Introductory note

1. The decisions and resolutions adopted by the General Conference at its seventh regular session (1997) are reproduced in the present document.

2. The table of contents, for ease of reference, lists a serial number by which each decision or resolution may be cited, the title of each decision and resolution, the pertinent background document(s), a reference to the summary record of the plenary meeting at which the decision or resolution was adopted and the relevant agenda item. Decisions and resolutions are, as far as possible, set out in the order of the agenda.

3. The present document should be read in conjunction with the summary records of the General Conference, where details of the proceedings are provided.
## DECISIONS*

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<td>Election of the Vice-Presidents (GC.7/SR.1, paras. 51-52; GC.7/SR.3, paras. 1-3)</td>
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<td>GC.7/Dec.5</td>
<td>Organization of work (GC.7/SR.2, paras. 3-6)</td>
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<td>GC.7/Dec.6</td>
<td>Appointment of the Credentials Committee (GC.7/SR.2, paras. 7-10); GC.7/SR.3, paras. 71-73)</td>
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<td>GC.7/Dec.8</td>
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* All decisions were adopted by consensus. Discussions related to the adoption of the decisions are reflected in the summary records cited in the present contents.
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<td>GC.7/Res.3</td>
<td>Development of human resources for industry (GC.7/10; GC.7/L.1; GC.7/SR.7, paras. 38-39)</td>
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<td>GC.7/Res.4</td>
<td>Industrialization of the least developed countries (GC.7/9 and Add.1; GC.7/L.1; GC.7/SR.7, paras. 44-45)</td>
<td>18</td>
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<td>Africa (in particular the Second Industrial Development Decade for Africa)</td>
<td>21 (a)</td>
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<td>(GC.7/16, GC.7/18; GC.7/L.1; GC.7/SR.7, paras. 50-51)</td>
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<td>GC.7/Res.6</td>
<td>Industrial development cooperation: Second Industrial Development Decade for Africa</td>
<td>21 (a)</td>
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<td>(GC.7/L.1/Add.1; GC.7/SR.7, paras. 52-53)</td>
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<td>GC.7/Res.7</td>
<td>Arab countries programme for industrial development, including technical assistance to the Palestinian people (GC.7/13; GC.7/L.1/Add.1; GC.7/SR.7, paras. 54-55)</td>
<td>21 (b)</td>
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<td>GC.7/Res.8</td>
<td>Special programme for the industrial development of Asia and the Pacific</td>
<td>21 (c)</td>
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<td>Latin America and the Caribbean (GC.7/14; GC.7/L.1; GC.7/SR.7, paras. 58-59)</td>
<td>21 (d)</td>
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<td>Cooperation with non-governmental organizations (GC.7/19; GC.7/CRP.4; GC.7/L.1/Add.1; GC.7/SR.7, paras. 64-65)</td>
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<td>15</td>
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<td>GC.7/Res.11</td>
<td>Field representation (GC.7/L.1; GC.7/SR.7, paras. 66-67)</td>
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<td>26</td>
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* All resolutions were adopted by consensus. Discussions related to the adoption of the resolutions are reflected in the summary records cited in the present contents.
AGENDA OF THE SEVENTH REGULAR SESSION

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 fifteenth, sixteenth, seventeenth and eighteenth regular sessions and of its seventh special session.
9. Policy framework of UNIDO.
10. Financial matters:
    (a) Financial situation of UNIDO;
    (b) Scale of assessments of Member States;
    (c) Working Capital Fund;
    (d) Appointment of external auditor;
    (e) Withdrawal of the United States of America.
11. Industrial Development Fund.
12. Financial Regulations of UNIDO.
15. Development of human resources for industry.
16. Integration of women in industrial development.
17. Environmentally sustainable industrial development.
18. Industrialization of the least developed countries.
19. Private sector development.
20. Industrial investment promotion.
21. 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.
24. Matters related to intergovernmental, non-governmental, governmental and other organizations.
25. Field representation.
27. Appointment of the Director-General.
28. Date and place of the eighth session.
29. Closure of the session.
DECISIONS

GC.7/Dec.1 INCLUSION OF MEMBER STATES IN THE LISTS OF STATES OF ANNEX I TO THE CONSTITUTION

The General Conference decided to include Georgia and Slovenia in List D of Annex I to the Constitution.

1st plenary meeting
1 December 1997

GC.7/Dec.2 ELECTION OF THE PRESIDENT

The General Conference elected by acclamation Mr. Hans Förster (Netherlands) President of the Conference at its seventh session.

1st plenary meeting
1 December 1997

GC.7/Dec.3 ELECTION OF THE VICE-PRESIDENTS

The General Conference elected the following Vice-Presidents of the Conference at its seventh session: Mr. A. Menasra (Algeria), Mr. J. Kohout (Czech Republic), Mr. J. Abu (Ghana), Mr. S. Hobéica (Lebanon), Mr. A. Niculescu (Romania), Mr. C. Poolokasingham (Sri Lanka), Mr. U. Breiter (Switzerland), Mr. J. Herrera Oneto y Viana (Uruguay) and Mr. D. Boersner (Venezuela).

1st and 2nd plenary meetings
1 December 1997

GC.7/Dec.4 ADOPTION OF THE AGENDA OF THE SEVENTH SESSION OF THE GENERAL CONFERENCE

The General Conference adopted the agenda of its seventh session as contained in document GC.7/1/Rev.1.

2nd plenary meeting
1 December 1997

GC.7/Dec.5 ORGANIZATION OF WORK

The General Conference:

(a) Decided to cover agenda items 7 to 26 in the plenary in the form of a general debate;

(b) Also decided to establish, in accordance with rule 44 of its rules of procedure, one Main Committee, under the chairmanship of Mr. B. N. Chalise (Nepal), on which each Member participating in the Conference might be represented;

(c) Further decided to allocate agenda items 7 to 26 to the Main Committee for a more focused debate aimed at the preparation of consensus draft decisions and resolutions for submission to the plenary, and requested the Chairman of the Main Committee, in accordance with decision GC.3/Dec.11, to submit a written report to the Conference on the work of the Committee on 4 December 1997.

2nd plenary meeting
1 December 1997

GC.7/Dec.6 APPOINTMENT OF THE CREDENTIALS COMMITTEE

The General Conference appointed the following Members to serve on the Credentials Committee: Argentina, Bhutan, China, Côte d’Ivoire, Norway, Paraguay, Russian Federation, Turkey and Zambia.

2nd and 3rd plenary meetings
1 and 2 December 1997

GC.7/Dec.7 CREDENTIALS OF THE REPRESENTATIVES OF THE SEVENTH SESSION OF THE GENERAL CONFERENCE

The General Conference approved the report of the Credentials Committee on the credentials of representatives to the seventh session of the General Conference as reflected in summary record GC.7/SR.7, paragraphs 1 to 5.

7th plenary meeting
4 December 1997

GC.7/Dec.8 ELECTION OF TWENTY-SEVEN MEMBERS TO THE INDUSTRIAL DEVELOPMENT BOARD

The General Conference, in pursuance of Article 9.1 of the Constitution, elected the following twenty-seven members to the Industrial Development Board to hold office until the close of the ninth regular session of the Conference in 2001:

(a) Eighteen members from States in Lists A and C of Annex I to the Constitution: Algeria, Argentina, Côte d’Ivoire, Cuba, Ecuador, Egypt, India, Iran (Islamic Republic of), Kuwait, Lesotho, Madagascar, Mexico, Nigeria, Saudi Arabia, Sudan, Syrian Arab Republic, Thailand, Uruguay;

(b) Seven members from States in List B of Annex I to the Constitution: Austria, Luxembourg, Norway, Portugal, Spain, Switzerland, Turkey;
(c) Two members from States in List D of Annex I to the Constitution: Poland, Russian Federation.

7th plenary meeting
4 December 1997


GC.7/Dec.9 ELECTION OF MEMBERS OF THE PROGRAMME AND BUDGET COMMITTEE

The General Conference, in pursuance of Article 10.1 of the Constitution, elected the following twenty-seven members of the Programme and Budget Committee to hold office until the close of the eighth regular session of the Conference in 1999:

(a) Fifteen members from States in Lists A and C of Annex I to the Constitution: Argentina, Brazil, China, Côte d’Ivoire, Ecuador, Egypt, Iran (Islamic Republic of), Mexico, Nigeria, Pakistan, Rwanda, Saudi Arabia, Sri Lanka, Sudan, Tunisia;

(b) Nine members from States in List B of Annex I to the Constitution: Denmark, France, Germany, Italy, Japan, Netherlands, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland;

(c) Three members from States in List D of Annex I to the Constitution: Poland, Russian Federation, Slovakia.

7th plenary meeting
4 December 1997

* Twenty-six States whose term of office expires at the close of the eighth regular session of the General Conference, in 1999 (see decision GC.6/Dec.8 of 8 December 1995).


GC.7/Dec.10 FINANCIAL SITUATION OF UNIDO

The General Conference:

(a) Took note of document GC.7/20;

(b) Noted that, despite considerable efforts made by the Secretariat, the collection rate of assessed contributions was continuing to deteriorate, with the total amount of arrears as of 30 November 1997 at the equivalent of $104.9 million;

(c) Urged those Member States that had not yet paid their assessed contributions to the regular budget, including advances to the Working Capital Fund, from the 1986-1987 to 1996-1997 bienniums, to take the necessary steps to ensure that their contributions were paid promptly and in full;

(d) Noted with concern the very irregular payment pattern by Member States and the consequences that might have on the Organization’s ability to meet its commitments;

(e) Requested the intercessional open-ended discussion group on timely payment of assessed contributions to present concrete recommendations in that regard to the Board at its nineteenth session;

(f) Requested the Director-General to start implementing the measures as adopted by the Board and to report to the General Conference at its eighth session on the relevant recommendations for adoption.

7th plenary meeting
4 December 1997

GC.7/Dec.11 SCALE OF ASSESSMENTS OF MEMBER STATES

The General Conference decided to establish a scale of assessments for the regular budget expenditures of UNIDO for the fiscal period 1998-1999, based on the annex to document IDB.18/13, which was based on the scale currently employed by the United Nations as established by the United Nations General Assembly in resolution 49/19 B, adjusted to the membership of UNIDO.

8th plenary meeting
5 December 1997

GC.7/Dec.12 WORKING CAPITAL FUND

The General Conference:

(a) Took note of decision IDB.18/Dec.8;

(b) Decided that, due to changes in membership, the level of the Working Capital Fund for the 1998-1999 biennium should be $6,610,000 and that the authorized
purposes of the Fund for the 1998-1999 biennium should remain the same as for the 1996-1997 biennium, i.e. as stipulated in decision GC.2/Dec.27, paragraph (b);

(c) Urged Member States to pay their outstanding assessed contributions as soon as possible to permit replenishment of the Working Capital Fund.

GC.7/Dec.14 FINANCIAL REGULATIONS OF UNIDO

The General Conference:

(a) Took note of decision IDB.18/Dec.7 of the Industrial Development Board;

(b) Decided to amend financial regulations 3.4(a), 5.1(d), 5.2(b), 10.1(b), 10.2(a) and 10.2(c), as set out in the texts contained in the annex to the present decision.

Annex

<table>
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<th>Regulation</th>
<th>Text prior to amendment</th>
<th>Text as amended</th>
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</thead>
<tbody>
<tr>
<td>3.4(a)</td>
<td>The regular budget shall be divided into programmes and subprogrammes for expenditure as well as into sections for income. It shall also be presented by major objects of expenditure. It shall be accompanied by such information annexes and explanatory statements as may be requested by the General Conference (hereinafter referred to as the “Conference”), the Board or the Programme and Budget Committee, as well as such annexes as the Director-General may deem necessary or useful. The regular budget also shall be accompanied by a statement on the main changes in comparison with the previous biennium.</td>
<td>3.4(a) The regular budget shall be divided into major programmes, programmes and subprogrammes for expenditure as well as into sections for income. It shall also be presented by major objects of expenditure. It shall be accompanied by such information annexes and explanatory statements as may be requested by the General Conference (hereinafter referred to as the “Conference”), the Board or the Programme and Budget Committee as well as such annexes as the Director-General may deem necessary or useful. The regular budget also shall be accompanied by a statement on the main changes in comparison with the previous biennium.</td>
</tr>
<tr>
<td>5.1(d)</td>
<td>Each assessment shall be established in a component in United States dollars and the remainder in Austrian schillings in direct proportion to the respective shares of regular budget expenditures determined by the Conference, upon recommendation of the Director-General, to be linked to these two currencies. The initial assessment in Austrian schillings shall be established at the United Nations accounting rate of exchange in effect at the time the regular budget is adopted by the Conference.</td>
<td>5.1(d) Each assessment shall be established in a component in United States dollars and the remainder in Austrian schillings in direct proportion to the respective shares of regular budget expenditures determined by the Conference, upon recommendation of the Director-General, to be linked to these two currencies.</td>
</tr>
<tr>
<td>Regulation</td>
<td>Text prior to amendment</td>
<td>Text as amended</td>
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<tr>
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</tr>
<tr>
<td>5.2(b)</td>
<td>Half of the estimated miscellaneous income to the regular budget for the fiscal period, for which credits have not previously been taken into account, and adjustments in estimated miscellaneous income previously taken into account;</td>
<td>5.2(b) Half of the estimated miscellaneous income to the regular budget for the fiscal period and credits in respect of income not previously taken into account.</td>
</tr>
<tr>
<td>10.1(b)</td>
<td>To the General Fund shall be credited:</td>
<td>10.1(b) Unchanged.</td>
</tr>
<tr>
<td>(i)</td>
<td>The contributions to the regular budget paid by members pursuant to Financial Regulation 5.1;</td>
<td>10.1(b)(i) Unchanged.</td>
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<tr>
<td>(ii)</td>
<td>Any advances made from the Working Capital Fund to finance expenditures of the regular budget;</td>
<td>10.1(b)(ii) Unchanged.</td>
</tr>
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<td>(iii)</td>
<td>Revenue derived from the Staff Assessment Plan;</td>
<td>10.1(b)(iii) Deleted.</td>
</tr>
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<td>(iv)</td>
<td>Miscellaneous income to the regular budget including income from investment of the Working Capital Fund and the General Fund, proceeds from the provision or rental of goods or services, or adjustments arising subsequent to the closing of an operational budget account such as a trust fund, special account, project, etc.</td>
<td>10.1(b)(iii) [text unchanged, re-numbered only].</td>
</tr>
<tr>
<td>10.2(a)</td>
<td>The Director-General shall establish such accounts and maintain such accounting records as are necessary.</td>
<td>10.2(a) The Director-General shall establish such accounts and maintain such accounting records as are necessary, giving due consideration to the United Nations accounting standards.</td>
</tr>
<tr>
<td>10.2(c)</td>
<td>The Director-General also shall prepare and submit:</td>
<td>10.2(c) Unchanged.</td>
</tr>
<tr>
<td>(i)</td>
<td>A statement showing the assets and liabilities of the Organization at the close of the fiscal period;</td>
<td>10.2(c)(i) A statement of income and expenditure and changes in reserves and fund balances;</td>
</tr>
<tr>
<td>(ii)</td>
<td>An analysis of the financial situation of the Organization at the close of the fiscal period;</td>
<td>10.2(c)(ii) A statement of assets, liabilities, and reserves and fund balances;</td>
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<tr>
<td>(iii)</td>
<td>Such other information as may be appropriate.</td>
<td>10.2(c)(iii) A statement of cash flow;</td>
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<td>10.2(c)(iv) A statement of appropriations by major programme;</td>
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<td></td>
<td>10.2(c)(v) An analysis of the financial situation of the Organization at the close of the fiscal period;</td>
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<td>10.2(c)(vi) Such other information as may be appropriate.</td>
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The General Conference:

(a) Recalled its decision GC.6/Dec.10 and Industrial Development Board decisions IDB.17/Dec.2 and IDB.18/Dec.5;

(b) Took note of the medium-term programme framework, 1998-2001, as contained in documents IDB.16/23 and Add.1;

(c) Stressed the importance of international industrial cooperation, keeping in mind the genuine needs of developing countries and the economic and technical problems and constraints faced by some countries, particularly least developed countries, and emphasized the implementation of special programmes to facilitate the flow of investment, related information, expertise and technologies to developing countries and, at the same time, strengthen the linkages between the global forum function and closely related technical cooperation programmes;

(d) Decided that, in view of decision IDB.17/Dec.2 concerning the Business Plan on the Future Role and Functions of UNIDO and the programme and budgets, 1998-1999, as approved by the General Conference in decision GC.7/Dec.16, the medium-term programme framework, 1998-2001, as mentioned in paragraph (b), was no longer applicable;

(e) Requested the Director-General to submit to the fifteenth session of the Programme and Budget Committee a revised medium-term programme framework, 2000-2003, as concise as possible and closely linked to the new programmatic framework of the programme and budgets;

(f) Also requested the Director-General to reflect in future programme and budget proposals the objectives formulated in the medium-term programme frameworks;

(g) Further requested the Director-General to present to the Board at its twentieth session a preview of the medium-term programme framework, 2000-2003, and a preliminary indicative general ceiling for the programme and budgets, 2000-2001.

7th plenary meeting
4 December 1997


The General Conference:

(a) Approved the programme and budgets for 1998-1999 as contained in document GC.7/21;

(b) Appropriated on the basis of an exchange rate of US$ 1 = AS 12.90 a total amount of $145,898,600 for the regular budget of the Organization in 1998-1999, as reflected in the following table:

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Estimated income</th>
<th>Net requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy-making Organs</td>
<td>6,680,000</td>
<td>6,680,000</td>
</tr>
<tr>
<td>General Management</td>
<td>10,474,000</td>
<td>10,474,000</td>
</tr>
<tr>
<td>Strengthening of Industrial Capacities</td>
<td>42,017,500</td>
<td>42,017,500</td>
</tr>
<tr>
<td>Cleaner and Sustainable Industrial Development</td>
<td>14,415,000</td>
<td>14,415,000</td>
</tr>
<tr>
<td>Regional Programme Management</td>
<td>20,343,700</td>
<td>895,500</td>
</tr>
<tr>
<td>Technical Cooperation Management</td>
<td>7,567,600</td>
<td>7,567,600</td>
</tr>
<tr>
<td>Administration</td>
<td>44,400,800</td>
<td>13,954,100</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>1,508,300</td>
<td>(1,508,300)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145,898,600</strong></td>
<td><strong>16,357,900</strong></td>
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</tbody>
</table>

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.
(c) Decided that the foregoing appropriations of $145,898,600 at an exchange rate of US$ 1 = AS 12.90 be financed from:

(i) Payments of contributions by Member States under the provisions of financial regulation 5.5(e) amounting to $129,540,700 ($23,355,500 plus the equivalent in United States dollars of AS 1,369,789.086) in accordance with decision GC.7/Dec.11 adopted by the General Conference at its current session concerning the scale of assessments;

(ii) Miscellaneous and other income of $16,357,900;

(d) Approved estimates of net expenditure totalling $27,490,200 at an exchange rate of US$ 1 = AS 12.90 for the purpose of the operational budget for the biennium 1998-1999 to be financed from voluntary contributions and such other income as might be provided for in the financial regulations;

(e) In order to provide a measure of flexibility in implementing the programme of work, allowed the Director-General to submit to the Industrial Development Board for consideration, within the limits of the approved programme and budgets and the financial regulations, proposals that he might judge beneficial for the proper functioning of the Organization;

(f) There was a generally held view in the Conference that, in light of the significant budget reductions already made, any further reductions in the 1998-1999 or future budgets would seriously impair the capacity of UNIDO to fulfil its mandate.

Adjustment formula in US dollars

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>US dollars</th>
<th>Austrian schillings</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.  Policy-making Organs</td>
<td>551,100</td>
<td>( ) 79,062,200 /R</td>
</tr>
<tr>
<td>B.  General Management</td>
<td>2,592,700</td>
<td>( ) 101,668,900 /R</td>
</tr>
<tr>
<td>C.  Strengthening of Industrial Capacities</td>
<td>4,687,400</td>
<td>( ) 481,558,180 /R</td>
</tr>
<tr>
<td>D.  Cleaner and Sustainable Industrial Development</td>
<td>1,541,900</td>
<td>( ) 166,062,840 /R</td>
</tr>
<tr>
<td>E.  Regional Programme Management</td>
<td>12,563,500</td>
<td>( ) 100,364,600 /R</td>
</tr>
<tr>
<td>F.  Technical Cooperation Management</td>
<td>658,000</td>
<td>( ) 89,133,850 /R</td>
</tr>
<tr>
<td>G.  Administration</td>
<td>2,612,500</td>
<td>( ) 539,069,436 /R</td>
</tr>
<tr>
<td>Subtotal appropriations</td>
<td>25,207,100</td>
<td>( ) 1,556,920,006 /R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E.  Regional Programme Management</td>
<td>895,500</td>
<td>( ) 0 /R</td>
</tr>
<tr>
<td>G.  Administration</td>
<td>294,000</td>
<td>( ) 176,215,120 /R</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>662,100</td>
<td>( ) 10,915,800 /R</td>
</tr>
<tr>
<td>Subtotal estimated income</td>
<td>1,851,600</td>
<td>( ) 187,130,920 /R</td>
</tr>
</tbody>
</table>

**TOTAL NET REQUIREMENTS**                     | **23,355,500** | ( ) **1,369,789,086 /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 schilling to US dollar which will be experienced during 1998-1999.

*7th plenary meeting*
*4 December 1997*
GC.7/Dec.17 PERSONNEL AND RELATED FINANCIAL IMPLICATIONS OF THE BUDGET REDUCTIONS

The General Conference:

(a) Recalled its decision GC.7/Dec.16 on the programme and budgets, 1998-1999;

(b) Took note of the recommendations of the Industrial Development Board on the personnel and related financial implications of the budget reductions for the 1998-1999 biennium (IDB.18/Dec.6);

(c) Requested the Director-General to implement the staff separation programme resulting from the 1998-1999 programme and budgets, in accordance with the policy and guiding principles described in paragraphs 5 to 11 of document PBC.13/16;

(d) With respect to the financial aspects of the staff separation programme:

(i) Urged all Member States to pay their outstanding assessed contributions without delay;

(ii) Decided to suspend financial regulations 4.2(b) and 4.2(c) with respect to the unutilized balance of appropriations for the 1994-1995 biennium, as reported in document IDB.18/4-PBC.13/4, in the amount of $13.9 million for the purpose of funding the separation indemnity reserve to meet the cost of staff separations;

(iii) Also urged Member States to provide additional cash resources for the staff separation reserve: (a) by voluntary contributions on the understanding that contributions for 1998 for the budget and staff separation reserve would not exceed 1997 assessed contribution levels; (b) by way of advances to the Organization, on the understanding that those advances would be repaid as and when the arrears of assessed contributions are paid, or deducted from future contributions;

(iv) The measures under (i), (ii) and (iii) above should be implemented jointly so as to ensure the payment on time of the costs incurred by staff separations.

GC.7/Dec.19 TERMS AND CONDITIONS OF APPOINTMENT OF THE DIRECTOR-GENERAL

The General Conference approved the contract annexed to the present decision establishing the terms and conditions of appointment of the Director-General, including the salary and emoluments attached to the office.

Annex

CONTRACT FOR APPOINTMENT OF THE DIRECTOR-GENERAL

THIS CONTRACT is made

between the United Nations Industrial Development Organization (hereinafter called the Organization) for the one part

and Carlos Alfredo Magariños (hereinafter called the Director-General) for the other part.

WHEREAS

The Director-General, upon recommendation of the Board, has been duly appointed by the Conference at the 8th plenary meeting of its seventh session held on 5 December 1997 (GC.7/Dec.18).

IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Office

The Director-General shall be appointed for a period of four years from the 8th day of December nineteen hundred ninety-seven (1997), or until the Director-General to be appointed at the ninth regular session of the General Conference assumes office, whichever is later.

2. Official Duty Station

The official duty station for the Director-General shall be Vienna, Austria.

3. Official Duties

In accordance with Article 11 of the Constitution of the Organization, the Director-General shall be the chief administrative officer of the Organization.
4. **Privileges and Immunities**

The Director-General shall enjoy all the privileges and immunities in keeping with his office as determined by the Constitution of the Organization, Article 21, and any relevant legal instruments already in force or to be concluded in the future.

5. **Staff Regulations**

The Director-General shall be subject to the Staff Regulations of the Organization, together with such amendments as may be made thereto, in so far as they are applicable to him.

6. **Assessable Salary and Allowances**

(a) The annual gross salary of the Director-General shall be US dollars one hundred and seventy-five thousand three hundred and forty-four (175,344), corresponding to an annual net base salary equivalent to US dollars one hundred and nineteen thousand seven hundred and twenty-two (119,722) (dependency rate) or US dollars one hundred and sixty thousand two hundred and fifty-five (160,255) (single rate) respectively. The gross and net base salary shall be adjusted whenever the General Assembly decides to adjust the gross and net base salary levels of staff in the Professional and higher categories;

(b) He shall receive post adjustment, allowances and benefits, including social security benefits, for which a staff member in the Professional category of the UNIDO Secretariat would be eligible under the Staff Regulations and Staff Rules of the Organization, provided the purpose of such emolument, allowance or benefit has not already been met by other provisions of the present contract;

(c) The Director-General shall receive a representation allowance of Austrian schillings three hundred and forty thousand five hundred and sixty (340,560) per annum, adjusted for the budgeted annual inflation rate, to meet his share of the obligations which the Organization incurs in the form of representation and hospitality expenditure;

(d) He shall receive a housing allowance amounting to Austrian schillings five hundred and seventy-six thousand six hundred and thirty (576,630) per annum, adjusted for the budgeted annual inflation rate;

(e) The above salary, allowances and benefits to which the Director-General is entitled under this agreement shall be subject to adjustment by the Board, after consultations with the Director-General, to keep them in line with those of the executive heads of other specialized agencies within the common system of the United Nations.

7. **Pension Arrangements**

The Director-General shall not participate in the United Nations Joint Staff Pension Fund. Instead, he shall have an amount equal to 15.8 per cent of pensionable remuneration, corresponding to the Organization’s contribution to the Pension Fund, paid as a supplement to his remuneration, in lieu of participation in the Pension Fund, in accordance with General Assembly resolution 47/203.

8. **Notice of Resignation**

The Director-General may at any time give three months’ notice of resignation in writing to the Board, which is authorized to accept his resignation on behalf of the General Conference, in which case, upon expiration of such period of notice, he shall cease to be Director-General of the Organization and this contract shall terminate.

9. **Entry into Force**

This contract shall enter into force as of the 8th day of December 1997.

SIGNED this 5th day of December 1997 at Vienna.

____________________ ____________________
(Hans Förster) (Carlos Alfredo Magariños)
President of the Conference Director-General
acting on behalf of the Organization

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**GC.7/Dec.20 PERSONNEL MATTERS: UNITED NATIONS JOINT STAFF PENSION FUND**

**The General Conference:**

(a) Decided to elect the following two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 1998-1999:

Members: Mr. S.O. Fatunla (Nigeria)
Ms. M. Bruck-Friedrich (Austria)

Alternate members: Mr. J. Pogány (Hungary)
Mr. M. Katra (Lebanon)

(b) Authorized the Industrial Development Board to proceed with the election for any of the above-mentioned posts that might become vacant before the General Conference holds its eighth session.

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**GC.7/Dec.21 DATE AND PLACE OF THE EIGHTH SESSION OF THE GENERAL CONFERENCE**

The General Conference decided that its eighth session should be held in Vienna from 29 November to 3 December 1999.
RESOLUTIONS

GC.7/Res.1 POLICY FRAMEWORK OF UNIDO

The General Conference,

Recalling its resolutions GC.5/Res.20 and GC.6/Res.1 and taking note of Industrial Development Board decision IDB.17/Dec.2,

Noting the immense global economic changes,

Driven by the desire to continue addressing the problems faced by developing countries, especially least developed countries, to surmount their industrial underdevelopment as well as the specific problems of countries undergoing transition to market economy,

Recognizing the role of industrialization in sustainable development,

Reaffirming the universal character and vocation of UNIDO,

Taking into account United Nations General Assembly resolution 52/12 on renewing the United Nations: a programme for reform,

Recognizing that the reform process has resulted in the streamlining of the Organization, enabling it to face the challenges of the twenty-first century more efficiently and effectively,

Convinced that UNIDO should be enabled to concentrate on the fulfilment of its mandate,

1. Endorses the Business Plan on the Future Role and Functions of UNIDO and notes that this has been achieved in a spirit of compromise, cooperation and goodwill and through a constructive and positive approach displayed by all Member States—developed and developing;

2. Emphasizes that the Business Plan marks a watershed in the history of the Organization, defines activities to be undertaken by the Organization in future, reinforces the continuation of UNIDO in global forum functions and in areas where UNIDO has comparative advantage, enabling it to function as a specialized agency within the United Nations system in the field of industrial development for supporting the endeavours of developing countries and those in transition to achieve sustainable development;

3. Underlines the resolve of all Member States to continue to work in a spirit of cooperation and goodwill;

4. Expresses the hope that the implementation of the reform process should not be hampered by financial uncertainties and lack of cash availability;

1 GC.7/5, annex I, IDB.17/Dec.2.

5. Urges all Member States to lend their complete support to the revitalized Organization and calls on them to fulfil their financial obligations in a timely manner in order to stabilize the financial situation of the Organization, thus enabling UNIDO to effectively carry out its mandate;

6. Stresses that, for the reform process to yield sustainable results, the Organization would require a stable environment;

7. Requests the Director-General:

(a) To implement the future programmes and activities of the Organization based on the Business Plan as well as the programme and budgets, 1998-1999, ensuring optimal and efficient utilization of resources available to the Organization;

(b) To continue, in consultation with Member States, to explore areas of further improvement in the functioning of UNIDO;

(c) To keep the Member States informed about the implementation of the Business Plan, inter alia, through a range of performance indicators;

(d) To report to the General Conference at its eighth session through the Industrial Development Board on the implementation of the present resolution.

7th plenary meeting 4 December 1997

GC.7/Res.2 WITHDRAWAL OF THE UNITED STATES OF AMERICA

The General Conference,

Recalling Industrial Development Board decision IDB.18/Dec.10,

Having considered the report of the Director-General on possible strategies for the recovery of unpaid contributions owed by the Government of the United States,

Noting that the United States, which withdrew from UNIDO on 31 December 1996, owed arrears from assessed contributions at the equivalent of $61.1 million as of 30 November 1997,

Noting with concern that those arrears remain unpaid despite repeated appeals to the Government of the United States by the Industrial Development Board, the Programme and Budget Committee and the Director-General of UNIDO,
Recalling the financial obligations contracted by States acceding to the Constitution of UNIDO and, in particular, their obligation under Article 15.1 of that document to participate in the financing of the regular budget of the Organization by the payment of contributions,

Recalling the provisions of Article 6.3, which state that the contributions to be paid by the withdrawing Member for the fiscal year following that during which the withdrawal was notified are the same as the assessed contributions for the fiscal year during which the notice was given,

1. Requests the open-ended discussion group on timely payment of assessed contributions, taking into account the difficult financial situation of UNIDO, to examine the various options contained in document IDB.18/18, as well as any other proposals coming from Member States, and to make concrete recommendations to the Industrial Development Board at its nineteenth session;

2. Also requests the Director-General to start implementing the recommendations as adopted by the Board and to report to the General Conference at its eight session on the relevant recommendations for adoption.

7th plenary meeting
4 December 1997

GC.7/Res.3 DEVELOPMENT OF HUMAN RESOURCES FOR INDUSTRY

The General Conference,

Recalling its resolution GC.6/Res.4 and Board decision IDB.17/Dec.2;

Taking note of the report of the Director-General contained in document GC.7/10,

Emphasizing the importance of the human dimension in development, in particular in industrial development projects,

Noting the increasing demand from developing countries for capacity-building in human resources development,

1. Requests the Director-General:

(a) To define more clearly the human resources development concept of UNIDO within the context of the Business Plan on the Future Role and Functions of UNIDO to ensure that such activities become an integral part of a coherent programming approach to all UNIDO services;

(b) To integrate the services of industrial training institutions into the cooperation activities undertaken with the assistance of UNIDO in developing countries in general, and in particular in Africa;

(c) To initiate and enhance programmes of South-South cooperation in the field of human resources development, with particular emphasis on specific technical, technological and managerial training;

2. Further requests the Director-General to report on the implementation of the present resolution to the General Conference at its eighth session through the Industrial Development Board.

7th plenary meeting
4 December 1997

GC.7/Res.4 INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

The General Conference,

Recalling the Paris Declaration and the Programme of Action of the Second United Nations Conference on the Least Developed Countries, as well as United Nations General Assembly resolutions 48/171 and 49/98,

Also recalling its resolution GC.6/Res.8,

Taking note of documents GC.7/9 and Add.1 on the implementation of the activities of UNIDO in the least developed countries,

Being aware of the conclusions and recommendations of the Fourth Ministerial Symposium on the Industrialization of the Least Developed Countries convened in Vienna from 26 November to 5 December 1997, as contained in the annex to the present resolution,

Further taking note of the conclusions of the High-Level Meeting on Integrated Initiatives for Least Developed Countries, Trade Development, organized by the World Trade Organization, 27 to 28 October 1997, in Geneva,

Reiterating the priority accorded to the industrialization of the least developed countries in the Business Plan on the Future Role and Functions of UNIDO, as contained in the annex to Industrial Development Board decision IDB.17/Dec.2,

Noting with concern the increasing marginalization of economies of the least developed countries within the emerging trend of globalization;

1. Calls upon Member States to support programmes that are accorded priority in the Business Plan;

2. Appeals to the international community, in particular developed countries, regional and international financial institutions and private investors, to enhance their financial and technical support to the sustainable industrial development of the least developed countries;
3. Requests the Director-General, within the context of the Business Plan:

(a) To accord priority to the industrialization of the least developed countries as part of a global strategy to achieve sustainable socio-economic development in those countries;

(b) To take appropriate measures to implement the conclusions and recommendations of the third and fourth UNIDO ministerial symposiums on the industrialization of the least developed countries;

(c) To coordinate efforts with other international and regional organizations, in particular the World Trade Organization, to maintain full support to the least developed countries in their efforts to achieve sustainable socio-economic development;

4. Also requests the Director-General to submit a progress report on the implementation of the present resolution through the Industrial Development Board to the General Conference at its eighth session.

7th plenary meeting
4 December 1997

Annex

Conclusions and recommendations of the Fourth Ministerial Symposium on the Industrialization of the Least Developed Countries

Having met in Vienna from 26 to 28 November 1997 in the first part of the Symposium, the Ministers of Industry from least developed countries,

Recalling the recommendations and programmes of action of the first and second United Nations Conferences on Least Developed Countries,

Recalling also the recommendations of the Third LDC Ministerial Symposium included in General Conference resolution GC.6/Res.8,

Noting also the priorities included in the Plan on Action for Africa’s Industrialization,

Taking note of the draft resolution on least developed countries (GC.7/CPR.3/Add.1) proposed to the seventh session of the General Conference,

Reiterate their strong support to UNIDO as the specialized agency of the United Nations system devoted to the promotion of the industrialization of the developing countries, in particular the least developed countries, and call for the enhancement of the human and financial resources of the Organization;

While welcoming the special emphasis placed on least developed countries in the Business Plan on the Future Role and Functions of UNIDO adopted by the Industrial Development Board at its seventeenth session in June 1997, express their concern that the development of industrial human resources and technology transfer have not received required priority consideration in the Business Plan and that activities relating to engineering and metallurgical industries are to be discontinued, and ask for restoring all these activities;

Express their concern with the sharp reduction of 20.001 per cent in the 1998-1999 programme and budgets, and call for this to be regarded as the last reduction in the UNIDO budget, and for reversing this trend;

Call for the establishment of an effective partnership between UNIDO and the least developed countries in order to elaborate concrete and targeted programmes and projects that can effectively contribute to the industrialization of least developed countries and through which resources can be mobilized from other partners;

Emphasize the necessity for strengthening the field presence of UNIDO, particularly in least developed countries, to bring the services of the Organization closer to the least developed countries;

Express their profound concern about the growing inequalities within the international economic system, the growing gap between least developed countries and other economies, and the increased risk of further marginalization of least developed countries in the process of globalization and liberalization;

Further reiterate the need for elaborating and updating where appropriate the industrial visions and strategic policies of least developed countries so they can respond to the new challenges in the international economic system and for UNIDO to undertake in the next two years a specific programme aimed at assisting least developed countries in these endeavours;

Stress the importance of subregional and regional economic cooperation and integration schemes for the development of least developed countries and the need for UNIDO to undertake measures to provide assistance to least developed countries to strengthen their participation in respective regional trade agreements;

Recognize the significant role played by the informal sector and by micro-enterprises in the industrial development of least developed countries and request UNIDO to promote the development of these enterprises and to assist them in securing partnerships with foreign businesses and enterprises;

Request UNIDO to accord special attention to the least developed countries that have been seriously affected by natural calamities and conflicts;
Take note of the specific industrial development problems raised by the individual least developed country delegations and recommend the following action programme for the biennium 1998-1999 in full partnership with UNIDO:

1. Technological, institutional and financial capacity-building in agro-industrial branches: Under this programme the agro-industrial branches would be selected in accordance with the contribution they can make to: (a) enhancement of food security; (b) growth of agricultural productivity; (c) enhancement of international competitiveness which should include development of entrepreneurship; and (d) inflow of foreign direct and portfolio investments. Surveys would be undertaken to identify constraints on existing and pipeline investments in the agro-related branches and to formulate a tailor-made capacity-building strategy. The main objective of the strategy would be to propose solutions for overcoming the constraints, developing an effective investment facilitation system and creating an enabling environment.

This programme would be developed and implemented in close collaboration with multilateral and bilateral donor agencies.

2. Increasing awareness at the regional level of investment opportunities in least developed countries: In order to inform small and medium enterprises in developing and developed countries about the investment opportunities in least developed countries, and to mobilize public opinion support for least developed countries programmes and projects, it is proposed to:

(a) Prepare an annual investment guide on investment opportunities in agro-related industries in least developed countries at the regional level (East Asia, South Asia, Pacific Islands, East Africa, Southern Africa, Central and West Africa). Each investment guide would concentrate on providing details on major projects in agro-industries and brief profiles of pipeline projects. It would also contain relevant legislative, regulatory, financial and institutional details;

(b) Publish the proceedings and selected papers of the Least Developed Countries Symposium in a reader-friendly form to stimulate the interest of policy makers at the international level.

3. Capacity-building in the field of quality, testing, standardization and metrology (QSTM) in least developed countries: A needs assessment for QSTM was implemented for 10 African and 5 Asian countries in 1997 as a direct response to the recommendations of the third LDC Symposium. The second phase should be launched as a high-impact programme aimed at:

(a) Establishing and strengthening QSTM legal and institutional frameworks at a national and subregional level and application of continuous quality improvement systems;

(b) Developing national and regional strategies for overcoming constraints on the upgrading of QSTM capabilities in countries and regions.

This programme is being formulated on the basis of the results of the needs assessments and would be implemented in close cooperation with regional organizations (e.g. ARSO, ITC, ISO) and donor agencies/countries.

4. Capacity-building in industrial information services: Assessment of the needs for establishing effective information networking among enterprises at national, regional and international levels was carried out in 1997 in 18 African and 5 Asian least developed countries as a direct response to the recommendations of the third Least Developed Countries Ministerial Symposium. The follow-up project is being designed as a high-impact programme aiming at:

(a) Establishing commercially sustainable and self-reliant national information systems and networks with linkages to the investment and technology promotion programme of UNIDO;

(b) Providing access to the international business community to information on local resources and business opportunities.

The programme would be executed in collaboration with other United Nations agencies (in particular UNDP) and national and regional research institutes in the field of information technology.

5. Strengthening industrial infrastructure: UNIDO prepared a desk study in 1997 on investment opportunities in infrastructure in selected least developed countries. A field study exercise is needed in order to prepare updated and global assessment of the needs and opportunities for investment in economic and physical infrastructure (in particular on transportation, telecommuni-cations, power generation and water supply), which are vital for promoting foreign investment and industrial development. The main objective would be to identify where private investment can be a viable solution for infrastructure in least developed countries. The results of the study would be pub-lished and distributed to potential investors, and disseminated through special workshops in both least developed countries and donor countries. As a follow-up, UNIDO may set up a technical cooperation programme aimed at establishing the necessary legal, management and contractual framework for promoting private investment in public infrastructure in least developed countries, and to
assist host countries to implement pilot projects in this field.

6. Capacity-building for investment promotion in least developed countries: Under this programme it is intended to assist in establishing capacities in African and Asian least developed countries for the mobilization of investments in particular foreign direct investment to be able to meet the challenges of globalization. For that purpose it is proposed to review investment policies in African and Asian least developed countries to identify the constraints and prospects for either creation or strengthening investment promotion agencies (IPAs) in the concerned least developed countries. The programme would include assistance in preparation of guidelines for project implementation/identification, preparation of investors’ guides and training of the managers of IPA investment opportunity studies. A high-impact programme for 10 African least developed countries has been already proposed for consideration under the programme for the Alliance for Africa’s Industrialization.

GC.7/Res.5 AFRICA (IN PARTICULAR THE SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA)

The General Conference,

Recalling its resolution GC.6/Res.11,

Taking note of document GC.7/16,

Noting with concern the findings of the mid-term evaluation of the Industrial Development Decade for Africa (II) Programme, as contained in document GM/R.11,1

Expressing its deep concern about the continuous deterioration of the social and economic situation in Africa as a whole,

1. Endorses the Plan of Action for the Alliance for Africa’s Industrialization2 as the implementing mechanism for the refocused programme of the Second Industrial Development Decade for Africa;

2. Urges Member States to give the highest priority to the Industrial Development Decade for Africa programme through the allocation of substantial financial resources for implementation of its activities;

3. Requests the Director-General:

(a) To continue the implementation of the programme of the Second Industrial Development Decade for Africa, taking into account the priority assigned to Africa in the Business Plan on the Future Role and Functions of UNIDO;3

(b) To give the highest priority to the mobilization of additional funds aimed at financing projects and activities of the Second Industrial Development Decade for Africa programme;

1 Summarized in document GC.7/16.
2 CAMI.13/7/Rev.3; IDB.17/CRP.4.
3 GC.7/5, annex I, IDB.17/Dec.2.
(c) To continue coordinating the activities of the programme with the Organization for African Unity, the Economic Commission for Africa and other relevant partners, including the donor countries;

(d) To maintain an identifiable structure for the management of the Industrial Development Decade for Africa within the UNIDO Secretariat;

(e) To take appropriate measures to enhance the awareness among the African and other countries, particularly within the private sector, of the existence and the importance of the Industrial Development Decade for Africa programme;

(f) To ensure the effectiveness of existing mechanisms for the implementation, coordination and monitoring of the programme;

(g) To assist the African countries in the establishment of an adequate framework which would strengthen their private sector and would be conducive to the promotion of national investment and the attraction of foreign investment;

(h) To present a progress report on the implementation of the present resolution to the General Conference at its eighth session through the Industrial Development Board.

7th plenary meeting
4 December 1997

GC.7/Res.6 INDUSTRIAL DEVELOPMENT CO-OPERATION: SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

The General Conference,

Taking note of General Assembly resolution 52/208,

Recognizing the key role of industrialization in promoting sustained economic growth and sustainable development in Africa, as well as its role in facilitating efforts for the eradication of poverty, the integration of women in the development process, the creation of productive employment and market oriented industrial activities,

Invites donor countries, United Nations funds and programmes, all relevant United Nations organizations and the private sector to participate in the 1998 meeting of donors to be organized by the United Nations Industrial Development Organization in collaboration with the Economic Commission for Africa, the United Nations Development Programme and the Organization of African Unity under the leadership of the African Development Bank and in cooperation with the World Bank.

7th plenary meeting

GC.7/Res.7 ARAB COUNTRIES PROGRAMME, INCLUDING TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE

The General Conference,

Recalling its resolution GC.6/Res.12,

Taking note of the report of the Director-General as contained in document GC.7/13,

Stressing the need for the Arab Countries to enhance their industrial capabilities and develop their industrial human resources with a view to promoting industrial development, particularly in the least developed Arab countries, as well as to strengthen their regional industrial cooperation,

1. Requests the Director-General:

(a) To take the necessary measures to mobilize and diversify the financial and other resources for the Regional Programme in order to further enhance its responsiveness in the light of the needs and priorities of the Arab region;

(b) To continue cooperating with the Arab countries, the Palestine Liberation Organization and competent Arab regional organizations, especially the Arab Industrial Development and Mining Organization (AIDMO), for the purpose of further accelerating cooperation, including regional industrial cooperation and promoting industrial investments in the region;

(c) To give priority to providing technical assistance to the Palestinian people within the activities of the Arab countries programme;

(d) To take necessary measures to secure additional resources for the programme by contacting international and Arab development financial institutions;

4. Also requests the Director-General to report on the implementation of the present resolution, through the Industrial Development Board, to the General Conference at its eighth session.

7th plenary meeting
4 December 1997

GC.7/Res.8 SPECIAL PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT OF ASIA AND THE PACIFIC

The General Conference,

Recalling its resolution GC.6/Res.13 and Board decision IDB.17/Dec.2,
Taking note of the report of the Director-General contained in document GC.7/15,

1. Requests the Director-General, in the implementation of the Special Programme for Industrial Development of Asia and the Pacific:

   (a) To promote regional and subregional high-impact programmes and projects to meet the industrial development needs of the countries in the region;

   (b) To increase efforts to promote and continue environmental and agro-industrial related programmes in the region as described in paragraphs 23 to 25 of document GC.7/15;

   (c) To promote the strengthening of field representation in the region, keeping in mind the size of the region and the existence of 13 least developed countries therein, and encourage cost-sharing of field representation by beneficiary countries;

   (d) To continue, within available resources, the linkage with the Economic and Social Commission for Asia and the Pacific for the purpose of effective follow-up to the outcome of regional meetings of Ministers of Industry;

2. Further requests the Director-General to report on the measures taken to implement the present resolution to the Industrial Development Board at its twentieth regular session.

7th plenary meeting
4 December 1997

GC.7/Res.9 LATIN AMERICA AND THE CARIBBEAN

The General Conference,

Recalling its resolution GC.6/Res.14 and Board decision IDB.17/Dec.2,

Taking note of the information contained in document GC.7/14,

Bearing in mind the conclusions and recommendations of the second meeting of the Regional Forum on Industrial Policy, held at Caracas, Venezuela, on 30 July and 1 August 1997,

Also mindful of the particular characteristics and different levels of development among each country in the region,

1. Requests the Director-General, within the framework of the Business Plan on the Future Role and Functions of UNIDO:

   (a) To give his support to the follow-up and execution of the agreed work programme for the

\[1\] GC.7/5, annex I, IDB.17/Dec.2.
1998-1999 biennium included in the preliminary guidelines of the Regional Forum on Industrial Policy;

(b) To devote particular attention to those countries in the region most seriously affected by economic crisis;

(c) To continue supporting, within the existing resources of the Organization, the Regional Forum on Industrial Policy in the framework of UNIDO global forum functions;

2. Further requests the Director-General to report to the General Conference at its eighth session, through the Industrial Development Board, on the implementation of the present resolution.

7th plenary meeting
4 December 1997

GC.7/Res.10 COOPERATION WITH NON-GOVERNMENTAL ORGANIZATIONS

The General Conference,

Recalling its resolutions GC.6/Res.16 and GC.6/Res.7,

Taking note of the recommendations of the UNIDO Forum for Non-governmental Organizations on the role of NGOs in private enterprise development (Dakar, 5-6 November 1997),

Considering the changing economic and political conditions in industrialized and developing countries, as well as in countries with economies in transition, which create the environment for private and non-governmental sectors to assume wider economic roles,

1. Requests the Director-General to continue to cooperate and form innovative partnerships with the non-governmental sector with a view to promoting micro and small enterprise development in developing countries, with specific reference to least developed countries;

2. Also requests the Director-General to further mobilize funds, in particular extrabudgetary funds from multilateral, bilateral and private sector sources, to cover the activities described in paragraph 1 above.

7th plenary meeting
4 December 1997

GC.7/Res.11 FIELD REPRESENTATION

The General Conference,

Recalling resolution GC.6/Res.3,

Further recalling documents IDB.16/19, IDB.17/9 and deliberations of the Industrial Development Board at its sixteenth and seventeenth sessions, decision IDB.16/Dec.15, as well as the Business Plan on the Future Role and Functions of UNIDO as contained in the annex to decision IDB.17/Dec.2,

Welcoming the report of the United Nations Secretary-General on United Nations reform, in particular its emphasis on unified representation within and across its diverse areas of activities,

Appreciating the work of the ad hoc open-ended working group on issues related to field representation (PBC.13/CRP.5),

Stressing the need for revitalization and reorientation of the UNIDO field representation programme as one of the key elements of the UNIDO reform process, through the creation of subregional offices and decentralization of resources and activities,

Bearing in mind the critical financial situation of the least developed countries when identifying the locations for subregional and country offices,

Concerned that the UNIDO field representation programme is severely hampered by financial uncertainties due, inter alia, to the discontinuation of United Nations Development Programme sectoral support funding at the end of 1997 as well as the reduction in UNIDO regular budget resources:

1. Urges donor countries to contribute generously to the financing of field representation, and urges beneficiary countries to finance the subregional offices in a manner proportionate to their means and resources;

2. Requests the Director-General:

(a) To develop and implement, in consultation with Member States, a final proposal for country coverage and location of country and subregional field offices, based on objective criteria, in accordance with the Business Plan, and on the work of the ad hoc open-ended working group;

(b) To ensure better coordination of activities between Headquarters and field offices, while maintaining the minimal necessary critical mass at Headquarters;

(c) To strengthen the financial and operational authority of the field offices;

(d) To present a progress report to the Industrial Development Board at its next session.

7th plenary meeting
4 December 1997
GC.7/Res.12 INTERNATIONAL CENTRE FOR SCIENCE AND HIGH TECHNOLOGY

The General Conference,

Bearing in mind the Institutional Agreement concluded on 9 November 1993 between UNIDO and the Government of Italy,

Acknowledging the positive role of UNIDO in the establishment, the functioning and the activities of the Centre,

Recognizing the pertinence of the activities of the Centre to the mandate of UNIDO in the field of industrial technology and the interest to strengthen the research component of the ICS work programme,

Underlining the importance of the ICS technology development activities,

Having considered the proposal for the transfer of the International Centre for Science and High Technology (ICS) to the United Nations Educational, Scientific and Cultural Organization (UNESCO), contained in document IDB.18/16 and Add.1 and Add.2:

1. Takes note of the ending of the Institutional Agreement between the Government of Italy and UNIDO regarding the ICS by mutual consent and of the commitment of the Government of Italy to enter into a tripartite agreement with UNIDO and UNESCO for the future operations of ICS;

2. Requests the Director-General to initiate consultations with UNESCO and the Government of Italy in order to continue the ongoing activities and projects as well as approved pipeline projects and to develop future cooperation in the field of industrial technology, in accordance with the Business Plan;

3. Also requests the Director-General to present a progress report on these consultations to the Industrial Development Board at its nineteenth session.

7th plenary meeting
4 December 1997
## Annex

### DOCUMENTS SUBMITTED TO THE GENERAL CONFERENCE AT ITS SEVENTH REGULAR SESSION

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