Industrial Development Board  
Thirty-fifth session  
Vienna, 2-4 December 2008  
Agenda item 2  
Report of the Programme and Budget Committee

Report of the Programme and Budget Committee on the work of its twenty-fourth session (3-4 September 2008)

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Annex

List of documents submitted to the twenty-fourth session

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

1. The Programme and Budget Committee held its twenty-fourth session at UNIDO Headquarters, Vienna International Centre, from 3 to 4 September 2008. All 27 Members of the Committee participated in the session: Algeria, Austria, China, Colombia, Côte d’Ivoire, Cuba, Ecuador, France, Germany, India, Indonesia, Italy, Japan, Libyan Arab Jamahiriya, Mexico, Norway, Pakistan, Poland, Republic of Korea, Russian Federation, South Africa, Sudan, Switzerland, Tunisia, Turkey, Ukraine and United Kingdom of Great Britain and Northern Ireland.

2. The following 65 Members of UNIDO also attended the session: Afghanistan, Angola, Argentina, Azerbaijan, Belarus, Belgium, Belize, Bolivia, Botswana, Brazil, Bulgaria, Cameroon, Cape Verde, Chile, Costa Rica, Croatia, Cyprus, Czech Republic, Democratic People’s Republic of Korea, Democratic Republic of the Congo, Dominican Republic, Egypt, Ethiopia, Finland, Greece, Guatemala, Hungary, Iran (Islamic Republic of), Iraq, Ireland, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Kuwait, Lebanon, Lesotho, Lithuania, Luxembourg, Madagascar, Malaysia, Mali, Morocco, Namibia, Netherlands, Nicaragua, Nigeria, Oman, Panama, Peru, Philippines, Romania, Saudi Arabia, Serbia, Sierra Leone, Slovakia, Slovenia, Spain, Sri Lanka, Sweden, Thailand, Uruguay, Venezuela (Bolivarian Republic of), Yemen and Zimbabwe.

3. The following organizations were represented: Food and Agriculture Organization of the United Nations (FAO), International Atomic Energy Agency (IAEA), European Commission (EC), International Centre for Genetic Engineering and Biotechnology (ICGEB), International Institute of Refrigeration (IIR) and League of Arab States (LAS).

4. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation H.E. Mr. T. Wibowo (Indonesia) as Chairperson; Ms. A. Pastorelli (Italy), Mr. U. Canchola Gutierrez (Mexico) and Ms. A. Leśnodorska (Poland) as Vice-Chairpersons; and Mr. F. Belamri (Algeria) as Rapporteur.

5. The agenda for the twenty-fourth session as adopted by the Committee is contained in document PBC.24/1. Following the adoption of the agenda, the Director-General made an introductory statement that was duly taken into account by the Committee in the consideration of the relevant agenda items.

6. The report of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

7. The report contains the conclusions reached by the Committee. The annex to the present report contains a list of documents submitted to the Committee at its current session.

8. The following conclusions of the Committee contain recommendations that call for action by the Board at its thirty-fifth session or are of relevance to the work of that session:
I. Organizational and procedural matters

9. On 3 September, the Committee considered a proposal by the Chairperson to optimize the utilization of available conference-servicing resources and adopted the following conclusion:

Conclusion 2008/1 Utilization of available conference-servicing resources

The Committee, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 24 of its rules of procedure relating to the quorum, for the meetings of its twenty-fourth session only, provided no substantive decisions were taken at those meetings.

10. The Committee decided to set up informal, in-session consultations with the aim of facilitating the drafting of conclusions and entrusted the Vice-Chairperson Ms. A. Leśniodorska (Poland) to chair those consultations.


11. On 3 September, the Committee considered the report of the External Auditor on the accounts of UNIDO for the financial period 1 January 2006 to 31 December 2007 (PBC.24/3*), the financial performance report for the biennium 2006-2007, submitted by the Director-General (PBC.24/4) and the Annual Report of UNIDO 2007 (including the programme performance report for 2007) (PBC.24/2).

12. On 4 September, after consideration of a draft conclusion on the report of the External Auditor, financial performance report and programme performance report for the biennium 2006-2007, submitted by the Chairman (PBC.24/L.5), the Committee adopted the following conclusion:


The Committee recommended to the Industrial Development Board the adoption of the following draft decision:
“The Industrial Development Board:

“(a) Takes note of the report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial period 1 January 2006 to 31 December 2007 as contained in document IDB.35/3-PBC.24/3*, as well as the financial performance report for the biennium 2006-2007 (IDB.35/4-PBC.24/4) and the *Annual Report of UNIDO 2007*, including the programme performance report for 2007 (IDB.34/2-PBC.24/2);

“(b) Recognizes the important contribution the External Auditor makes to the improvement of UNIDO’s management, operations and performance through his recommendations;

“(c) Also takes note of the Director-General’s statement at the twenty-fourth session of the Programme and Budget Committee;

“(d) Expresses its thanks to the External Auditor for the services rendered by him;

“(e) Requests the Director-General to continue implementing the recommendations of the External Auditor and to report thereon to the Industrial Development Board at its thirty-sixth session.”

III. Financial situation of UNIDO (item 4); Mobilization of financial resources (item 6)

13. The Committee decided to discuss simultaneously items 4 and 6.

A. Financial situation of UNIDO (item 4)

14. On 3 September, the Committee considered a report by the Director-General on the financial situation of UNIDO (PBC.24/5), updated in a note by the Secretariat (PBC.24/CRP.3).

15. On 4 September, after consideration of a draft conclusion on the financial situation of UNIDO, submitted by the Chairman (PBC.24/L.2), the Committee adopted the following conclusion:

**Conclusion 2008/3 Financial situation of UNIDO**

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

“The Industrial Development Board:

“(a) Takes note of the information provided in document IDB.35/5-PBC.24/5;

“(b) Urges those Member States and former Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years’ arrears, to do so without delay;
“(c) Requests the Director-General to pursue his efforts and contacts with Member States and former Member States to effect the collection of arrears.”

B. Mobilization of financial resources (item 6)

16. On 3 September, the Committee considered a report by the Director-General on the mobilization of financial resources (PBC.24/7), information in the Annual Report of UNIDO 2007 on funding performance (PBC.24/2, chapter 1.C.) and a conference room paper on projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2007 (PBC.24/CRP.2).

17. On 4 September, after consideration of a draft conclusion on the mobilization of financial resources, submitted by the Chairman (PBC.24/L.3), the Committee adopted the following conclusion:

Conclusion 2008/4 Mobilization of financial resources

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

“The Industrial Development Board:

“(a) Takes note of the information contained in document IDB.35/7-PBC.24/7;

“(b) Decides to delegate to the Director-General the authority to approve projects for financing under the Industrial Development Fund in 2008 and 2009 in accordance with the priorities defined in the medium-term programme framework, 2008-2011 (IDB.32/8 and Add.1, and IDB.32/CRP.5);

“(c) Encourages Member States and other donors to increase their voluntary contributions to UNIDO;

“(d) Also encourages all donors to consider contributing programmable funds, specifically to enable UNIDO to implement the integrated programmes in a coordinated manner and achieve the synergy and increased impact envisaged in the integrated programme concept, as well as to support an efficient development and implementation of the new initiatives and thematic programmes responding to international development priorities;

“(e) Requests Member States to consider contributing to UNIDO to enable the Organization to participate in programmes requiring co-funding, either through contributing to dedicated trust funds or by special purpose funding at country or global level;

“(f) Further encourages Governments of beneficiary countries to play an active role alongside UNIDO to mobilize funds for jointly developed programmes and other high-priority activities, and specifically to assist in identifying and accessing funds available at the country level, including cost sharing arrangements, and funds from bilateral donors, multi-donor trust funds, United Nations Development Programme, the World Bank and other development finance institutions;
“(g) Strongly recommends Member States to support UNIDO in its efforts to develop and promote its programmes and initiatives in the international development context, and especially through international conferences and other forms of dialogue, in order to ensure that these initiatives are well known, their relevance for international development targets recognized, and resources made available.”

IV. Accounting standards (item 5)

18. On 3 September, the Committee considered a progress report by the Secretariat on the International Public Sector Accounting Standards (PBC.24/6).

19. On 4 September, at the suggestion of the Chairperson, the Committee took note of the information provided by the Secretariat on item 5.

V. Medium-term programme framework, 2010-2013 (item 7)

20. On 4 September, the Committee considered proposals of the Director-General on the medium-term programme framework, 2010-2013 (PBC.24/8).

21. On 4 September, at the suggestion of the Chairperson, the Committee took note of the information provided by the Director-General on item 7.

VI. Date of the twenty-fifth session (item 8)

22. On 4 September, the Committee took note of the entry contained in the annotated agenda (PBC.24/1/Add.1) on the dates reserved for the policymaking organs of UNIDO in 2008 and 2009.

23. On 4 September, after consideration of a draft conclusion on the date of the twenty-fifth session, submitted by the Chairman (PBC.24/L.4), the Committee adopted the following conclusion:

Conclusion 2008/5

The Programme and Budget Committee decided to hold its twenty-fifth session from 5 to 7 May 2009.

VII. Adoption of the report (item 9) and closure of the twenty-fourth session

24. On 4 September, the Committee adopted the draft report of its twenty-fourth session (PBC.24/L.1) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

25. The Committee closed its twenty-fourth session at 11:08 a.m. on 4 September 2008.
Annex

List of documents submitted to the twenty-fourth session

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Conference room papers

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