations Development System reform (item 10)**

22. On 30 September, the Committee considered a report by the Director General on the United Nations Development System reform ([PBC.36/10](#) and CRP.8).

23. On 30 September, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 10.

## **VIII. Report by the informal working group on Programme and Budget Committee-related issues (item 6)**

24. On 30 September, the Committee considered the report of the Co-Chairs of the informal working group on Programme and Budget Committee-related issues ([PBC.36/6](#) and CRP.5).

25. On 30 September, at the suggestion of the Chair, the Committee took note of the information provided in document [PBC.36/6](#).

## **IX. Mobilization of financial resources (item 7)**

26. On 30 September, the Committee considered a report by the Director General on the mobilization of financial resources ([PBC.36/7](#)) and a note by the Secretariat on projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2019 (PBC.36/CRP.6).

27. On 30 September, after consideration of a draft conclusion on the mobilization of financial resources, submitted by the Chair (PBC.36/L.3), the Committee adopted the following conclusion:

### **Conclusion 2020/3**

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.48/7-PBC.36/7](#);

(b) Decides to delegate to the Director General the authority to approve projects for financing, previously selected by UNIDO and the donor, under the Industrial Development Fund in 2020 and 2021 in accordance with the priorities defined in the medium-term programme framework 2018–2021 ([IDB.45/8](#) and [GC.17/6](#));

(c) Encourages Member States and other donors to increase their voluntary contributions to UNIDO including for the recently created Partnership Trust Fund as well as the Special Account of Voluntary Contributions for Core Activities (SAVCCA) and the Major Capital Investment Fund (MCIF);

(d) Also encourages all donors 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 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 donors, 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.”

## **X. Updated medium-term investment proposals (item 8)**

28. On 30 September, the Committee considered a report by the Director General on the updated medium-term investment proposals ([PBC.36/8](#)).

29. On 30 September, at the suggestion of the Chairperson, the Committee took note of the information provided by the Director General on item 8.

## **XI. Third Industrial Development Decade for Africa (IDDA III) (item 9)**

30. On 30 September, the Committee considered a report by the Director General on the Third Industrial Development Decade for Africa (IDDA III) ([PBC.36/9](#)).

31. On 30 September, at the suggestion of the Chair, the Committee took note of the information provided by the Director General on item 9.

## **XII. Date of the thirty-seventh session (item 12)**

32. On 30 September, the Committee took note of the entry contained in the annotated agenda ([PBC.36/1/Add.1/Rev.1](#)) on the dates reserved for the policymaking organs of UNIDO in 2020 and 2021.

33. On 30 September, after consideration of a draft conclusion on the date of the thirty-seventh session, submitted by the Chair (PBC.36/L.4), the Committee adopted the following conclusion:

### **Conclusion 2020/4**

The Programme and Budget Committee decided to hold its thirty-seventh session from 26 to 28 May 2021.

## **XIII. Adoption of the report (item 13) and closure of the thirty-sixth session**

34. On 30 September, the Committee adopted the draft report on the work of its thirty-sixth session (PBC.36/L.1) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

35. The Committee closed its thirty-sixth session at 12.40 p.m. on 30 September 2020.

## Annex

## List of documents submitted to the thirty-sixth session

<i>Symbol</i>	<i>Agenda item</i>	<i>Title</i>
PBC.36/1/Rev.1	2	Provisional agenda
PBC.36/1/Add.1/Rev.1	2	Annotated provisional agenda
PBC.36/2	3	Annual Report of UNIDO 2019
PBC.36/3	4	Report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2019
PBC.36/4	5	Financial situation of UNIDO. Report by the Director General
PBC.36/5	3(a)	Managing for Results: Update on the implementation of the medium-term programme framework, 2018–2021. Report by the Director General
PBC.36/6	6	Report by the informal working group on Programme and Budget Committee-related issues. Report of the Co-Chairs
PBC.36/7	7	Mobilization of financial resources. Report by the Director General
PBC.36/8	8	Medium-term investment proposals, 2020–2023. Report by the Director General
PBC.36/9	9	Report on the Third Industrial Development Decade for Africa (IDDA III). Report by the Director General
PBC.36/10	10	United Nations Development System reform. Report by the Director General
PBC.36/11	11	UNIDO's response to the COVID-19 pandemic. Report by the Director General
<b>Conference room papers</b>		
PBC.36/CRP.1	2	List of documents
PBC.36/CRP.2	4	Annexes to the report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2019 (unaudited). Prepared by the Secretariat
PBC.36/CRP.3	4	Comments on the Report of the External Auditor. Note by the Audit Advisory Committee
PBC.36/CRP.4	5	Status of assessed contributions. Note by the Secretariat
PBC.36/CRP.5	6	Update on the report by the informal working group on Programme and Budget Committee-related issues. Report by the Co-Chairs
PBC.36/CRP.6	7	Projects approved under the Industrial Development Fund, thematic and individual trust funds, and other voluntary contributions in 2019
PBC.36/CRP.7	3(a)	Managing for Results: Update on the implementation of the medium-term programme framework, 2018–2021. Report by the Director General
PBC.36/CRP.8	10	Update: United Nations Development System reform. Note by the Secretariat