GENERAL CONFERENCE
Second session
Bangkok, 9–13 November 1987

REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD ON
THE WORK OF ITS RESUMED SECOND SESSION
ON 16 MARCH 1987

Addendum

Introduction

1. The report of the Industrial Development Board on
its resumed second 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 decision of the Board, reproduced in
annex 2, calls for action by the Conference:

IDB.2/Dec.36 Financial situation of UNIDO
(paragraph (f)).

1. ORGANIZATIONAL AND PROCEDURAL MATTERS

3. The resumed second session of the Board was held
at UNIDO Headquarters, Vienna International Centre, on
16 March 1987. (1 plenary meeting – see IDB.2/SR.14.)

Participation

4. The following 46 of the 53 members of the Board
were represented: Argentina, Australia, Austria,
Bangladesh, Belgium, Brazil, Chile, China, Côte
d’Ivoire, Cuba, Czechoslovakia, Ecuador, Egypt, France,
Germany, Federal Republic of, Greece, Hungary, India,
Indonesia, Iraq, Italy, Japan, Malaysia, 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 27 Member States of UNIDO also
participated: Angola, Bolivia, Bulgaria, Byelorussian
Soviet Socialist Republic, Cameroon, Canada, Cape Verde,
Democratic People’s Republic of Korea, Denmark, Finland,
German Democratic Republic, Guatemala, Iran (Islamic
Republic of), Israel, Lebanon, Luxembourg, Morocco,
Netherlands, Nicaragua, Oman, Panama, Republic of Korea,
Trinidad and Tobago, Ukrainian Soviet Socialist
Republic, United Republic of Tanzania, Uruguay,
Yugoslavia.

6. The United Nations Office at Vienna and the United
Nations Development Programme were represented.

7. The following specialized and related agencies were
represented: International Atomic Energy Agency and
International Labour Organization.

8. The following other intergovernmental organizations
were represented: European Economic Community and
League of Arab States.

9. The following non-governmental organizations were
represented: European Organization for Quality Control,
International Chamber of Commerce, International
Confederation of Free Trade Unions, International

Organisation of Employers and Society of Chemical
Industry.

10. The Palestine Liberation Organization participated
as observer.

Opening of the session

11. The resumed second session of the Board was
declared open by its President, Mr. M. Zamad (Tunisia).

Agenda for the resumed second session

12. In accordance with decision IDB.2/Dec.35 the Board
resumed consideration of items 7(b) of the agenda of its
second session – the financial situation of UNIDO.
Following a proposal by the President, the Board also
reviewed items 9(a) and 16 of the agenda of its second
session.

II. FINANCIAL SITUATION OF UNIDO

13. Pursuant to its decision IDB.2/Dec.4 and Dec.5, the
Board had before it a budget performance report,
1986–1987, submitted by the Director-General (IDB.2/36,
updated in document PBC.3/CRP.11), a report on the
impact on actual programme performance at the output
level in 1986–1987 of the economies contained in
conference room paper IDB.2/CRP.5 and document IDB.2/36
on the programme of work (PBC.3/CRP.4), a status report
of assessed contributions paid, and of advances to the
Working Capital Fund for the years 1986 and 1987
(IDB.2/CRP.7), a report by the Director-General on the
United Nations loan to UNIDO (PBC.3/7), a review of
alternative systems of stating budget estimates and
assessing Member States and relevant experience within
the United Nations system (PBC.3/10) and a description
of proposed split-currency system of assessment
(PBC.3/CRP.10). The Board considered three draft
decisions recommended to it by the Programme and Budget
Committee (IDB.2/L.20, 21 and 22) and adopted decisions
IDB.2/Dec.36, 37 and 38 (see annex 1).

III. STAFF REGULATIONS

14. On the basis of information presented by the
President, the Board adopted decision IDB.2/39
(see annex 1).

IV. DATE OF THE THIRD SESSION OF THE BOARD

15. On the basis of information presented by the
President, the Board adopted decision IDB.2/40
(see annex 1).

V. ADOPTION OF THE REPORT AND CLOSURE OF
THE SECOND SESSION

16. The Board closed its second session on 16 March at
12:45 p.m., having entrusted the Rapporteur with the
preparation and finalization of the report of its
resumed second session.
Annex I

DECISIONS ADOPTED BY THE BOARD DURING ITS RESUMED SECOND SESSION

CONTENTS

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<td>IDB.2/Dec.36</td>
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<td>IDB.2/Dec.38</td>
<td>Split-currency system of assessment (IDB.2/SR.14, paras. 54-55)</td>
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<td>IDB.2/Dec.39</td>
<td>Staff regulations (IDB.2/SR.14, paras. 58-59)</td>
<td>-</td>
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<td>IDB.2/Dec.40</td>
<td>Date of the third session of the Board (IDB.2/SR.14, paras. 56-57)</td>
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IDB.2/Dec.36. FINANCIAL SITUATION OF UNIDO

The Industrial Development Board

(a) Took note of the financial situation of UNIDO as reported in the budget performance report, 1986-1987, of the Director-General (IDB.2/36-PBC.3/12; PBC.3/CRP.11);

(b) Strongly urged all Member States that had not paid in full their assessed contributions and their advances to the Working Capital Fund for 1986 and 1987 to do so without delay in discharge of their legal obligations under the Constitution;

(c) Requested the Director-General to re-compute the net requirements of UNIDO for the biennium 1986-1987 to cover the exchange-rate loss under the regular budget since 1 January 1986, taking into account economies already realized and foreseen for 1986-1987 and additional economy measures to be taken in the course of 1987;

(d) Decided to consider at its third regular session the report of the informal open-ended working group established by decision 1987/5 of the Programme and Budget Committee;

(e) Requested the Director-General to present, in accordance with Article 15.5 of the Constitution to the second regular session of the General Conference, through a resumed session of the Programme and Budget Committee, which will take into account the recommendations of the informal open-ended working group mentioned above, and a resumed third regular session of the Industrial Development Board, which will take place at an appropriate time before the holding of the second regular session of the General Conference, an updated report on the budget and cash situation of the Organization, including the net requirements referred to under paragraph (c) above;

(f) Recommended to the General Conference at its second regular session to approve appropriate measures, including supplementary estimates for the regular budget for the fiscal period 1986-1987, when required, in accordance with Article 15.5 of the Constitution, to cover net exchange-rate losses after taking into account the economies for the biennium 1986-1987 as referred to under paragraph (e) above;

(g) Requested the Director-General to establish a special account to allow Member States who are in a position to do so to make voluntary advance payments to cover the exchange-rate losses for the fiscal period 1986-1987 until the General Conference takes a final decision on the issue.

14th plenary meeting
16 March 1987

IDB.2/Dec.37. FINANCIAL SITUATION OF UNIDO:
REPAYMENT OF UNITED NATIONS LOAN

The Industrial Development Board

(a) Took note of the decision contained in section VI of General Assembly resolution 41/209;

(b) Took note of the report of the Director-General on the United Nations loan to UNIDO (PBC.3/7);

(c) Took note also of the budget performance report, 1986-1987, submitted by the Director-General (IDB.2/36, PBC.3/12);

(d) Requested the Director-General to submit, through the resumed third session of the Programme and Budget Committee, to the third regular session of the Board a programme for repayment of the loan to the United Nations.

14th plenary meeting
16 March 1987

IDB.2/Dec.38. FINANCIAL SITUATION OF UNIDO:
SPLIT-CURRENCY SYSTEM OF ASSESSMENT

The Industrial Development Board decided to defer to its third session the consideration of the draft decision recommended by the Programme and Budget Committee in its conclusion 1987/7.

14th plenary meeting
16 March 1987

IDB.2/Dec.39. STAFF REGULATIONS

The Industrial Development Board decided that, in the absence of Vice-President J.J. Al-Fardan (United Arab Emirates), the informal open-ended working group, established by Board decision IDB.2/Dec.22 to study the draft staff regulations, would meet under the chairmanship of the President of the Board, M. Zannad (Tunisia).

14th plenary meeting
16 March 1987

IDB.2/Dec.40. DATE OF THE THIRD SESSION OF THE BOARD

The Industrial Development Board, in order to enable the Programme and Budget Committee to resume its third session in June without financial implications, reviewed its decision IDB.2/Dec.34 and decided to hold its third session from 30 June to 3 July 1987.

14th plenary meeting
16 March 1987
Annex II

DOCUMENTS SUBMITTED TO THE BOARD AT ITS RESUMED SECOND SESSION

<table>
<thead>
<tr>
<th>Document symbol</th>
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<tbody>
<tr>
<td>IDB.2/CRP.7</td>
<td>Financial situation of UNIDO. Scale of assessments for apportionment of the regular budget expenses of UNIDO. Status report of assessed contributions paid and of advances to the Working Capital Fund for the years 1986 and 1987</td>
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The following documents submitted to the third session of the Programme and Budget Committee were also submitted to the Board:

<table>
<thead>
<tr>
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<td>PBC.3/7</td>
<td>Financial situation of UNIDO. United Nations loan to UNIDO. Report by the Director-General</td>
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<td>PBC.3/10</td>
<td>Financial situation of UNIDO. Review of alternative systems of stating budget estimates and assessing Member States and relevant experience within the United Nations system. Report by the Director-General</td>
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<tr>
<td>PBC.3/CRP.10</td>
<td>Financial situation of UNIDO. Description of proposed split-currency system of assessment</td>
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