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## United Nations Industrial Development Organization

# GENERAL CONFERENCE

Second session  
Bangkok, 9-13 November 1987  
Item 10 of the provisional agenda

### REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD ON THE WORK OF ITS THIRD SESSION

#### Addendum

Resumed third session of 12 October 1987

#### CONTENTS

|   | <u>Paragraphs</u> | <u>Page</u> |
|---|-------------------|-------------|
| Introduction . . . . .  | 1 - 3             | 1           |
| <u>Chapter</u>  |                   |             |
| I. ORGANIZATIONAL AND PROCEDURAL MATTERS . . . . .  | 4 - 12            | 1           |
| II. SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISERS, INTERREGIONAL AND REGIONAL ADVISERS . . . . .                                       | 13                | 2           |
| III. PROGRAMME AND BUDGETS, 1988-1989 . . . . .   | 14                | 2           |
| IV. FINANCIAL SITUATION OF UNIDO . . . . .  | 15 - 16           | 2           |
| V. FINANCIAL REGULATIONS . . . . .  | 17                | 2           |
| VI. STAFF REGULATIONS . . . . .   | 18                | 2           |
| VII. PREPARATORY ARRANGEMENTS FOR THE SECOND SESSION OF THE GENERAL CONFERENCE, INCLUDING ARTICLE 2 (c) OF THE CONSTITUTION . . . . . | 19 - 20           | 2           |
| VIII. PROVISIONAL AGENDA AND DATE OF THE FOURTH SESSION OF THE BOARD . . . . .  | 21                | 2           |
| IX. ADOPTION OF THE REPORT AND CLOSURE OF THE THIRD SESSION . . . . .   | 22                | 2           |

#### Introduction

1. The report of the Industrial Development Board on its resumed third session is presented to the General Conference in accordance with article 9.4 (c) of the Constitution. The summary record of the resumed session (IDB.3/SR.8), where details of proceedings are contained, forms an integral part of the report.

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

- IDB.3/Dec.50 Financial situation of UNIDO
- IDB.3/Dec.52 Financial regulations
- IDB.3/Dec.53 Staff regulations
- IDB.3/Dec.55 Preparatory arrangements for the second session of the General Conference: Article 2 (c) of the Constitution

The following decisions of the Board, also reproduced in annex I, are of relevance to the provisional agenda of the second session of the Conference:

- IDB.3/Dec.49 Programme and budgets, 1988-1989
- IDB.3/Dec.54 Preparatory arrangements for the second session of the General Conference

3. The resumed third session of the Board was held at UNIDO Headquarters, Vienna International Centre, on 12 October 1987 (one plenary meeting - see IDB.3/SR.8).

#### I. ORGANIZATIONAL AND PROCEDURAL MATTERS

#### Participation

4. The following 50 of the 53 members of the Board were represented at the session: Argentina, Australia, Austria, Bangladesh, Belgium, Brazil, Burundi, Chile, China, Côte d'Ivoire, Czechoslovakia, Ecuador, Egypt, France, Germany, Federal Republic of, Ghana, Greece, Hungary, India, Indonesia, Iraq, Italy,

#### Annexes

- I. Decisions adopted by the Board at its resumed third session 3
- II. Documents submitted to the Board at its resumed third session 6

Japan, Kenya, Lesotho, Malawi, 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 23 Member States of UNIDO also participated in the session: Algeria, Bolivia, Bulgaria, Cameroon, Canada, Cape Verde, Colombia, Denmark, Ethiopia, German Democratic Republic, Guatemala, Iran (Islamic Republic of), Israel, Luxembourg, Morocco, Netherlands, Panama, Portugal, Republic of Korea, Sudan, Uruguay, Viet Nam, Yugoslavia.

6. The following United Nations body was represented: United Nations Office at Vienna.

7. The following specialized and related agency was represented: International Labour Organisation.

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

9. The following non-governmental organizations were represented: International Council of Societies of Industrial Design, International Council of Women, International Organisation of Employers, Society of Chemical Industry.

10. The Palestine Liberation Organization participated as observer.

#### Opening of the resumed session

11. The resumed third session of the Board was declared open by the President of the third session, T. Strulak (Poland).

#### Officers

12. As S. Thamagasorn (Thailand), Rapporteur of the third session, had left Vienna, D. Tangsanga (Thailand) assumed the responsibility of the Rapporteur for the resumed session.

#### II. SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISERS, INTERREGIONAL AND REGIONAL ADVISERS

13. The Board had before it a report by the Director-General (IDB.3/21) and a draft decision contained in document IDB.3/L.4. The Board adopted decision IDB.3/Dec.48 (see annex I).

#### III. PROGRAMME AND BUDGETS, 1988-1989

14. The Board had before it a conference room paper (IDB.3/CRP.11) outlining adjustments introduced by the Secretariat to the programme and budgets, 1988-1989, on the basis of the recommendations of the Programme and Budget Committee (PBC) and the Board and incorporated in the revised consolidated text to be submitted to the Conference (GC.2/10). The Board considered PBC conclusion 1987/23 and adopted decision IDB.3/Dec.49 (see annex I).

#### IV. FINANCIAL SITUATION OF UNIDO

15. The Board had before it an updated report on the financial situation of UNIDO submitted by the Director-General (IDB.3/34). The Board considered a draft decision contained in PBC conclusion 1987/21. At the request of the United States of America, a vote was taken on the draft decision. By 34 votes to 9, with 7 abstentions, the Board adopted decision IDB.3/Dec.50 (see annex I).

16. The Board considered a summary statement of the Chairman of the Programme and Budget Committee on adjustments to the salary levels and related allowances of staff in the General Service, Manual Worker and Language Teacher categories (IDB.3/2/Add.2, para. 9) and adopted decision IDB.3/Dec.51 (see annex I).

#### V. FINANCIAL REGULATIONS

17. The Board had before it the draft financial regulations proposed by the open-ended working group of the PBC (PBC.3/11), amendments proposed by PBC in its conclusion 1987/10, observations of the External Auditors on the draft financial regulations (IDB.3/CRP.7), and the second report of the PBC open-ended working group. The Board considered PBC conclusion 1987/22 and adopted decision IDB.3/Dec.52 (see annex I).

#### VI. STAFF REGULATIONS

18. The Board considered a report of the informal open-ended working group on the draft staff regulations (IDB.3/CRP.13 and Corr.1) and adopted decision IDB.3/Dec.53 (see annex I).

#### VII. PREPARATORY ARRANGEMENTS FOR THE SECOND SESSION OF THE GENERAL CONFERENCE, INCLUDING ARTICLE 2 (c) OF THE CONSTITUTION

19. The Board considered an oral report by the Chairman of the Contact Group of Permanent Missions to UNIDO in Vienna for the preparation of the General Conference (see IDB.3/SR.8, paras. 91-100) and adopted decision IDB.3/Dec.54 (see annex I).

20. The Board also considered the report of the second open-ended working group on the implementation of Article 2 (c) of the Constitution (IDB.3/CRP.14) and adopted decision IDB.3/Dec.55.

#### VIII. PROVISIONAL AGENDA AND DATE OF THE FOURTH SESSION OF THE BOARD

21. The Board reviewed its decision IDB.3/Dec.46 and adopted decision IDB.3/Dec.56 (see annex I).

#### IX. ADOPTION OF THE REPORT AND CLOSURE OF THE THIRD SESSION

22. The Board closed its third session, having entrusted the Rapporteur with the preparation and finalization of the report of its resumed third session.

Annex I

DECISIONS ADOPTED BY THE BOARD AT ITS RESUMED THIRD SESSION

CONTENTS

|  | <u>Voting</u> | <u>Page</u> |
|--|---------------|-------------|
| SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISERS, INTERREGIONAL AND REGIONAL ADVISERS (agenda item 5(e))   |               |             |
| IDB.3/Dec.48 Senior Industrial Development Field Advisers (IDB.3/SR.8, paras. 151-153)   |               | 4           |
| PROGRAMME AND BUDGETS, 1988-1989 (agenda item 6(b))  |               |             |
| IDB.3/Dec.49 Programme and budgets, 1988-1989 (IDB.3/SR.8, paras. 145-150)   |               | 4           |
| FINANCIAL SITUATION OF UNIDO (agenda item 6(d))  |               |             |
| IDB.3/Dec.50 Financial situation of UNIDO (IDB.3/SR.8, paras. 16-35)   | 34-9-7        | 4           |
| IDB.3/Dec.51 Financial situation of UNIDO: adjustments to the salary levels and related allowances of staff in the General Service, Manual Worker and Language Teacher categories (IDB.3/SR.8, paras. 36-38) |               | 4           |
| FINANCIAL REGULATIONS (agenda item 6(e))   |               |             |
| IDB.3/Dec.52 Financial regulations (IDB.3/SR.8, paras. 40-43)  |               | 4           |
| STAFF REGULATIONS (agenda item 7(a))   |               |             |
| IDB.3/Dec.53 Staff regulations (IDB.3/SR.8, paras. 44-89)  |               | 4           |
| PREPARATORY ARRANGEMENTS FOR THE SECOND SESSION OF THE GENERAL CONFERENCE, INCLUDING ARTICLE 2 (c) OF THE CONSTITUTION (agenda item 9)   |               |             |
| IDB.3/Dec.54 Preparatory arrangements for the second session of the General Conference (IDB.3/SR.8, paras. 101-104)  |               | 5           |
| IDB.3/Dec.55 Preparatory arrangements for the second session of the General Conference: Article 2 (c) of the Constitution (IDB.3/SR.8, paras. 109-136)   |               | 5           |
| PROVISIONAL AGENDA AND DATE OF THE FOURTH SESSION OF THE BOARD (agenda item 14)  |               |             |
| IDB.3/Dec.56 Provisional agenda and date of the fourth session of the Board (IDB.3/SR.8, paras. 138-144)   |               | 5           |

DECISIONS ADOPTED BY THE BOARD AT ITS RESUMED THIRD SESSION

IDB.3/Dec.48 SENIOR INDUSTRIAL DEVELOPMENT FIELD ADVISERS

The Industrial Development Board:

(a) Decided to establish an open-ended inter-sessional working group under the guidance of the Bureau to review draft decision IDB.3/L.4 on the Senior Industrial Development Field Advisers;

(b) Requested the working group to report to the Board at its fourth session.

8th plenary meeting  
12 October 1987

IDB.3/Dec.49 PROGRAMME AND BUDGETS, 1988-1989

The Industrial Development Board:

(a) Adopted the adjustments of the Director-General relating to the programme of work of the Department for Programme and Project Development and the Department for Industrial Promotion, Consultations and Technology for the programme and budgets, 1988-1989, as contained in document IDB.3/CRP.11;

(b) Noted that those adjustments were incorporated in the proposed programme and budgets, 1988-1989, to be submitted to the General Conference at its second regular session for its approval.

8th plenary meeting  
12 October 1987

IDB.3/Dec.50 FINANCIAL SITUATION OF UNIDO

The Industrial Development Board:

(a) Took note of the financial situation of UNIDO as reported in the updated budget performance report, 1986-1987, of the Director-General (IDB.3/34 and IDB.3/CRP.15);

(b) Recommended that, at its second regular session, the General Conference approve a supplementary estimate of 3.1 million dollars for the regular budget for the fiscal period 1986-1987 in accordance with Article 14.5 of the Constitution, so as to cover the net shortfall in the resources of UNIDO for that period resulting from the depreciation of the dollar;

(c) Urged those Member States that had not yet paid their regular assessed contributions for 1986 and 1987 to do so without further delay and requested all Member States to pay the supplementary assessed contributions for the biennium 1986-1987 as soon as possible.

8th plenary meeting  
12 October 1987

IDB.3/Dec.51 FINANCIAL SITUATION OF UNIDO: ADJUSTMENTS TO THE SALARY LEVELS AND RELATED ALLOWANCES OF STAFF IN THE GENERAL SERVICE, MANUAL WORKER AND LANGUAGE TEACHER CATEGORIES

The Industrial Development Board:

(a) Decided to take note of the summary statement of the Chairman of the Programme and Budget Committee concerning adjustments to the salary levels and related allowances of staff in the General Service, Manual Worker and Language Teacher categories (IDB.3/2/Add.2, para. 9);

(b) Requested the Director-General to report on the matter to the Board at its fourth session.

8th plenary meeting  
12 October 1987

IDB.3/Dec.52 FINANCIAL REGULATIONS

The Industrial Development Board:

(a) Decided to submit to the General Conference at its second regular session for its approval the draft financial regulations as contained in document PBC.3/11 with the amendments listed in paragraphs (a), (b), (d) and (e) of conclusion 1987/10 of the Programme and Budget Committee as well as those listed in paragraph 2 of IDB.3/CRP.12;

(b) In relation to regulation 5.5(d), recommended to the General Conference that it request the Director-General to report, in connection with the request contained in paragraph (c) of Board decision IDB.3/Dec.23, also on the question of which currency or currencies should be used, in future, for the Working Capital Fund.

8th plenary meeting  
12 October 1987

IDB.3/Dec.53 STAFF REGULATIONS

The Industrial Development Board:

(a) Invited the President of the Board to initiate consultations prior to the second session of the General Conference with a view to resolving the issues on which the Working Group on the UNIDO draft staff regulations could not reach consensus;

(b) Decided, in accordance with Article 11.5 of the Constitution, to recommend to the General Conference that it adopt the following decision:

"The General Conference:

"(a) Decides upon recommendation of the Industrial Development Board, in accordance with

Article 11.5 of the Constitution, to establish the staff regulations annexed to the present decision which shall come into effect as of 1 July 1988;

"(b) Requests the Director-General for the time being to continue to apply, in accordance with Article 26.2 of the Constitution, the provisions of the Staff Regulations of the United Nations 4.5(a) (second sentence), 4.5(b), 3.3(e), 3.3(f) and the pertinent provisions of article XII, concerning those regulations on which no consensus has been reached, namely 3.4 (second sentence), 6.8(c), 6.8(d) and 13.4;

"(c) Requests the Board to continue if required, the consideration of the texts still in brackets in the staff regulations and report to the General Conference at its third session."

8th plenary meeting  
12 October 1987

IDB.3/Dec.54 PREPARATORY ARRANGEMENTS FOR THE  
SECOND SESSION OF THE GENERAL  
CONFERENCE

The Industrial Development Board:

(a) Expressed its appreciation for the work carried out so far by the Contact Group of Permanent Missions to UNIDO in Vienna for the preparation of the second session of the General Conference;

(b) Requested the Contact Group to continue its work till the beginning of the Conference;

(c) Requested the Chairman of the Contact Group to report progressively to the Conference, through the President of the Board, on the results of the work of the Contact Group, and requested the Secretariat to circulate such results as soon as possible.

8th plenary meeting  
12 October 1987

IDB.3/Dec.55 PREPARATORY ARRANGEMENTS FOR THE  
SECOND SESSION OF THE GENERAL  
CONFERENCE: ARTICLE 2 (c) OF THE  
CONSTITUTION

The Industrial Development Board:

(a) Took note of the report presented by the Open-ended Working Group on Article 2 (c) of the Constitution and decided to present it to the General Conference at its second session;

(b) Decided to establish an open-ended working group under the guidance of the Bureau of its third session in order to:

(i) Identify activities considered to be of special relevance to the industrialization of the developing countries, among those proposed in chapter III of document IDB.3/16;

(ii) Examine the target areas proposed in chapter III of document IDB.3/16 within the context of the medium-term plan of UNIDO for the period 1990-1995, taking into account the decisions to be adopted on the said medium-term plan and on the programme and budget planning process at the second session of the General Conference;

(iii) Report to the fourth session of the board;

(c) Further decided to submit to the General Conference at its second session the following draft decision regarding item 7(a) of its provisional agenda - "New concepts and approaches for co-operation in respect to industrial development in conformity with Article 2 (c) of the Constitution":

"The General Conference:

"(a) Takes note of the report on Article 2 (c) of the Constitution, submitted by the Industrial Development Board in accordance with decision GC.1/Dec.30;

"(b) Takes note with interest and appreciation of the efforts undertaken by the Secretariat in the search to create new and develop existing concepts and approaches so as to contribute to the fulfilment of the objectives of the Organization, in conformity with the mandate established by its Constitution;

"(c) Recognizes that the complexity and inherent dynamics of the subject make it necessary for concepts and approaches to be examined on a continuous basis and formulated taking into account the international context;

"(d) Recognizes the existence of differences of opinion on the subject at the conceptual level and stresses that in spite of divergent views some activities presented in chapter III of document IDB.3/16 could constitute a basis for further discussion;

"(e) Considers that the proposed target areas for international co-operation contained in document IDB.3/16 should be examined within the context of the medium-term plan of UNIDO for the period 1990-1995;

"(f) Welcomes the decision of the Board to establish an open-ended working group with a view to identifying those activities and proposed target areas contained in document IDB.3/16 which might be of special relevance to the industrialization of the developing countries;

"(g) Invites the Board to examine the said activities in the light of their possible inclusion within the Programme and Budget 1990-1991 or their financing by extrabudgetary sources."

8th plenary meeting  
12 October 1987

IDB.3/Dec.56 PROVISIONAL AGENDA AND DATE OF THE  
FOURTH SESSION OF THE BOARD

The Industrial Development Board:

(a) Adopted as provisional agenda for its fourth session the provisional agenda tentatively adopted in its decision IDB.3/Dec.46 with the heading of item 5 amended to read "Annual report on the activities of the Organization, including the following:";

(b) Decided to hold its fourth session from 10 to 18 October 1988.

8th plenary meeting  
12 October 1987

Annex II

DOCUMENTS SUBMITTED TO THE BOARD AT ITS RESUMED THIRD SESSION

| <u>Document No.</u> | <u>Agenda item</u> | <u>Title</u>  |
|---------------------|--------------------|---|
| IDB.2/4             | 7(a)               | Personnel matters: staff regulations. Note by the Director-General  |
| IDB.3/1/Add.2       | 3                  | Annotations to the items on the agenda of the resumed third session   |
| IDB.3/2/Add.2       | 6                  | Report of the Programme and Budget Committee on the work of its third session. Addendum. Resumed third session of 12 October 1987   |
| IDB.3/16/Add.1      | 9                  | Preparatory arrangements for the second session of the General Conference, including Article 2 (c) of the Constitution. New concepts and approaches for co-operation in industrial development. Addendum. Amendments proposed by the Director-General |
| IDB.3/21            | 5(e)               | General debate: Senior Industrial Development Field Advisers, interregional and regional advisers. Report on the study of the SIDFA programme undertaken by the United Nations Development Programme and UNIDO  |
| IDB.3/34-PBC.3/19   | 6(d)               | Financial situation of UNIDO. Report of the Director-General on the regular budget, 1986-1987   |

Documents submitted to the Board under symbol of the Programme and Budget Committee

|  |      |   |
|--|------|---|
| PBC.3/11                                 | 6(e) | Financial regulations. Report of the informal Open-ended Working Group, established by Programme and Budget Committee conclusion 1986/4, to review the draft financial regulations of UNIDO (PBC.2/3)   |
| * * *                                    |      |   |
| IDB.3/CRP.5/Rev.2-<br>PBC.3/CRP.17/Rev.2 | -    | List of participants  |
| IDB.3/CRP.7                              | 6(e) | Report of the Programme and Budget Committee: financial regulations. Observations of the External Auditors  |
| IDB.3/CRP.11-PBC.3/CRP.19                | -    | Programme and budgets, 1988-1989. Adjustments to the programme and budgets, 1988-1989   |
| IDB.3/CRP.12-PBC.3/CRP.20                | 6(e) | Financial regulations. Second report of the informal Open-ended Working Group, established by Programme and Budget Committee conclusion 1986/4, to review the draft financial regulations of UNIDO  |
| IDB.3/CRP.13 and Corr.1                  | 7(a) | Personnel matters: staff regulations. Report of the informal open-ended working group established by Industrial Development Board decision IDB.2/Dec.22 to study the draft staff regulations annexed to document IDB.2/4 of 11 June 1986                |
| IDB.3/CRP.14                             | 9    | Preparatory arrangements for the second session of the General Conference, including Article 2 (c) of the Constitution. Report of the second informal open-ended working group of the Industrial Development Board on Article 2 (c) of the Constitution |
| IDB.3/CRP.15-PBC.3/CRP.21                | 6(d) | Financial situation of UNIDO. Report of the Director-General on the regular budget, 1986-1987. Update of document IDB.3/34-PBC.3/19   |
| IDB.3/CRP.16-PBC.3/CRP.22                | 6(d) | Financial situation of UNIDO. Report adopted by the International Civil Service Commission on remuneration of the General Service and related categories: survey of best prevailing conditions of service at Vienna                                     |
| IDB.3/CRP.17-PBC.3/CRP.23                | 6(d) | Financial situation of UNIDO. Information note on the agreed termination exercise   |