

**Agenda Item 4. Report of the Programme and Budget Committee**

Madam President,

My delegation takes note of the report of the PBC reflected in document IDB.44/8 and the decisions recommended by the Committee to the Board for adoption.

Regarding **agenda item 4 (a)**, my delegation recalls conclusion 2016/3 on report of the External Auditor and reiterating the need for an effective independent Office of Internal Oversight and Ethics, urges the Secretariat in such a way that the monitoring and evaluation feeds into reviewing, improving, upscaling and ensuring sustainability of the main activities of UNIDO, including technical assistance.

With regard to **agenda item 4 (b)**, we take note of document IDB.44/9 following conclusion 2016/2 of the PBC regarding the establishment of an Audit Advisory Committee by the 44<sup>th</sup> IDB, and understand that an important milestone of this important process was agreed Terms of Reference (ToRs). The consultations on draft ToRs were inclusive and result-oriented. We support the endorsement of ToRs of the Committee that would not only enhance links among the Member States, the management and the Internal and External Audits but also strengthen UNIDO's fiduciary standards and help in meeting the requirements of UNIDO's international and development partners.

As for **agenda item 4 (c)**, we note with concern the financial situation of UNIDO as contained in IDB.44/4. The decline in collection rate of 2016 assessed contributions (32.6%) compared to those of 2015 (40.8%) and 2014 (36.8%) rates with increase in the outstanding assessed contributions are negative trends that call for immediate attention. We expect that the financial situation since March 2016 has improved.

With respect to **agenda item 4 (d)**, Pakistan takes note of IDB.44/5 and appreciates Director General's efforts for mobilisation of financial resources through development of targeted funds. We would welcome projects in Pakistan funded by, in particular, trust funds on food security, trade-capacity building and renewable energy.

Regarding **agenda item 4 (e)**, my delegation takes note of IDB.44/11 and welcomes the plan to establish a task force to monitor the financial and administrative impact

of Member States leaving the Organisation. The Secretariat may share the updates on the progress achieved with Member States as part of the Enhanced Dialogue.

Thank you Madam President