



Distr.
GENERAL

UNIDO/GC.1/7/Add.1/Corr.1
12 December 1985

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

GENERAL CONFERENCE

First session (part two)

Vienna, 9-13 December 1985

Agenda item 5

REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD ON THE WORK
OF ITS FIRST SESSION (RESUMED PART TWO)
10 AND 11 DECEMBER 1985

Corrigendum

After paragraph 10 insert a new paragraph to read as follows

10 bis. The Palestine Liberation Organization participated as observer.



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Introduction

1. The report of the Industrial Development Board on the resumed part two of its first session is presented to the General Conference in accordance with Article 9.4(c) of the Constitution. The report should be read in conjunction with the summary records of the Board, which give a detailed account of the proceedings.

2. The following decisions of the Board, reproduced in annex I, call for action by the Conference:

- IDB.1/Dec.34 Programme and budget, 1986-1987:
Revisions in the regular budget
- IDB.1/Dec.35 Establishment of a working capital fund for the
biennium 1986-1987
- IDB.1/Dec.36 Emblem and seal of UNIDO
- IDB.1/Dec.37 Relationship agreement with the United Nations
- IDB.1/Dec.38 Standard basic co-operation agreement between Governments
and UNIDO
- IDB.1/Dec.39 Programme and budget, 1986-1987:
Application of operational rate of exchange

I. ORGANIZATIONAL AND PROCEDURAL MATTERS

3. The resumed part two of the first session of the Board was held at the Hofburg Congress Centre, Vienna, on 10 and 11 December 1985. (3 plenary meetings - see UNIDO/IDB.1/SR.20-22)

Participation

4. The following 52 of the 53 members of the Board were represented: Argentina, Australia, Austria, Bangladesh, Belgium, Brazil, Burundi, Chile, China, Cuba, Czechoslovakia, Ecuador, Egypt, France, Germany, Federal Republic of, Ghana, Greece, Hungary, India, Indonesia, Iraq, Italy, Ivory Coast (Côte d'Ivoire), Jamaica, Japan, Kenya, Lesotho, Malaysia, Mauritius, Mexico, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Romania, Saudi Arabia, Senegal, Spain, Sweden, Switzerland, Thailand, Tunisia, Turkey, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Zaire, Zambia.

5. The following 49 Member States of UNIDO also participated: Algeria, Angola, Benin, Bulgaria, Burkina Faso, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Colombia, Congo, Cyprus, Democratic People's Republic of Korea, Denmark, Ethiopia, Finland, Gabon, German Democratic Republic, Guatemala, Guinea, Haiti, Iran (Islamic Republic of), Ireland, Israel, Kuwait, Lebanon, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Mauritania, Mongolia, Morocco, Mozambique, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Oman, Panama, Portugal, Qatar, Republic of Korea, Rwanda, Sudan, Trinidad and Tobago, Uganda, Ukrainian Soviet Socialist Republic, Viet Nam, Yugoslavia.

6. The following other States were represented by observers: Albania, Costa Rica, Holy See, Namibia (United Nations Council for), Suriname.

7. The following United Nations bodies were represented: Office of the Director-General for Development and International Economic Co-operation, United Nations Office at Vienna, United Nations Development Programme.

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

9. The following other intergovernmental organizations were represented: Asian-African Legal Consultative Committee, Council for Mutual Economic Assistance, European Economic Community, League of Arab States, Organisation for Economic Co-operation and Development, Organization of the Petroleum Exporting Countries.

10. The following non-governmental organizations were represented: International Confederation of Free Trade Unions, International Federation of Automatic Control.

11. As the resumed part two of the first session of the Board was held in connection with part two of the first session of the Conference which took place at Vienna from 9 to 13 December 1985, the names of the participants in the Board session can be found in the list of participants of the Conference (UNIDO/GC.1/INF.5/Rev.1).

Opening of the session

12. The resumed part two of the first session of the Board was declared open by its President, Mr. E. M. Roethlisberger (Switzerland).

Agenda for the resumed part two

13. In accordance with decision IDB.1/Dec.32 the Board took up or resumed consideration of the following items of the agenda of part two of its first session:

3. Consideration of the provisional rules of procedure.
4. Report of the Programme and Budget Committee:
 - 4(b) Programme and budget, 1986-1987;
 - 4(c) Number and geographical distribution of deputy directors-general: approval of the appointment of deputy directors-general;
 - 4(f) Establishment of a working capital fund.
6. Other administrative matters: emblem and seal of UNIDO.
7. Relationship agreement with the United Nations.
9. Standard basic co-operation agreement between Governments and UNIDO.

16. Adoption of the report on the resumed part two of the first session.
17. Closure of the first session.

Rules of procedure

14. Pursuant to its decision IDB.1/Dec.6, the Board considered the changes to rules 71, 75 and 77, set out in conference room paper UNIDO/IDB.1/CRP.7 and adopted its rules of procedure with the exception of rule 61 (see annex I, decision IDB.1/Dec.33).

II. REPORT OF THE PROGRAMME AND BUDGET COMMITTEE

A. Programme and budget, 1986-1987

15. Pursuant to its decision IDB.1/Dec.9, the Board had before it, for submission to the Conference, a draft proposal for the programme and budget 1986-1987 based on the recommendations of the Programme and Budget Committee (UNIDO/IDB.1/27); proposals by the Director-General for adjustments in the regular budget estimates for 1986-1987 (UNIDO/IDB.1/26/Add.1/Rev.1) considered necessary in order to implement the agreement reached between the Director-General and the Secretary-General of the United Nations on conference services and other joint services (UNIDO/IDB.1/26) as well as adjustments to the reimbursable income from the International Atomic Energy Agency and others; a report of the Secretary-General of the United Nations to the Fifth Committee of the General Assembly, presenting revised budget estimates for the biennium 1986-1987 taking into account the conversion of UNIDO to specialized agency status (A/C.5/40/48); a note by the Director-General on the reconciliation of the UNIDO budget for the biennium 1986-1987 with the report of the Secretary-General (UNIDO/IDB.1/28); a draft decision (UNIDO/IDB.1/29); and conclusions 1985/11 and 1985/12 of the Programme and Budget Committee (UNIDO/IDB.1/14/Add.1). By a roll-call vote of 37 to 9, with 5 abstentions, the Board adopted decision IDB.1/Dec.34 (see annex I). The Board also adopted decision IDB.1/Dec.39 (see annex I).

B. Number and geographical distribution of deputy directors-general: Approval of the appointment of deputy directors-general

16. A statement was made by the Director-General (see UNIDO/IDB.1/SR.21, para. 7).

C. Establishment of a working capital fund

17. Pursuant to its decision IDB.1/Dec.15, the Board considered a note by the Director-General (UNIDO/IDB.1/22), a conference room paper (UNIDO/IDB.1/CRP.6/Rev.1) and a draft decision submitted by the President (UNIDO/IDB.1/L.13). By a roll-call vote of 45 to 6, the Board decided to introduce an amendment to the draft decision (see UNIDO/IDB.1/SR.21 paras. 10, 15, 46). Before considering the draft decision as amended, a separate vote was taken on paragraph 4 of the draft decision to be recommended to the Conference. By 38 votes to 5, with 7 abstentions, the Board decided to retain the paragraph. By a roll-call vote of 42 to 2, with 6 abstentions, the Board adopted decision IDB.1/Dec.35 (see annex I).

III. OTHER ADMINISTRATIVE MATTERS: EMBLEM AND SEAL OF UNIDO

18. The Board consider a note by the Director-General (UNIDO/IDB.1/21 and Corr.1) and adopted decision IDB.1/Dec.36 (see annex I).

IV. RELATIONSHIP AGREEMENT WITH THE UNITED NATIONS

19. Pursuant to its decision IDB.1/Dec.23, the Board considered the reports of the Chairman of the Committee to Negotiate a Relationship Agreement between the United Nations and UNIDO (UNIDO/IDB.1/23 and 30) and a draft decision submitted by the President (UNIDO/IDB.1/L.14). The Board adopted decision IDB.1/Dec.37 (see annex I).

V. STANDARD BASIC CO-OPERATION AGREEMENT BETWEEN GOVERNMENTS AND UNIDO

20. Pursuant to its decision IDB.1/Dec.25, the Board considered a background paper prepared by the Secretariat (UNIDO/IDB.1/L3); the report of the Chairman of the Open-ended Working Group set up to give preliminary consideration to item 9 and other items on the agenda (see UNIDO/GC.1/7, para. 16) (UNIDO/IDB.1/L.5); and a statement by the Director-General (UNIDO/IDB.1/CRP.8). At the suggestion of the President, the Board adopted decision IDB.1/Dec.38 (see annex I).

VI. ADOPTION OF THE REPORT AND CLOSURE OF THE FIRST SESSION

21. The Board considered the draft report (UNIDO/IDB.1/L.15). Some reservations were raised as to the format of the report. Some reservations were also raised as to the formulation of paragraph 7 of document UNIDO/GC.1/7 and Corr.1 as well as paragraph 6 of the present document (see UNIDO/IDB.1/SR.22). After the introduction of some amendments, the Board adopted the report as a whole on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

Annex I

DECISIONS ADOPTED BY THE BOARD DURING ITS FIRST SESSION
(RESUMED PART TWO)

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IDB.1/Dec.33 RULES OF PROCEDURE

The Industrial Development Board, further to its decision IDB.1/Dec.6, adopted rules 71, 75 and 77 of the rules of procedure as contained in conference room paper UNIDO/IDB.1/CRP.7. The Board had thus formally adopted its rules of procedure with the exception of rule 61 which was still provisional.

20th plenary meeting
10 December 1985

IDB.1/Dec.34 PROGRAMME AND BUDGET, 1986-1987: REVISIONS IN
THE REGULAR BUDGET

The Industrial Development Board, recalling its decision IDB.1/Dec.9, in particular Section A, paragraph 4, and having considered the addendum to the report of the Programme and Budget Committee on the work of its first session (UNIDO/IDB.1/14/Add.1), recommended to the General Conference the adoption and approval of the following revisions in the regular budget for the biennium 1986-1987:

		<u>US dollars</u>
(a) Appropriations		
Division of Industrial Operations	increase by	61,729.0
Conference Services, Public information and External Relations	decrease by	(298,500.0)
Administrative and common services ...	decrease by	(2,532,100.0)
Staff assessment	decrease by	(2,441,200.0)
		<u>(5,210,071.0)</u>
(b) Income		
Income from staff assessment	decrease by	2,441,200.0
Other income	decrease by	3,972,700.0
Income from sales publications	increase by	<u>(175,000.0)</u>
		<u>6,238,900.0</u>
Additional net requirements		<u>1,028,829.0</u>

20th plenary meeting
10 December 1985

IDB.1/Dec.35 ESTABLISHMENT OF A WORKING CAPITAL FUND
FOR THE BIENNIUM 1986-1987

The Industrial Development Board recommended to the General Conference the adoption of the following draft decision:

"The General Conference of UNIDO,

1. Decides that a working capital fund shall be established for the United Nations Industrial Development Organization for the 1986-1987 biennium in the amount of \$9,000,000, of which \$6,000,000 will be paid in 1986. A further \$3,000,000 shall be paid in 1987 if the situation, in the opinion of the Director-General, so requires and as approved by the Industrial Development Board upon the recommendation of the Programme and Budget Committee;

2. Decides that the source of moneys for the working capital fund shall be advances from Member States, made in accordance with the scale of assessments adopted by the Conference for contributions of Member States to the regular budget of the Organization and carried to the credit of Member States which have made such advances;

3. Authorizes the Director-General to advance from the working capital fund:

(a) Such sums as may be necessary to finance budgetary appropriations pending the receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for that purpose;

(b) Such sums as may be necessary to offset the effects of adverse fluctuations in currency exchange rates; the Director-General shall make provision in the budget estimates for reimbursing the working capital fund;

(c) Such sums as may be necessary to finance statutory increases in accordance with the status of UNIDO as a member of the United Nations common system. The Director-General shall make provision in the budget estimates for reimbursing the working capital fund;

4. Authorizes the Industrial Development Board to approve advances from the working capital fund of such sums as may be necessary to finance commitments relating to unforeseen and extraordinary expenses; the Director-General shall make provision in the budget estimates for reimbursing the working capital fund;

5. Requests the Industrial Development Board at its next regular session to review the purposes for which advances from the working capital fund may be made in the future."

21st plenary meeting
10 December 1985

IDB.1/Dec.36 EMBLEM AND SEAL OF UNIDO

The Industrial Development Board recommended to the General Conference the adoption of the following draft decision:

"The General Conference,

- (a) Requests the Director-General to arrange without delay an international competition for the most appropriate design to be used for the official emblem and seal of UNIDO;
- (b) Decides to establish an international committee of experts to evaluate the entries into the competition and to select the five best designs and to rank them in order of their artistic quality combined with suitability for the intended purpose;
- (c) Requests the Director-General to appoint the members of the committee of experts taking into account their artistic qualifications, the principle of geographic representation and the desirability of limiting the membership to between five and ten eminent persons;
- (d) Decides also that the recommendations and the report of the committee of experts shall be submitted to the Industrial Development Board at its second session;
- (e) Authorizes the Industrial Development Board to select the design to be used in the future for the official emblem and seal of UNIDO;
- (f) Decides further that the design should be based on the official emblem of the United Nations but be adequately differentiated from it;
- (g) Decides further that after 1 January 1986 until the adoption of a definitive emblem an interim emblem shall be used by UNIDO consisting of the United Nations emblem with the acronym UNIDO placed around its periphery or across it."

20th plenary meeting
10 December 1985

IDB.1/Dec.37 RELATIONSHIP AGREEMENT WITH THE UNITED NATIONS

The Industrial Development Board,

(a) Took note of the reports of the Chairman of the Committee to Negotiate a Relationship Agreement between the United Nations and UNIDO, contained in documents UNIDO/IDB.1/23 and UNIDO/IDB.1/30;

(b) Noted that the Economic and Social Council of the United Nations was expected to consider, in the near future, the approval of the provisional application of the draft relationship agreement as set out in the annex to document UNIDO/IDB.1/30, but that it would not be possible for the General Assembly of the United Nations to take action at its current session;

(c) Decided, subject to corresponding approval by the Economic and Social Council of the United Nations, to approve, pending approval by the General Conference, the provisional application by UNIDO of the draft relationship agreement, as set out in the annex to document UNIDO/IDB.1/30;

(d) Recommended to the General Conference that it approve the draft relationship agreement, as set out in the annex to document UNIDO/IDB.1/30, subject to corresponding approval by the General Assembly of the United Nations.

20th plenary meeting
10 December 1985

IDB.1/Dec.38 STANDARD BASIC CO-OPERATION AGREEMENT
BETWEEN GOVERNMENTS AND UNIDO

The Industrial Development Board recommended to the General Conference the adoption of the following draft decision:

"The General Conference,

(a) Takes note of the draft standard basic co-operation agreement contained in document UNIDO/IDB.1/13 as amended by document UNIDO/IDB.1/CRP.8 (in turn orally corrected), which the Secretariat of UNIDO, taking fully into account the comments made by Governments, will use as reference when negotiating with individual Governments specific bilateral co-operation agreements;

(b) Authorizes the Director-General, with the view to facilitating the delivery by UNIDO of technical assistance, to propose and conclude on behalf of UNIDO appropriate co-operation agreements which, as far as possible, shall take into account the provisions of the draft standard basic co-operation agreement referred to above."

21st plenary meeting
10 December 1985

IDB.1/Dec.39 PROGRAMME AND BUDGET, 1986-1987: APPLICATION OF
OPERATIONAL RATE OF EXCHANGE

The Industrial Development Board decided that the United Nations operational rate of exchange in effect in December 1985 (1 US Dollar = 17.70 Austrian schillings) be applied only to ninety per cent of the regular budget for 1986-87.

22nd plenary meeting
11 December 1985

Annex II

DOCUMENTS SUBMITTED TO THE BOARD AT ITS
FIRST SESSION (RESUMED PART TWO)

<u>Document No.</u>	<u>Agenda item</u>	<u>Title</u>
UNIDO/IDB.1/4/Rev.1/Add.2		Annotations to agenda items under consideration at the resumed part two of the first session.
UNIDO/IDB.1/14/Add.1	4	Report of the Programme and Budget Committee. Addendum.
UNIDO/IDB.1/26/Add.1/Rev.1	4(b)	Consultations between the Secretary-General of the United Nations and the Director-General of UNIDO. Addendum.
UNIDO/IDB.1/27	4(b)	Draft proposal for the programme budget 1986-1987 based on the recommendations of the Programme and Budget Committee. Prepared by the Secretariat.
UNIDO/IDB.1/28	4(b)	Reconciliation of UNIDO budget for the biennium 1986-1987 with the report of the Secretary-General on the conversion of UNIDO to specialized agency status (A/C.5/40/48). Note by the Director-General.
UNIDO/IDB.1/29	4(b)	Report of the Programme and Budget Committee: Programme and Budget, 1986-1987. Draft decision submitted by the Director-General.
UNIDO/IDB.1/30	7	Report of the Chairman of the Committee to Negotiate a Relationship Agreement between the United Nations and UNIDO.
* * * * *		
UNIDO/IDB.1/CRP.6/Rev.1	4(f)	Establishment of a working capital fund. Note by the Secretariat.
UNIDO/IDB.1/CRP.7	3	Provisional rules of procedure of the Industrial Development Board (UNIDO/IDB.1/2/Rev.1). Changes agreed by the open-ended working group to review the provisional rules of procedure.
UNIDO/IDB.1/CRP.8	11	Standard basic co-operation agreement between Governments and UNIDO. Statement by the Director-General.

* * * * *

- UNIDO/IDB.1/L.14 7 Relationship agreement with the United Nations. Draft decision submitted by the President.
- UNIDO/IDB.1/L.15 16 Draft report of the Industrial Development Board on the work of its first session (resumed part two), 10 and 11 December 1985.
- * * * * *
- A/C.5/40/48 Proposed programme budget for the biennium 1986-1987. Conversion of the United Nations Industrial Development Organization to specialized agency status. Revised estimates under sections 1, 17, 24, 28G, 28L, 28M, 29, 31, 32 and Income sections 1, 2 and 3. Report of the Secretary-General.
- A/40/7/Add.14 4(b) Conversion of the United Nations Industrial Development Organization to specialized agency status. Revised estimates under sections 1, 17, 24, 28G, 28L, 28M, 29, 31, 32 and Income sections 1, 2 and 3. Fifteenth report of the ACABQ.
- 4(b) Letter to the Secretary-General of the United Nations from the Chairman of the ACABQ, 2 December 1985