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Item 7 of the provisional agenda

REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD ON THE WORK OF ITS TWENTY-FIRST SESSION

(23-25 June 1999)

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For reasons of economy, this document has been printed in a limited number. Delegates are kindly requested to bring their copies of documents to meetings.

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Introduction

1. The report of the Industrial Development Board on the work of its twenty-first session is presented to the General Conference in accordance with Article 9.4 (c) of the Constitution. The summary records of the Board (IDB.21/SR.1-4), where details of the proceedings are contained, form an integral part of the present report.

2. The following decisions of the Board, reproduced in annex I, are related to the work of the General Conference at its eighth session:

- IDB.21/Dec.2 Programme and budgets, 2000-2001
- IDB.21/Dec.3 Scale of assessments for Member States
- IDB.21/Dec.4 Working Capital Fund
- IDB.21/Dec.5 Industrial Development Fund and other voluntary contributions
- IDB.21/Dec.6 Financial situation of UNIDO
- IDB.21/Dec.7 Appointment of an external auditor
- IDB.21/Dec.8 Implications of the euro for UNIDO
- IDB.21/Dec.9 Implementation of the Business Plan in Latin America and the Caribbean
- IDB.21/Dec.10 Financing the integrated technical cooperation programmes in developing countries
- IDB.21/Dec.11 Personnel matters
- IDB.21/Dec.12 Administrative matters, including UNIDO Staff Pension Committee
- IDB.21/Dec.15 Preparations for the eighth session of the General Conference

3. The twenty-first session of the Board was held at UNIDO Headquarters, Vienna International Centre, from 23 to 25 June 1999 (four plenary meetings—see IDB.21/SR.1-4).

I. ORGANIZATIONAL AND PROCEDURAL MATTERS

Participation

4. The following 52 of the 53 members of the Board were represented at the session: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Cape Verde, China, Colombia, Côte d'Ivoire, Cuba, Denmark, Ecuador, Egypt, France, Germany, Ghana, Greece, Hungary, India, Indonesia, Iran (Islamic Republic of), Italy, Japan, Kenya, Kuwait, Lesotho, Luxembourg, Madagascar, Mexico, Morocco, Nigeria, Norway, Pakistan, Peru, Poland, Portugal, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Sierra Leone, Spain, Sudan, Switzerland, Syrian Arab Republic, Thailand, Tunisia,

Turkey, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland and Uruguay.

5. The following 47 Member States of UNIDO also participated in the session: Angola, Armenia, Azerbaijan, Belarus, Bolivia, Burkina Faso, Chile, Costa Rica, Croatia, Cyprus, Czech Republic, Democratic People's Republic of Korea, Ethiopia, Finland, Gabon, Gambia, Georgia, Guatemala, Guinea-Bissau, Iraq, Ireland, Israel, Jordan, Kazakhstan, Kyrgyzstan, Lebanon, Libyan Arab Jamahiriya, Malaysia, Malta, Mozambique, Namibia, Netherlands, New Zealand, Oman, Panama, Philippines, Slovakia, Slovenia, Sri Lanka, Sweden, The former Yugoslav Republic of Macedonia, Ukraine, Uzbekistan, Venezuela, Viet Nam, Yemen and Zimbabwe.

6. The Holy See participated as observer.

7. The permanent observer of Palestine also participated.

8. The following United Nations bodies were represented: United Nations Development Programme and United Nations Office at Vienna.

9. The following United Nations specialized agencies were represented: Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, United Nations Educational, Scientific and Cultural Organization and World Health Organization.

10. The following other intergovernmental organizations were represented: Arab Maghreb Union, European Commission, Gulf Organization for Industrial Consulting, International Centre for Genetic Engineering and Biotechnology, International Institute of Refrigeration, International Organization for Migration, League of Arab States and Organisation Internationale de la Francophonie.

11. The following non-governmental organizations were represented: Institut Supérieur de Gestion, International Alliance of Women, International Confederation of Free Trade Unions, Ordinox, Organization of Islamic Capitals and Cities and World Association for Small and Medium Enterprises.

Opening of the session

12. The twenty-first session of the Industrial Development Board was declared open by the President of the nineteenth and twentieth sessions, Mr. F. Pittaluga Fonseca (Uruguay).

Officers of the session

13. In accordance with rule 23 of its rules of procedure, the Board elected by acclamation Mr. M. Reguieg (Algeria) as President; Mr. R. Nazarahari (Islamic Republic of Iran), Mr. Y. Yakis (Turkey) and Mr. A. Fabijanski (Poland) as Vice-Presidents; and Ms. P. Klein Ballesteros (Colombia) as Rapporteur.

Agenda for the session

14. The Board adopted the following agenda:

1. Election of officers.
2. Adoption of the agenda.
3. Annual report of the Director-General for 1998 on the activities of the Organization.
4. Report of the Programme and Budget Committee:
 - (a) Interim financial performance report and programme performance report for the biennium 1998-1999;
 - (b) Programme and budgets, 2000-2001;
 - (c) Medium-term programme framework, 2000-2003;
 - (d) Scale of assessments for apportionment of the regular budget expenses;
 - (e) Working Capital Fund for the biennium 2000-2001;
 - (f) Industrial Development Fund and other voluntary contributions;
 - (g) Financial situation of UNIDO;
 - (h) Cost-sharing issues with VIC-based organizations;
 - (i) Proposals for the appointment of an external auditor;
 - (j) Implications of the euro for UNIDO.
5. Programmatic review, including system-wide issues.
6. Financing of the integrated technical cooperation programmes in developing countries.

7. Field representation.
8. Performance indicators and evaluation.
9. Administrative matters.
10. Matters related to intergovernmental, non-governmental, governmental and other organizations.
11. Preparations for the eighth session of the General Conference.
12. Provisional agenda and date of the twenty-second session.
13. Adoption of the report.
15. The Board adopted a proposal by the President to ensure the maximum utilization of available conference-servicing resources (see annex I, decision IDB.21/Dec.1; IDB.21/SR.1, paras. 22-23).
16. The Board decided to set up informal, in-session consultations with the aim of facilitating the drafting of decisions and entrusted Mr. Y. Yakis (Turkey), Vice-President, to chair those consultations (see IDB.21/SR.2, paras. 1 to 5).

II. ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1998 ON THE ACTIVITIES OF THE ORGANIZATION

17. The Board had before it the Annual Report of UNIDO, 1998, including programme performance report (IDB.21/10, IDB.21/11 and IDB.21/12).

III. REPORT OF THE PROGRAMME AND BUDGET COMMITTEE; PROGRAMMATIC REVIEW, INCLUDING SYSTEM-WIDE ISSUES; FINANCING OF THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES

18. The Board decided to discuss simultaneously item 4 (and its sub-items (a)-(j)) (Report of the Programme and Budget Committee), item 5 (Programmatic review, including system-wide issues) and item 6 (Financing of the integrated technical cooperation programmes in developing countries). The debate on the three agenda items is reflected in summary records IDB.21/SR.1, paragraphs 24 to 74, IDB.21/SR.2, paragraphs 8 to 122 and IDB.21/SR.3, paragraphs 1 to 76.

A. Report of the Programme and Budget Committee

19. The Board had before it the report of the Programme and Budget Committee on the work of its fifteenth session (IDB.21/14) and of the resumed fifteenth session (IDB.21/14/Add.1).

(i) Interim financial performance report and programme performance report for the biennium 1998-1999

20. The Board had before it an interim financial performance report for the biennium 1998-1999 submitted by the Director-General (IDB.21/9), the programme performance report: operational statistics and other appendices (IDB.21/11) and list of technical cooperation projects (IDB.21/12). At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.21/SR.4, paras. 6-7).

(ii) Programme and budgets, 2000-2001

21. The Board had before it a document containing the proposals of the Director-General for the programme and budgets, 2000-2001 (IDB.21/7), a note by the Secretariat on programme and budgets, 2000-2001 (IDB.21/CRP.6) and PBC conclusion 99/4. The Board considered a draft decision submitted by the President (IDB.21/L.10) and adopted decision IDB.21/Dec.2 (see annex I). For statements made in connection with the adoption of the decision, see summary record IDB.21/SR.4, paragraphs 9 to 13.

(iii) Medium-term programme framework, 2000-2003

22. The Board had before it a document containing the proposals of the Director-General for the medium-term programme framework, 2000-2003 (IDB.21/13) and a note by the Secretariat on the development of UNIDO's project and programme portfolio (IDB.21/CRP.7). At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.21/SR.4, paras. 6-7).

(iv) Scale of assessments for apportionment of the regular budget expenses

23. The Board had before it a note by the Secretariat containing the scale of assessments for the fiscal period 2000-2001 (IDB.21/3) and PBC conclusion 99/5. The Board considered a draft decision submitted by the President (IDB.21/L.2) and adopted decision IDB.21/Dec.3 (see annex I).

(v) Working Capital Fund for the biennium 2000-2001

24. The Board had before it a document containing the proposal by the Director-General for the Working Capital Fund for the biennium 2000-2001 (IDB.21/2) and PBC conclusion 99/6. The Board considered a draft decision submitted by the President (IDB.21/L.3) and adopted decision IDB.21/Dec.4 (see annex I).

(vi) Industrial Development Fund and other voluntary contributions

25. The Board had before it a report by the Director-General on the Industrial Development Fund and other voluntary contributions (IDB.21/8) and PBC conclusion 99/7. The Board considered a draft decision submitted by the President (IDB.21/L.4) and adopted decision IDB.21/Dec.5 (see annex I).

(vii) Financial situation of UNIDO

26. The Board had before it a report by the Director-General on the financial situation of UNIDO (IDB.21/4), and a note by the Secretariat on the financial situation of UNIDO (IDB.21/CRP.1), updated in conference room paper IDB.21/CRP.5 and PBC conclusion 99/3. The Board considered a draft decision submitted by the President (IDB.21/L.5) and adopted decision IDB.21/Dec.6 (see annex I).

(viii) Cost-sharing issues with VIC-based organizations

27. The Board had before it a report by the Director-General on cost-sharing issues with VIC-based organizations (IDB.21/5). At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.21/SR.4, paras. 6-7).

(ix) Proposals for the appointment of an external auditor

28. The Board had before it a report by the Director-General on candidatures for the appointment of an external auditor (IDB.21/6), a note by the Secretariat on candidatures for the appointment of an external auditor (PBC.15/CRP.2) and PBC conclusion 99/8. The Board considered a draft decision submitted by the President (IDB.21/L.16) and adopted decision IDB.21/Dec.7 (see annex I). For statements made in connection with the adoption of the decision, see summary record IDB.21/SR.4, paragraphs 24 to 40.

(x) Implications of the euro

for UNIDO

29. The Board had before it a note by the Secretariat on implications of the euro for UNIDO (IDB.21/29). The Board considered a draft decision submitted by the President (IDB.21/L.14) and adopted, with an amendment, decision IDB.21/Dec.8 (see annex I). For statements made in connection with the adoption of the decision, see summary record IDB.21/SR.4, paragraphs 42 to 43.

B. Programmatic review, including system-wide issues

30. The Board had before it reports by the Director-General on: industrialization of the least developed countries (IDB.21/15); implementation of the Business Plan in Africa (IDB.21/18) and an addendum thereto on the Conference on Industrial Partnerships and Investment in Africa (IDB.21/18/Add.1); the Arab countries programme, including technical assistance to the Palestinian people (IDB.21/20); implementation of the Business Plan in Latin America and the Caribbean (IDB.21/21); development of human resources for industry (IDB.21/23); progress in the transformation of UNIDO (IDB.21/26 and Corr.1); and operational activities for development (IDB.21/27). The Board also had before it a conference room paper containing a note by the Secretariat on the development of UNIDO's project and programme portfolio (IDB.21/CRP.7). The debate on the agenda item is reflected in summary records IDB.21/SR.2, paragraphs 8 to 122 and IDB.21/SR.3, paragraphs 1 to 76. The Board considered a draft decision submitted by the President (IDB.21/L.13) and adopted decision IDB.21/Dec.9 (see annex I).

C. Financing of the integrated technical cooperation programmes in developing countries

31. The Board had before it a note by the Secretariat on financing the integrated technical cooperation programmes in developing countries (IDB.21/17) and a conference room paper containing a note by the Director-General on funds mobilization: the next challenge in the transformation process (IDB.21/CRP.4). The debate on item 6 is reflected in summary records IDB.21/SR.2, paragraphs 8 to 122 and IDB.21/SR.3, paragraphs 1 to 76. The Board considered a draft decision submitted by the President (IDB.21/L.11) and adopted decision IDB.21/Dec.10 (see annex I).

IV. FIELD REPRESENTATION

32. The Board had before it a report by the Director-General on field representation (IDB.21/19). The debate on item 7 is reflected in summary record IDB.21/SR.3, paragraphs 77 to 79. At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.21/SR.4, paras. 50-51).

V. PERFORMANCE INDICATORS AND EVALUATION

33. The Board had before it a note by the Secretariat on performance indicators and evaluation (IDB.21/24). At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.21/SR.4, paras. 52-53).

VI. ADMINISTRATIVE MATTERS

34. The Board had before it a report by the Director-General on personnel matters (IDB.21/16) and a conference room paper containing a note by the Secretariat on amendments to schedules and annexes to the staff regulations and to the staff rules (IDB.21/CRP.2). The debate on agenda item 9 is reflected in summary record IDB.21/SR.3, paragraphs 81 to 82. The Board considered two draft decisions submitted by the President (IDB.21/L.12; IDB.21/L.15) and adopted decisions IDB.21/Dec.11 and, with an amendment, adopted IDB.21/Dec.12 (see annex I). For statements made in connection with the adoption of the decisions, see summary record IDB.21/SR.4, paragraphs 55 to 58.

VII. MATTERS RELATED TO INTER-GOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

35. The Board had before it a note by the Director-General containing information on intergovernmental organizations (IDB.21/25) and a note by the Director-General containing applications from non-governmental organizations for consultative status (IDB.21/28 and Add.1). The Board considered two draft decisions submitted by the President (IDB.21/L.6; IDB.21/L.7) (see summary record IDB.21/SR.3, paragraphs 83 to 84) and adopted decisions IDB.21/Dec.13 and IDB.21/Dec.14 (see annex I).

VIII. PREPARATIONS FOR THE EIGHTH SESSION OF THE GENERAL CONFERENCE

36. The Board had before it a report by the Director-General on preparations for the eighth session of the General Conference (IDB.21/22). The debate on item 11 is reflected in summary records IDB.21/SR.3, paragraphs 85 to 88. The Board considered a draft decision

submitted by the President (IDB.21/L.8) and adopted decision IDB.21/Dec.15 (see annex I).

IX. PROVISIONAL AGENDA AND DATE OF THE TWENTY-SECOND SESSION

37. The Board had before it a conference room paper containing a note by the Director-General on the provisional agenda and date of the twenty-second session (IDB.21/CRP.3). The Board considered a draft decision submitted by the President (IDB.21/L.9) and, with an amendment, adopted decision IDB.21/Dec.16 (see annex I). For statements made in connection with the adoption of the decision, see summary record IDB.21/SR.4, paragraphs 66 and 67.

X. ADOPTION OF THE REPORT

38. The Board considered the draft report (IDB.21/L.1) and adopted it as a whole with the understanding that the Rapporteur would be entrusted with the task of finalizing the report (see summary record IDB.21/SR.4, paras. 70-72).

XI. SUSPENSION OF THE TWENTY-FIRST SESSION

39. On 25 June 1999, at 5.10 p.m., the Board suspended its twenty-first session until 29 November 1999 (see decision IDB.21/Dec.8).

Annex I

DECISIONS ADOPTED BY THE BOARD AT ITS TWENTY-FIRST SESSION

<i>Decision No.</i>	<i>Title</i>	<i>Page</i>
IDB.21/Dec.1	Utilization of available conference-servicing resources (IDB.21/SR.1, paras. 22-23)	9
IDB.21/Dec.2	Programme and budgets, 2000-2001 (IDB.21/SR.4, paras. 8-14)	9
IDB.21/Dec.3	Scale of assessments for Member States (IDB.21/SR.4, paras. 15-16)	10
IDB.21/Dec.4	Working Capital Fund (IDB.21/SR.4, paras. 17-18)	10
IDB.21/Dec.5	Industrial Development Fund and other voluntary contributions (IDB.21/SR.4, paras. 19-20)	11
IDB.21/Dec.6	Financial situation of UNIDO (IDB.21/SR.4, paras. 21-22)	11
IDB.21/Dec.7	Appointment of an external auditor (IDB.21/SR.4, paras. 23-40)	11
IDB.21/Dec.8	Implications of the euro for UNIDO (IDB.21/SR.4, paras. 41-45)	12
IDB.21/Dec.9	Implementation of the Business Plan in Latin America and the Caribbean (IDB.21/SR.4, paras. 46-47)	12
IDB.21/Dec.10	Financing the integrated technical cooperation programmes in developing countries (IDB.21/SR.4, paras. 48-49)	13
IDB.21/Dec.11	Personnel matters (IDB.21/SR.4, paras. 50-51)	13
IDB.21/Dec.12	Administrative matters, including UNIDO Staff Pension Committee (IDB.21/SR.4, paras. 54-62)	13
IDB.21/Dec.13	Applications from non-governmental organizations for consultative status (IDB.21/SR.3, paras. 83-84)	13
IDB.21/Dec.14	Relationship agreements with intergovernmental organizations (IDB.21/SR.3, paras. 83-84)	14
IDB.21/Dec.15	Preparations for the eighth session of the General Conference (IDB.21/SR.4, paras. 63-64)	14
IDB.21/Dec.16	Provisional agenda and date of the twenty-second session (IDB.21/SR.4, paras. 65-69)	15

**IDB.21/Dec.1 UTILIZATION OF AVAILABLE
CONFERENCE-SERVICING
RESOURCES**

The Industrial Development Board, with the aim of utilizing the available conference-servicing resources to the maximum possible effect, decided to suspend with immediate effect rule 32 of its rules of procedure relating to the quorum, for the meetings of its twenty-first session only and provided no substantive decisions were taken at those meetings.

*1st plenary meeting
23 June 1999*

**IDB.21/Dec.2 PROGRAMME AND BUDGETS,
2000-2001**

The Industrial Development Board:

(a) Adopted for submission to the General Conference for consideration and approval the programme and budgets for 2000-2001 as contained in documents IDB.21/7 and IDB.21/CRP.6;

(b) Recommended to the General Conference the approval on the basis of an exchange rate of

US\$ 1 = AS 12.90 of appropriations in the amount of \$167,735,800 for the regular budget of the Organization in 2000-2001 as reflected in the table below;

(c) Also recommended to the General Conference that the foregoing appropriations of \$167,735,800 at an exchange rate of US\$ 1= AS 12.90 be financed from:

(i) Payments by Member States under the provisions of financial regulation 5.5(e), amounting to \$132,909,600 (\$23,983,400 plus the equivalent in United States dollars of AS 1,405,147,980) in accordance with decisions to be adopted by the General Conference at its eighth session concerning the scale of assessments;

(ii) Miscellaneous and other income of \$1,448,500;

(d) Further recommended to the General Conference the approval of estimates of net expenditure totalling \$28,256,300 at an exchange rate of US\$ 1 = AS 12.90 for the purpose of the operational budget for the biennium 2000-2001 to be financed by voluntary contributions and such other income as might be provided for in the financial regulations.

	(In US dollars)		
	Appropriations	Estimated income	Net requirements
Governing Bodies	5,678,800		5,678,800
General Management	10,927,600		10,927,600
Strengthening of Industrial Capacities	40,654,600		40,654,600
Cleaner and Sustainable Industrial Development	17,133,600		17,133,600
Regional Programme	26,966,100	1,015,200	25,950,900
Administration	25,392,000		25,392,000
Buildings Management	40,983,100	32,362,500	8,620,600
Miscellaneous Income		1,448,500	(1,448,500)
Total	167,735,800	34,826,200	132,909,600

Note: The amounts presented in the table are to be adjusted in accordance with the adjustment formula presented at the end of the present decision to take account of exchange rate variations during the biennium.

Adjustment formula

	US dollars	Austrian schillings
Appropriations		
A. Governing Bodies	233,700 +	(70,242,000 /R)
B. General Management	1,564,300 +	(120,787,000 /R)
C. Strengthening of Industrial Capacities	4,212,800 +	(470,099,600 /R)
D. Cleaner and Sustainable Industrial Development	1,507,800 +	(201,572,400 /R)
E. Regional Programme	15,762,400 +	(144,527,700 /R)
F. Administration	2,722,700 +	(292,433,930 /R)
G. Buildings Management	<u>849,900 +</u>	(517,717,750 /R)
Subtotal appropriations	26,853,600 +	(1,817,380,380 /R)
Estimated income		
E. Regional Programme	1,015,200 +	(/R)
G. Buildings Management	670,600 +	(408,825,510 /R)
Miscellaneous	<u>1,184,400 +</u>	(<u>3,406,890 /R</u>)
Subtotal estimated income	2,870,200 +	(412,232,400 /R)
TOTAL NET REQUIREMENTS	23,983,400 +	(1,405,147,980 /R)

Note 1: The net requirements shown above assume a ratio of 18 per cent in US dollars and 82 per cent in Austrian schillings at an exchange rate of US\$ 1 = AS 12.90.

Note 2: R represents the average United Nations exchange rate for Austrian schillings to US dollars which will be experienced during 2000-2001.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.3 SCALE OF ASSESSMENTS FOR MEMBER STATES

The Industrial Development Board:

(a) Took note of document IDB.21/3;

(b) Recommended to the General Conference the establishment of a scale of assessments for the fiscal period 2000-2001 based on General Assembly resolution 52/215, adjusted to the membership of UNIDO as contained in the annex to document IDB.21/3, on the understanding that new Members shall be assessed for the year in which they become Members on the basis of the United Nations scale of assessments, as applicable to UNIDO;

(c) Urged Member States to pay their assessed contributions for the 2000-2001 biennium in accordance with financial regulation 5.5(b).

*4th plenary meeting
25 June 1999*

IDB.21/Dec.4 WORKING CAPITAL FUND

The Industrial Development Board:

(a) Took note of document IDB.21/2;

(b) Also took note with satisfaction that, despite financial difficulties, the Director-General had replenished the Working Capital Fund to its established level;

(c) Recommended to the General Conference that the level of the Working Capital Fund and the authorized purposes of the Fund for the 2000-2001 biennium remain the same as for the 1998-1999 biennium;

(d) Urged Member States in arrears to pay their outstanding assessed contributions as soon as possible to minimize the need to withdraw sums to meet shortfalls in the payment of assessed contributions.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.5 INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS

The Industrial Development Board:

- (a) Took note of the information contained in document IDB.21/8;
- (b) Welcomed the initiative of the Director-General to identify innovative modalities for the mobilization of extrabudgetary resources;
- (c) Requested the Director-General to attach high priority to activities of the UNIDO Secretariat aimed at mobilizing extrabudgetary resources for high-priority projects;
- (d) Decided to delegate to the Director-General the authority to approve projects for financing under the Industrial Development Fund in 2000 and 2001 in accordance with the information contained in that document;
- (e) Encouraged Member States and other donors to contribute to and/or increase their voluntary contributions to UNIDO, and specifically to the Industrial Development Fund;
- (f) Also encouraged donors to contribute programmable funds, specifically to enable UNIDO to implement the new approach as called for in the Business Plan, based on the service modules and integrated programmes referred to in chapter II of document IDB.21/8;
- (g) Further encouraged Member States to cooperate with UNIDO also in respect of bilateral sources of funds at the country level, especially for co-funding the integrated programmes;
- (h) Encouraged Governments of recipient countries to work more closely with UNIDO in mobilizing funds for jointly-identified high-priority projects from sources available to them;
- (i) Expressed its appreciation for the efforts of those recipient Governments that are sharing in the cost of UNIDO activities and called on Governments of other countries to consider doing likewise.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.6 FINANCIAL SITUATION OF UNIDO

The Industrial Development Board:

- (a) Took note of the report on the financial situation of UNIDO (IDB.21/4), and updated in document IDB.21/CRP.5;
- (b) Recommended to the General Conference the adoption of the following draft decision:
 - “The General Conference, notwithstanding financial regulation 5.2(b), authorizes the Director-General to distribute the interest income earned in excess of the budgetary estimates for 1999, if any, to eligible Member States in accordance with the incentive mechanism (S curve) described in paragraphs 9 to 13 of document IDB.21/4, or to utilize those funds for purposes specified by the above-mentioned Member States”;
- (c) Urged those 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;
- (d) Requested the Director-General to pursue his efforts and contacts with Member States to effect the collection of arrears and to include information thereon in his report to the sixteenth session of the Programme and Budget Committee.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.7 APPOINTMENT OF AN EXTERNAL AUDITOR

The Industrial Development Board recommended that the General Conference approve an extension of the present appointment of the President of the Federal Court of Audit of Germany as the External Auditor of UNIDO for a period of two years, from 1 July 2000 to 30 June 2002, under the terms of reference specified in the Financial Regulations of UNIDO.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.8 IMPLICATIONS OF THE EURO FOR UNIDO

The Industrial Development Board:

(a) Bore in mind the replacement of the Austrian schilling by the euro in accordance with Article 3 of European Union regulation 974/98;

(b) Took note of documents IDB.21/29 and IDB.21/14/Add.1;

(c) Requested the Director-General to prepare, before 15 September 1999, a report examining budgetary, operational and financial aspects of the adoption of a single-currency system of assessment based on the euro, for the fiscal period 2002-2003 and in future bienniums;

(d) Decided to enlarge the mandate of the intersessional working group on proposed amendments to the financial regulations established by the Programme and Budget Committee in conclusion 96/12 to discuss all aspects of the issue referred to in paragraph (c) above, including the report of the Director-General;

(e) Requested the open-ended intersessional working group to submit its conclusions to a resumed twenty-first session of the Industrial Development Board, to be convened on 29 November 1999 in the evening, for further submission to the eighth session of the General Conference, with a view to taking appropriate action and a decision.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.9 IMPLEMENTATION OF THE BUSINESS PLAN IN LATIN AMERICA AND THE CARIBBEAN

The Industrial Development Board:

(a) Recalled General Conference resolution GC.7/Res.9 on measures to support the industrial development process in Latin America and the Caribbean within the framework of the Business Plan;

(b) Recognized the specific characteristics, needs and priorities of the Latin American and Caribbean States with regard to industrial development;

(c) Took note with satisfaction of the information contained in document IDB.21/21 on the formulation of integrated programmes for Latin America and the Caribbean;

(d) Recognized also the importance of continuing efforts to implement the different services comprised within UNIDO's new programmatic approach through the development of integrated programmes;

(e) Recalled the Business Plan on the Future Role and Functions of UNIDO, and particularly its regional priorities;

(f) Encouraged the Director-General:

(i) To continue his efforts aimed at ensuring ongoing dialogue between the Governments of the Latin American and Caribbean countries and the Secretariat with a view to identifying and implementing integrated programmes for the benefit of the countries of the region;

(ii) To intensify his discussions with the donor community and continue exploring alternative means of mobilizing the necessary financial resources to enable UNIDO to deliver its services in Latin America and the Caribbean;

(iii) To continue to support the role of the Regional Forum on Industrial Policy in view of its importance in providing an opportunity for the Latin American and Caribbean countries to discuss their industrial development priorities within the framework of UNIDO's functions as a global forum for the promotion of industrial development;

(iv) To present to the General Conference at its eighth session an updated report on measures relating to activities connected with the implementation of the new programmatic approach in the region.

*4th plenary meeting
25 June 1999*

**IDB.21/Dec.10 FINANCING THE INTEGRATED
TECHNICAL COOPERATION
PROGRAMMES IN DEVE-
LOPING COUNTRIES**

The Industrial Development Board:

- (a) Recalled the Preamble and Article 1 of the Constitution of UNIDO;
- (b) Recalled further resolution GC.7/Res.1;
- (c) Took note of document IDB.21/17;
- (d) Requested the Director-General to submit a report to the Industrial Development Board at its next session suggesting ways and means of generating funds for the Organization for the purpose of implementing technical cooperation programmes, including the revitalization of the Industrial Development Fund.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.11 PERSONNEL MATTERS

The Industrial Development Board:

- (a) Took note of the report by the Director-General on personnel matters (IDB.21/16);
- (b) Appreciated the assurance given by the Director-General that a number of corrective measures are being initiated to address the low representation of women in the Secretariat at the decision-making level;
- (c) Referred to paragraph 5, Article 11 of the UNIDO Constitution regarding recruitment of staff in the Secretariat;
- (d) Requested the Director-General to take fully into consideration the above constitutional stipulations for future recruitments in the UNIDO Secretariat at all levels, especially for Professional-level posts;
- (e) Looked forward to seeing concrete results on the above points and requested the Director-General to submit a report on the implementation of this decision at the next session of the Industrial Development Board.

*4th plenary meeting
25 June 1999*

**IDB.21/Dec.12 ADMINISTRATIVE MATTERS,
INCLUDING UNIDO STAFF
PENSION COMMITTEE**

The Industrial Development Board:

- (a) Took note of the information contained in documents IDB.21/16 and IDB.21/CRP.2;
- (b) Noted the amendments made in pursuance of staff regulation 13.3 to schedules I and III and annexes I and II to the staff regulations in order to bring them into conformity with the decisions of the General Assembly set out in resolution 53/209;
- (c) Also noted the amendments to appendices A, C, E and F to the staff rules as well as to staff rules 104.02, 204.01, 208.02 and 103.12;
- (d) In accordance with General Conference decision GC.7/Dec.20 (b), elected:

Member: Mr. Enno Drofenik Austria

Alternate member: Ms. Caroline Ziadé Lebanon

to fill the vacant posts of the UNIDO Staff Pension Committee for the remainder of the term ending December 1999;

- (e) Recommended to the General Conference the following candidates for the election of two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 2000-2001:

Members: Mr. Enno Drofenik Austria
Ms. Caroline Ziadé Lebanon

Alternate members: Mr. José Jorge Alcazar Almeida Brazil
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*4th plenary meeting
25 June 1999*

**IDB.21/Dec.13 APPLICATIONS FROM NON-
GOVERNMENTAL ORGANIZA-
TIONS FOR CONSULTATIVE
STATUS**

The Industrial Development Board:

(a) Took note of the information provided in documents IDB.21/28 and Add.1;

(b) Decided, in accordance with Article 19.1 (b) of the Constitution and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, para. 17) to grant consultative status with UNIDO to the following eight non-governmental organizations:

- All-Russia Market Research Institute (VNIKI)
- Association "Compagnia delle Opere" (CDO)
- Association of Former United Nations Industrial Development Experts (AFIDE)
- Cairo Regional Centre for International Commercial Arbitration
- International Congress of Industrialists and Entrepreneurs (ICIE)
- Mountain Unlimited (Society for Development and International Cooperation)
- Unterstützungsverein für Gewerbliche Betriebsgründungen in Albanien (UGEBIA)
- Volunteers Association for International Service (AVSI)

*3rd plenary meeting
24 June 1999*

IDB.21/Dec.14 RELATIONSHIP AGREEMENTS WITH INTERGOVERNMENTAL ORGANIZATIONS

The Industrial Development Board:

(a) Took note of the information provided in document IDB.21/25;

(b) Authorized the Director-General, in accordance with Article 19.1 (a) of the Constitution and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, para. 9) and on the basis of the information contained in the annex to document IDB.21/25, to conclude an appropriate relationship

agreement with the following intergovernmental organization:

European Bank for Reconstruction and Development (EBRD).

*3rd plenary meeting
24 June 1999*

IDB.21/Dec.15 PREPARATIONS FOR THE EIGHTH SESSION OF THE GENERAL CONFERENCE

The Industrial Development Board:

(a) Took note of the information provided in document IDB.21/22;

(b) Adopted the following provisional agenda for the eighth session of the General Conference:

1. Opening of the session.
2. Election of officers:
 - (a) Election of the President;
 - (b) Election of other officers.
3. Adoption of the agenda.
4. Organization of work.
5. Credentials of representatives to the Conference.
6. Elections to organs:
 - (a) Industrial Development Board;
 - (b) Programme and Budget Committee.
7. Reports of the Industrial Development Board on the work of its nineteenth, twentieth and twenty-first sessions.
8. Annual reports of the Director-General on the activities of the Organization for 1997 and 1998.
9. Forum on industrial development.

10. Policy framework of UNIDO.
11. Financial matters:
 - (a) Financial situation of UNIDO, including arrears;
 - (b) Audit-related matters;
 - (c) Adjustments to the programme and budgets for the 1998-1999 biennium;
 - (d) Scale of assessments of Member States;
 - (e) Working Capital Fund;
 - (f) Appointment of external auditor;
 - (g) Implications of the euro for UNIDO.
12. Mobilization of financial resources for UNIDO programmes (including Industrial Development Fund).
13. Medium-term programme framework, 2000-2003.
14. Programme and budgets, 2000-2001.
15. Development of human resources for industry.
16. Industrialization of the least developed countries.
17. The regional dimension:
 - (a) Africa (in particular the Second Industrial Development Decade for Africa);
 - (b) Arab countries programme, including technical assistance to the Palestinian people;
 - (c) Asia and the Pacific;
 - (d) Latin America and the Caribbean;
 - (e) Europe and NIS.
18. Personnel matters, including United Nations Joint Staff Pension Fund.
19. Matters related to intergovernmental, non-governmental, governmental and other organizations.
20. Date and place of the ninth session.
21. Closure of the session.

(c) Agreed to hold a forum on industrial development within the framework of the General Conference (provisional agenda item 9);

(d) Recommended to the Conference that items 7 to 19 of the provisional agenda be allocated to a main committee of the Conference;

(e) Recommended that, in the light of experience gained in the preparation of previous sessions of the Conference, the President of the twenty-first session of the Industrial Development Board conduct informal consultations for the preparation of the eighth session of the Conference.

*4th plenary meeting
25 June 1999*

IDB.21/Dec.16 PROVISIONAL AGENDA AND DATE OF THE TWENTY-SECOND SESSION

The Industrial Development Board:

(a) Took note of the information contained in document IDB.21/CRP.3;

(b) Decided to adopt the following provisional agenda for its twenty-second session:

1. Election of officers.
2. Adoption of the agenda.
3. Annual report of the Director-General on the activities of the Organization in 1999.
4. Financing the integrated technical cooperation programmes in developing countries.
5. Financial situation of UNIDO.
6. Administrative matters.
7. Provisional agenda and date of the twenty-third session.

(c) Decided to hold its twenty-second session from 30 to 31 May 2000.

*4th plenary meeting
25 June 1999*

Annex II

DOCUMENTS SUBMITTED TO THE BOARD AT ITS TWENTY-FIRST SESSION
(23-25 June 1999)

<i>Symbol</i>	<i>Agenda item</i>	<i>Title</i>
IDB.21/1	2	Provisional agenda
IDB.21/1/Add.1	2	Annotated provisional agenda
IDB.21/2- PBC.15/2	4(e)	Working Capital Fund for the biennium 2000-2001. Proposals by the Director-General
IDB.21/3- PBC.15/3	4(d)	Scale of assessments for apportionment of the regular budget expenses. Scale of assessments for the fiscal period 2000-2001. Note by the Secretariat
IDB.21/4- PBC.15/4	4(g)	Financial situation of UNIDO. Report by the Director-General
IDB.21/5- PBC.15/5	4(h)	Cost-sharing issues with VIC-based organizations. Report by the Director-General
IDB.21/6- PBC.15/6	4(i)	Proposals for the appointment of an External Auditor. Candidatures for the appointment of an External Auditor. Report by the Director-General
IDB.21/7- PBC.15/7	4(b)	Programme and budgets, 2000-2001. Proposals of the Director-General
IDB.21/8- PBC.15/8	4(f)	Industrial Development Fund and other voluntary contributions. Report by the Director-General
IDB.21/9- PBC.15/9	4(a)	Interim financial performance report and programme performance report for the biennium 1998-1999. Interim financial performance report for the biennium 1998-1999. Submitted by the Director-General
IDB.21/10- PBC.15/10	3	Annual Report of UNIDO 1998
IDB.21/11- PBC.15/11	3	Annual Report of UNIDO 1998. Programme performance report. Operational statistics and other appendices
IDB.21/12- PBC.15/12	3	Annual Report of UNIDO 1998. Programme performance report. List of technical cooperation projects
IDB.21/13- PBC.15/13	4(c)	Medium-term programme framework, 2000-2003. Proposals of the Director-General
IDB.21/14	4	Report of the Programme and Budget Committee on the work of its fifteenth session (14-16 April 1999)
IDB.21/14/Add.1	4	Report of the Programme and Budget Committee on the work of its resumed fifteenth session (23 June 1999)
IDB.21/15- GC.8/5	5	Programmatic review, including system-wide issues. Industrialization of the least developed countries. Report by the Director-General

<i>Symbol</i>	<i>Agenda item</i>	<i>Title</i>
IDB.21/16	9	Administrative matters. Personnel matters. Report by the Director-General
IDB.21/17	6	Financing of the integrated technical cooperation programmes in developing countries. Note by the Secretariat
IDB.21/18-GC.8/6	5	Programmatic review, including system-wide issues. Implementation of the Business Plan in Africa. Report by the Director-General
IDB.21/18/Add.1 GC.8/6/Add.1	5	Programmatic review, including system-wide issues. Implementation of the Business Plan in Africa. Conference on Industrial Partnerships and Investment in Africa. Report by the Director-General
IDB.21/19	7	Field representation. Report by the Director-General
IDB.21/20-GC.8/7	5	Programmatic review, including system-wide issues. Arab countries programme, including technical assistance to the Palestinian people. Report by the Director-General
IDB.21/21-GC.8/8	5	Programmatic review, including system-wide issues. Implementation of the Business Plan in Latin America and the Caribbean. Report by the Director-General
IDB.21/22	11	Preparations for the eighth session of the General Conference. Report by the Director-General
IDB.21/23-GC.8/9	5	Programmatic review, including system-wide issues. Development of human resources for industry. Report by the Director-General
IDB.21/24	8	Performance indicators and evaluation. Note by the Secretariat
IDB.21/25	10	Matters related to intergovernmental, non-governmental, governmental and other organizations. Information on intergovernmental organizations. Note by the Director-General
IDB.21/26-GC.8/10 and Corr.1	5	Programmatic review, including system-wide issues. Progress in the transformation of UNIDO. Report by the Director-General
IDB.21/27	5	Programmatic review, including system-wide issues. Operational activities for development. Report by the Director-General
IDB.21/28 and Add.1	10	Matters related to intergovernmental, non-governmental, governmental and other organizations. Applications from non-governmental organizations for consultative status. Note by the Director-General
IDB.21/29-PBC.15/15	4(j)	Implications of the euro for UNIDO. Note by the Secretariat
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IDB.21/CRP.1-PBC.15/CRP.4	4(g)	Financial situation of UNIDO. Note by the Secretariat
IDB.21/CRP.2	9	Amendments to schedules and annexes to the staff regulations and to the staff rules. Note by the Secretariat

<i>Symbol</i>	<i>Agenda item</i>	<i>Title</i>
IDB.21/CRP.3	12	Provisional agenda and date of the twenty-second session. Note by the Director-General
IDB.21/CRP.4	6	Funds mobilization: the next challenge in the transformation process. Note by the Director-General
IDB.21/CRP.5	4(g)	Financial situation of UNIDO. Note by the Secretariat
IDB.21/CRP.6	4(b)	Programme and budgets, 2000-2001. Note by the Secretariat
IDB.21/CRP.7	4(c); 5	Medium-term programme framework, 2000-2003. The development of UNIDO's project and programme portfolio. Note by the Secretariat
IDB.21/CRP.8	2	List of documents
IDB.21/CRP.9	-	List of participants
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PBC.15/CRP.2	4(i)	Candidatures for the appointment of an External Auditor. Note by the Secretariat
