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## **Programme and Budget Committee**

### **Thirty-seventh session**

Vienna, 26–28 May 2021

Item 6 of the provisional agenda

### **Report by the informal working group on**

### **Programme and Budget Committee-related issues**

## **Report by the informal working group on Programme and Budget Committee-related issues**

### **Report by the Co-chairs**

Further to the report by the Co-chairs of the informal working group on Programme and Budget Committee-related issues contained in document [IDB.48/6](#), the present document provides an update on the meetings of the informal working group on Programme and Budget Committee-related issues (IWG) since the forty-eighth session of the Industrial Development Board, held from 23 to 25 November 2020.

## **I. Overview of meetings: dates and topics**

1. Since 9 October 2020, the IWG held one substantive meeting as follows:
  - (a) 31 March 2021, on the Programme and Budgets, 2022–2023, including the Working Capital Fund.
2. In March 2021, the IWG announced Mr. Henryk Czubek, Counsellor and UNIDO Team Leader, Permanent Mission of the Republic of Poland to the United Nations Office and the International Organizations in Vienna, as a new Co-chair of the IWG, who shares this responsibility with the already acting Co-chair of the IWG, Mr. Mohammad Reza Ghaebi, Deputy Permanent Representative, Permanent Mission of the Islamic Republic of Iran to the International Organizations in Vienna.

For reasons of economy, this document has not been printed. Delegates are kindly requested to bring their copies of documents to meetings.



## **II. Meeting on the Programme and Budgets, 2022–2023, including the Working Capital Fund**

3. The Secretariat presented the IWG with a summary of the most salient points emanating from the recent informal consultations with regional groups on the proposed Programme and Budgets, 2022–2023. Emphasis was placed on the alignment with the medium-term programme framework, 2022–2025 and the integrated results performance framework; the total financial requirements included in the proposal; proposed increases by major object of expenditure and anticipated decreases; the income forecast for the period 2022–2023; and staffing levels.

4. Concerning the Working Capital Fund, which the IWG is mandated to address as per decisions GC.18/Dec.12 (d) – IDB.47/Dec.4 (d) and GC.18/Dec.13 (h) – IDB.47/Dec.5 (g), the Secretariat presented the historical levels of the fund alongside the average gap in biennial collections of assessed contributions. The current level of the fund, as well as two scenarios offering varying degrees of flexibility based on increasing the level of the fund, were presented.

5. Additional measures to firstly provide flexibility in the implementation of the regular budget by amending Financial Regulation 4.3. of UNIDO, and to secondly compensate for the 2022–2023 budget increase by renouncing shares of unutilized balances of appropriations, were also presented.

6. In the ensuing discussion, members of the IWG noted their appreciation for the preparation of the Programme and Budgets, 2022–2023 according to results-based budgeting principles. Members of the IWG encouraged the Independent Oversight Advisory Committee to advise the Secretariat where relevant, in line with its mandate and further asked the Secretariat to exercise restraint in budgetary increases, considering the negative impact of the COVID-19 pandemic on Member States' current financial situation.

7. Members of the IWG furthermore requested additional information from the Secretariat on savings through increased efficiencies; the financial impact of staffing changes and the potential for additional downgrades; a cost breakdown for the IT infrastructure upgrades and alternative means to fund the increase; direct service cost costing tables and future terms of application for full cost recovery; and the impact of GC.18/Dec.13 on Working Capital Fund withdrawal and the methodology used to calculate the presented increases in the fund and contingency reserve.

8. With the agreement of the Co-chairs, the IWG decided to focus its next meetings in the run-up to the thirty-seventh session of the Programme and Budget Committee on elaborating a draft decision on the Programme and Budgets, 2022–2023.

## **III. Action required of the Committee**

9. The Committee may wish to take note of the information contained in the present document.

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