



General Conference

Fifteenth session

Lima, 2-6 December 2013

Report of the Industrial Development Board on the work of its fortieth session

(20-22 November 2012)

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Introduction

1. The report of the Industrial Development Board on the work of its fortieth session is presented to the General Conference in accordance with Article 9.4 (c) of the Constitution. The summary records of the Board (IDB.40/SR.1-SR.5), where the details of the proceedings are contained, form an integral part of the present report.

2. The following decision of the Board, reproduced in annex I, is related to the work of the General Conference at its fifteenth session:

IDB.40/Dec.5 Request from Ukraine for restoration of voting rights based on a payment plan

I. Organizational and procedural matters

3. The fortieth session of the Board was held at UNIDO Headquarters, Vienna International Centre, from 20 to 22 November 2012 (five plenary meetings — see IDB.40/SR.1-SR.5).

Participation

4. The following 51 of the 53 members of the Board were represented at the session: Algeria, Angola, Austria, Belgium, Brazil, Cameroon, Chile, China, Costa Rica, Côte d'Ivoire, Cuba, Czech Republic, Ecuador, Egypt, Finland, France, Germany, Greece, Guatemala, Hungary, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Kazakhstan, Kuwait, Lesotho, Mexico, Namibia, Nigeria, Norway, Peru, Poland, Portugal, Republic of Korea, Russian Federation, Saudi Arabia, Senegal, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Thailand, Turkey, Ukraine, Uruguay and Zimbabwe.

5. The following 49 Member States of UNIDO also participated in the session: Afghanistan, Albania, Argentina, Armenia, Belarus, Belize, Bolivia (Plurinational State of), Bulgaria, Burkina Faso, Colombia, Croatia, Cyprus, Democratic People's Republic of Korea, Denmark, Dominican Republic, El Salvador, Gabon, Georgia, Honduras, Israel, Jordan, Kenya, Lao People's Democratic Republic, Lebanon, Libya, Lithuania, Luxembourg, Malaysia, Malta, Morocco, Netherlands, Nicaragua, Oman, Pakistan, Panama, Paraguay, Philippines, Romania, Serbia, Slovakia, Slovenia, Syrian Arab Republic, Tunisia, Turkmenistan, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Venezuela (Bolivarian Republic of), Viet Nam and Yemen.

6. The Holy See participated as an observer.

7. Palestine participated as an observer.

8. The Sovereign Military Order of Malta participated as an observer.

9. The following United Nations bodies were represented: United Nations Office on Drugs and Crime (UNODC) and United Nations Human Settlements Programme (UN-HABITAT).

10. The following other intergovernmental organizations were represented: Asian-African Legal Consultative Organization (AALCO), European Union (EU), International Centre for Genetic Engineering and Biotechnology (ICGEB), International Centre for Promotion of Enterprises (ICPE) and League of Arab States (LAS).

11. The following non-governmental organizations were represented: Association of Former United Nations Industry and Development Experts (AFIDE), Austro-Arab Chamber of Commerce (AACC), Deula-Nienburg, European Federation of National Maintenance Societies (EFNMS), Institut Supérieur de Gestion (ISG), International Congress of Industrialists and Entrepreneurs (ICIE), International Council of Women (ICW), International Federation of Automatic Control (IFAC), International Foundation for the Promotion of Privatization and Foreign Investments (FPI), International Investment Center (IIC), Mountain Unlimited, Organization for International Economic Relations (OIER) and Soroptimist International (SI).

Opening of the session

12. The fortieth session of the Board was declared open by the President of the thirty-ninth session, H.E. Mr. Cho Hyun (Republic of Korea).

Officers of the session

13. In accordance with rule 23 of the rules of procedure, the Board elected by acclamation H.E. Mr. B. G. Csuday (Hungary) as President, H.E. Ms. A. T. Dengo Benavides (Costa Rica), H.E. Mr. T. Osawa (Japan) and H.E. Mr. M. H. Elamin (Sudan) as Vice-Presidents, and Ms. S. Tangkhittikun (Thailand) as Rapporteur.

Agenda of the session

14. The Board adopted the following agenda:

1. Election of officers.
2. Adoption of the agenda.
3. Annual report of the Director-General for 2011 on the activities of the Organization.
4. Report of the Programme and Budget Committee:
 - (a) Report of the External Auditor;
 - (b) Financial situation of UNIDO;
 - (c) Strengthening UNIDO programmes through unutilized balances of appropriations;
 - (d) Mobilization of financial resources.
5. Activities of the Evaluation Group.
6. Activities of the Joint Inspection Unit.

7. UNIDO activities in environment and energy.
8. Review of the progress of deliberations of the informal working group.
9. Personnel matters.
10. Matters related to intergovernmental, non-governmental, governmental and other organizations.
11. Selection process for the post of Director-General: Introduction of a candidates' forum.
12. Industrial innovation and productive capacity.
13. Date and place of the fifteenth session of the General Conference.
14. Provisional agenda and date of the forty-first session.
15. Adoption of the report.

15. The Board adopted a proposal by the President to ensure the maximum utilization of available conference-servicing resources (see annex I, decision IDB.40/Dec.1, IDB.40/SR.1, paras. 84 and 85).

16. The Board decided to set up informal in-session consultations with the aim of facilitating the drafting of decisions and entrusted Vice-President H.E. Mr. T. Osawa (Japan) to chair those consultations (see IDB.40/SR.2, para. 1).

II. Annual Report of the Director-General for 2011 on the activities of the Organization (item 3)

17. Under item 3, the Board had before it the *Annual Report 2011* (including the programme performance report) (IDB.40/2), a note by the Secretariat on UNIDO activities to promote knowledge networking and knowledge-sharing (IDB.40/CRP.2) and another note by the Secretariat entitled "Fostering the development of local pharmaceutical production in developing and least developed countries — Support to the African Union Commission on accelerating the implementation of the Pharmaceutical Manufacturing Plan for Africa". The debate on this item is reflected in summary records IDB.40/SR.2, paragraphs 17 to 57 and IDB.40/SR.3, paragraphs 1 to 69. The Board considered a draft decision submitted by the President (IDB.40/L.12) and adopted decision IDB.40/Dec.2 (see annex I).

III. Date and place of the fifteenth session of the General Conference (item 13)

18. Under item 13, the Board had before it a report by the Director-General on the date and place of the fifteenth session of the General Conference (IDB.40/19). The debate on this item is reflected in summary record IDB.40/SR.2, paragraphs 4 to 16. The Board considered a draft decision submitted by the President (IDB.40/L.2) and adopted decision IDB.40/Dec.13 (see annex I).

IV. Selection process for the post of Director-General: Introduction of a candidates' forum (item 11)

19. Under item 11, the Board had before it two notes by the Secretariat on the selection process for the post of Director-General (IDB.40/21 and Add.1) and a note by the Secretariat on legislative procedures for the appointment of the Director-General (IDB.40/26). The debate on this item is reflected in summary record IDB.40/SR.3, paragraphs 70 to 86. The Board considered two draft decisions submitted by the President (IDB.40/L.10 and IDB.40/L.14) and adopted decisions IDB.40/Dec.10 and IDB.40/Dec.11 (see annex I).

V. Report of the Programme and Budget Committee (items 4 (a) to (d))

20. Under item 4, including sub-items (a) to (d), the Board had before it the report of the Programme and Budget Committee on the work of its twenty-eighth session (IDB.40/12). The debate on this item is reflected in summary record IDB.40/SR.3, paras. 87 to 128.

A. Report of the External Auditor

21. Under sub-item 4 (a), the Board had before it the report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial period 1 January to 31 December 2011 (IDB.40/3) and the programme performance report which is included in the *Annual Report 2011* (IDB.40/2). The Board considered a draft decision submitted by the President (IDB.40/L.4) and adopted decision IDB.40/Dec.3 (see annex I).

B. Financial situation of UNIDO

22. Under sub-item 4 (b), the Board had before it a report by the Director-General on the financial situation of UNIDO (IDB.40/4), a note by the Director-General on a request from Ukraine for restoration of voting rights based on a payment plan (IDB.40/11/Add.1), a note by the Secretariat on developments related to Buildings Management Services (IDB.40/22), a note by the Secretariat on the introduction of digital recordings (IDB.40/25) and a note by the Secretariat on the status of assessed contributions and unencumbered balances of appropriations (IDB.40/CRP.3). The Board considered two draft decisions submitted by the President (IDB.40/L.5 and IDB.40/L.6) and adopted decisions IDB.40/Dec.4 and IDB.40/Dec.5 (see annex I).

C. Strengthening UNIDO programmes through unutilized balances of appropriations

23. Under sub-item 4 (c), the Board had before it a report by the Director-General on the Programme for Change and Organizational Renewal (IDB.40/5), a report by the Director-General on the trust fund on food security (IDB.40/6*), a report by the

Director-General on the trust fund on renewable energy (IDB.40/7), a report by the Director-General on unutilized balances of appropriations (IDB.40/8), a note by the Secretariat on the Programme for Change and Organizational Renewal (IDB.40/CRP.4) and a note by the Secretariat on unutilized balances of appropriations (IDB.40/CRP.5). At the proposal of the President, the Board took note of the documentation provided (IDB.40/SR.5, paras. 60 and 61).

D. Mobilization of financial resources

24. Under sub-item 4 (d), the Board had before it a report by the Director-General on the mobilization of financial resources (IDB.40/9), information contained in chapter 2 of the *Annual Report 2011* on funding performance (IDB.40/2). The Board considered a draft decision submitted by the President (IDB.40/L.8) and adopted decision IDB.40/Dec.6 (see annex I).

VI. Activities of the Evaluation Group (item 5)

25. Under item 5, the Board had before it a note by the Secretariat on the activities of the Evaluation Group (IDB.40/13) and a note by the Secretariat entitled “Synthesis of findings and lessons learned from evaluations conducted in 2010-2011” (IDB.40/CRP.8). The debate on this item is reflected in summary record IDB.40/SR.4, paragraphs 1 to 9. At the proposal of the President, the Board took note of the documentation provided (IDB.40/SR.5, paras. 64 and 65).

VII. Activities of the Joint Inspection Unit (item 6)

26. Under item 6, the Board had before it a report by the Director-General on the activities of the Joint Inspection Unit (IDB.40/14). The debate on this item is reflected in summary record IDB.40/SR.4, paragraphs 10 to 19. At the proposal of the President, the Board took note of the documentation provided (IDB.40/SR.5, paras. 66 and 67).

VIII. UNIDO activities in environment and energy (item 7)

27. Under item 7, the Board had before it reports by the Director-General on UNIDO activities related to environment (IDB.40/15) and UNIDO activities related to energy (IDB.40/16). The debate on this item is reflected in summary record IDB.40/SR.4, paragraphs 20 to 63. The Board considered a draft decision submitted by the President (IDB.40/L.13) and adopted decision IDB.40/Dec.7 (see annex I).

IX. Review of the progress of the deliberations of the informal working group (item 8)

28. Under item 8, the Board had before it the first and second interim reports of the Co-Chairs (H.E. Ms. A. T. Dengo Benavides, Costa Rica, and Mr. A. Groff, Switzerland) on the informal working group on the future, including programmes

and resources, of UNIDO (IDB.40/10 and IDB.40/17) and two conference room papers: Position paper of Group of 77 and China, and comments by the European Union regarding the weaknesses summary proposal of the informal working group (IDB.40/CRP.9) and the submission by Brazil to the informal working group (IDB.40/CRP.10). The debate on this item is reflected in summary record IDB.40/SR.5, paragraphs 1 to 26. At the proposal of the President, the Board took note of the documentation provided (IDB.40/SR.5, paras. 70 and 71).

X. Personnel matters (item 9)

29. Under item 9, the Board had before it a report by the Director-General on personnel matters (IDB.40/18 and Corr.1), information contained in appendix J of the *Annual Report 2011* on the composition of the Secretariat and personnel-related information (IDB.40/2) and a note by the Secretariat containing the list of staff as of 1 November 2012 (IDB.40/CRP.6). The debate on this item is reflected in summary record IDB.40/SR.5, paragraphs 27 to 34. The Board considered a draft decision submitted by the President (IDB.40/L.9) and adopted decision IDB.40/Dec.8 (see annex I).

XI. Industrial innovation and productive capacity (item 12)

30. Under item 12, the Board had before it a note by the Secretariat entitled “Industrial innovation and productive capacity — Proposal submitted by Brazil” (IDB.40/24). The debate on this item is reflected in summary record IDB.40/SR.5, paragraphs 35 to 44. The Board considered a draft decision submitted by the President (IDB.40/L.7) and adopted decision IDB.40/Dec.12 (see annex I).

XII. Matters related to intergovernmental, non-governmental, governmental and other organizations (item 10)

31. Under item 10, the Board had before it two notes by the Director-General on applications from non-governmental organizations for consultative status (IDB.40/20 and IDB.40/23). The debate on this item is reflected in summary record IDB.40/SR.5, paragraphs 45 to 47. The Board considered a draft decision submitted by the President (IDB.40/L.3) and adopted decision IDB.40/Dec.9 (see annex I).

XIII. Provisional agenda and date of the forty-first session (item 14)

32. Under item 14, the Board had before it a note by the Director-General on the provisional agenda and date of the forty-first session (IDB.40/CRP.7). The debate on this item is reflected in summary record IDB.40/SR.5, paragraph 48. The Board considered a draft decision submitted by the President (IDB.40/L.11) and adopted decision IDB.40/Dec.14 (see annex I).

XIV. Adoption of the report (item 15)

33. Under item 15, the Board considered the draft report (IDB.40/L.1) and adopted it as a whole with the understanding that the Rapporteur would be entrusted with the task of finalizing the report (see summary record IDB.40/SR.5, paras. 84 to 86).

XV. Closure of the session

34. On 22 November 2012, at 12:20 p.m., the Board closed its fortieth session (see IDB.40/SR.5, paras. 89 and 90).

Annex I**Decisions adopted by the Board at its fortieth session**

Decision No.	Title	Page
IDB.40/Dec.1	Utilization of available conference-servicing resources	11
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IDB.40/Dec.1 Utilization of available conference-servicing resources

The Industrial Development Board, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 32 of its rules of procedure relating to the quorum, for the meetings of its fortieth session only, provided no substantive decisions were taken at those meetings.

*1st plenary meeting
20 November 2012*

IDB.40/Dec.2 Knowledge networking and knowledge-sharing

The Industrial Development Board:

(a) Recalled resolution GC.14/Res.2 on knowledge networking and knowledge-sharing for achieving development goals;

(b) Also recalled decision IDB.38/Dec.8 on UNIDO activities in the field of industrial policy, and in particular paragraph (g) (ii) of that same decision requesting the Director-General to support the exchange of knowledge, experiences and best practices among experts and policymakers at the global and regional level; and called on Member States to provide favourable framework conditions for industrial development;

(c) Reiterated the importance of international knowledge networking and existing knowledge management platforms within UNIDO as well as the exchange of experiences and best practices for the achievement of local, regional and international development goals and prosperity;

(d) Took note of the international knowledge bank as a mechanism of knowledge-sharing to meet urgent technical assistance;

(e) Also took note of the global report *Networks for Prosperity: Connecting Development Knowledge beyond 2015*, launched on 19 November 2012, and further took note of the report's focus on the importance of South-South cooperation and network governance among middle-income countries in economic development processes;

(f) Welcomed the offer of Costa Rica to host a high-level conference for middle-income countries on the theme "Networks for Prosperity" from 12 to 14 June 2013 and requested the Director-General to actively support this event;

(g) Requested the Director-General to intensify activities in the field of network governance and knowledge networking for economic development and to submit a report on the progress made in implementing the present decision to the Industrial Development Board at its forty-first session.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.3 Report of the External Auditor

The Industrial Development Board:

(a) Took note of the report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial period 1 January to 31 December 2011, including the financial performance report, as contained in document IDB.40/3, and the *Annual Report of UNIDO 2011*, including the programme performance report for 2011 (IDB.40/2);

(b) Also took note of the statements of the Director-General and the External Auditor made at the twenty-eighth session of the Programme and Budget Committee;

(c) Expressed its gratitude to the External Auditor for the valuable services rendered by him;

(d) Recognized the important contribution the External Auditor made to the improvement of UNIDO's management, operations and performance through his recommendations;

(e) Called upon the Director-General to ensure within existing resources regular auditing of field offices;

(f) Requested the Director-General to work in consultation with the Secretariat to ensure that the risk of a possible increase in the cost of operations in managing the new SAP system was covered by existing resources;

(g) Also requested the Director-General to continue implementing the recommendations of the External Auditor and to report thereon to the Industrial Development Board at its forty-first session.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.4 Financial situation of UNIDO

The Industrial Development Board:

(a) Took note of the information provided in document IDB.40/4;

(b) Urged 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) Requested the Director-General to pursue his efforts and contacts with Member States and former Member States to effect the collection of arrears;

(d) Urged the Director-General to intensify his efforts to ensure that current Member States sustain their support and that new Member States are attracted to the Organization.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.5 Request from Ukraine for restoration of voting rights based on a payment plan

The Industrial Development Board:

(a) Took note of the information provided in documents IDB.40/11 and Add.1;

(b) Welcomed the commitment of Ukraine to settle its arrears through a payment plan agreement and encouraged Ukraine to pay regularly its instalments in line with the conditions therein;

(c) Decided to restore the voting rights of Ukraine at the Board in accordance with article 5.2 of the UNIDO Constitution;

(d) Recommended to the fifteenth session of the General Conference to positively consider the request of Ukraine for the restoration of voting rights in accordance with Article 5.2 of the Constitution of UNIDO.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.6 Mobilization of financial resources

The Industrial Development Board:

(a) Took note of the information contained in document IDB.40/9;

(b) Decided to delegate to the Director-General the authority to approve, in accordance with financial regulation 6.2, projects for financing under the Industrial Development Fund in 2012 and 2013 in accordance with the priorities defined in the medium-term programme framework 2010-2013 (IDB.35/8/Add.1) and as adjusted in the midterm review of the medium-term programme framework 2010-2013 (IDB.39/8*);

(c) Requested the Director-General to continue consulting with relevant Governments in relation to the programming of voluntary contributions to the Industrial Development Fund;

(d) Encouraged Member States and other donors to continue providing their voluntary contributions to UNIDO;

(e) Also encouraged all donors to consider contributing programmable funds, specifically to enable UNIDO to respond rapidly to requests for assistance and develop and implement its programmatic activities in a prompt and coordinated manner;

(f) Requested Member States to consider contributing to UNIDO to enable the Organization to work with funding sources requiring co-funding, either through contributing to the dedicated trust funds or by special purpose funding at country or global level;

(g) Encouraged Governments of recipient countries to play an active role in sharing with UNIDO the responsibility for mobilizing funds for jointly agreed priority activities, and specifically to take the lead in identifying and accessing funds available at the country level, including local cost sharing opportunities, and

funds from bilateral donors, multi-donor trust funds, United Nations Development Programme, World Bank as well as other development finance institutions;

(h) Also encouraged the Director-General to diversify UNIDO's sources of funding;

(i) Strongly recommended to Member States to cooperate with and support the Organization 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 those initiatives were well known, their relevance for international development targets were recognized, and resources were made available.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.7 UNIDO activities in environment and energy

The Industrial Development Board:

(a) Recalled General Conference resolution GC.14/Res.4 on strengthening UNIDO activities in energy and environment;

(b) Took note of the information provided in the reports by the Director-General on UNIDO activities related to environment and energy (IDB.40/15 and IDB.40/16);

(c) Recognized the important contribution of UNIDO to sustainable industrial development by introducing and reinforcing initiatives and programmes on sustainable patterns of production and consumption throughout the global manufacturing process;

(d) Encouraged UNIDO to further develop the initiative on the Green Industry Platform and undertake necessary actions to fully tap its potential to foster cleaner and more competitive industrial development;

(e) Reiterated its support to UNIDO's commitment to develop its Resource Efficient and Cleaner Production Programme, build up the Organization's water management projects and strengthen assistance to developing countries and those with economies in transition to prepare their national implementation plans under the framework of the Stockholm Convention as well as to expand the number of its Montreal Protocol projects and beneficiary countries;

(f) Requested the Director-General:

(i) To finalize the strategic document in the field of renewable energy, specifying, inter alia, the envisaged cooperation and highlighting the complementarity with the Sustainable Energy for All initiative;

(ii) To foster, in line with national needs and priorities, transfer of adequate technologies for renewable energies in all its forms;

(iii) To provide in future reports to Member States information based on the results-based approach outlining the impact of projects and programmes on more sustainable patterns of production;

(iv) To establish appropriate cooperation mechanisms, including agreements on the implementation of projects and initiatives, with other international and regional organizations in the field of environment and energy, as appropriate at the global, regional and/or national levels, in order to create synergies and avoid duplication;

(v) To strengthen the implementation of the programmes co-financed by the Global Environment Facility, the Multilateral Fund for Implementation of the Montreal Protocol, bilateral donors and multi-donor initiatives in energy and environment, with a results-based approach and giving particular attention to the developmental impact of these programmes in the field, including the capacity-building required to shift to more sustainable patterns of production;

(vi) To continue, in accordance with the national circumstances and priorities of Member States, to promote green industry in the post-Rio+20 and the post-2015 negotiation process, particularly with a view to supporting the formulation of sustainable development goals relating to resource efficiency and energy access;

(vii) To continue guiding UNIDO activities related to environment and energy and to report thereon to the Industrial Development Board at its forty-first session.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.8 Personnel matters

The Industrial Development Board:

(a) Took note of the information contained in documents IDB.40/18 and Corr.1;

(b) Noted the amendments to Schedules I and III to the staff regulations, made in compliance with staff regulation 13.3;

(c) Also noted the amendments to the appendices A, C and M to the staff rules and to staff rules 103.10, 104.08, 106.02 and 110.05, made in compliance with staff regulation 13.4.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.9 Applications from non-governmental organizations for consultative status

The Industrial Development Board:

(a) Took note of the information contained in documents IDB.40/20 and IDB.40/23;

(b) Decided, in accordance with Article 19.1 (b) of the Constitution and the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, para. 17), to grant consultative status with UNIDO to the following non-governmental organizations:

International Gas Union (IGU), and
Global Alliance of SMEs (GASME).

*5th plenary meeting
22 November 2012*

IDB.40/Dec.10 Forum of candidates for the post of Director-General

The Industrial Development Board:

(a) Took note of the information contained in documents IDB.40/21 and Add.1;

(b) Decided to convene on 21 May 2013 a forum of candidates nominated for the post of Director-General;

(c) Also decided that the modalities for the forum will be those outlined in document IDB.40/21/Add.1, paragraph 14.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.11 Legislative procedures for the appointment of the Director-General

The Industrial Development Board:

(a) Took note of the information provided in document IDB.40/26;

(b) Also took note of the advance information provided by the Director-General in his opening statement to the plenary;

(c) Acknowledged the importance of ensuring a smooth and swift transition should the Director-General submit his resignation prior to the end of his term;

(d) Took note of the terms of the contract for appointment of the Director-General (decision GC.13/Dec.19), and in particular paragraph 9, which states that 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”;

(e) Decided to accept, with the effective date of 28 June 2013, the resignation of the current Director-General, should it be submitted in accordance with the terms of his contract;

(f) Also decided, in the event that the Director-General so resigns, to request the Director-General to convene on 28 June 2013 a special session of the General

Conference, in accordance with rule 5.1 of the Rules of Procedure of the General Conference;

(g) Emphasized that the special session of the General Conference would be convened on 28 June 2013 for the sole purpose of considering the recommendations of the Board on a candidate for the appointment of Director-General and the terms and conditions of his or her appointment;

(h) Decided that the note verbale concerning nominations for the post of Director-General will indicate that the Director-General-elect is to assume office on 28 June 2013; he or she may appoint an officer-in-charge for a reasonably limited time, if needed.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.12 Industrial innovation and productive capacity

The Industrial Development Board:

(a) Took note of document IDB.40/24 on industrial innovation and productive capacity;

(b) Acknowledged the final outcome document of the United Nations Conference on Sustainable Development (Rio+20), The Future We Want, and the 10-year framework of programmes on sustainable consumption and production patterns (A/CONF.216/5*) as agreed by the Conference;

(c) Recalled the objectives and functions established in the Constitution of UNIDO and the strategic long-term vision statement for the period 2005-2015 (GC.11/Res.4);

(d) Also recalled resolution GC.13/Res.6 on the crucial role of the productive sectors in supporting the achievement of the Millennium Development Goals, decision IDB.38/Dec.8 on UNIDO activities in the field of industrial policy, resolution GC.14/Res.1 on UNIDO activities in the field of industrial policy with a view to promoting social inclusion, and resolution GC.14/Res.2 on knowledge networking and knowledge-sharing for achieving development goals;

(e) Recognized that promotion of innovation is an essential element in public policies aiming at fostering private sector entrepreneurship;

(f) Emphasized the linkage between the quality and scope of national public services provided for the realization of economic and social rights and long-term sustainable economic growth, associated with energy and material efficiency gains in every productive sector;

(g) Recognized in that regard the role of UNIDO in promoting industrial innovation and in contributing to the mainstreaming of science and technology into national production systems, manufacture, mining and energy processes and their products, including the managerial skills involved;

(h) Also recognized that enhancement of productive capacity played a key role in the process of poverty eradication;

(i) Recognized further that the proper application of innovative solutions could assist developing countries to fill the gaps in their development process and to accelerate the implementation of the Millennium Development Goals;

(j) Stressed the growing importance of UNIDO activities in the provision of research, advice and technical cooperation in the field of industrial strategies and policies to assist developing countries to achieve higher levels of productivity;

(k) Also stressed the role of UNIDO in strengthening national absorptive and productive capacities, including the ability to acquire, absorb, adapt, diffuse and adopt existing knowledge and the capacity to produce and use new knowledge and technologies;

(l) Requested the Director-General:

(i) To take the necessary measures to enable UNIDO to take part in the implementation of the 10-year framework of programmes on sustainable consumption and production patterns;

(ii) To continue to develop and foster, within the Organization's mandate and within existing resources, activities that promote industrial innovation and, in consultation with Member States, assist them in acquiring, absorbing, adapting, diffusing and adopting existing knowledge and technologies and the capacity to produce and use new knowledge and technologies, including by making use of its global network of centres for investment and technology promotion, resource-efficient and cleaner production, and South-South industrial cooperation, as well as through its Institute for Capacity Development and its Networks for Prosperity initiative;

(iii) To engage UNIDO in a constant dialogue with the relevant United Nations bodies, inter alia, the Commission on Science and Technology for Development of the United Nations Economic and Social Council, the United Nations Educational, Scientific and Cultural Organization, the United Nations Environment Programme and the regional economic and social commissions, as well as the private sector and research institutes, in order to ensure coherence and effectiveness of the relevant United Nations provisions on science, technology and innovation;

(iv) To report on the progress made in implementing the present decision to the Industrial Development Board at its forty-first session.

*5th plenary meeting
22 November 2012*

IDB.40/Dec.13 Date and place of the fifteenth session of the General Conference

The Industrial Development Board:

(a) Recalled rule 4 of the rules of procedure of the General Conference stating that regular sessions of the General Conference shall be held at the seat of the Organization, unless otherwise determined by the Conference;

(b) Also recalled rule 8 of the rules of procedure of the General Conference stipulating that actual additional costs directly or indirectly involved in holding a session away from Headquarters shall be borne by the host Government;

(c) Took note of the report of the Director-General (IDB.40/19), which informed the Board of the kind offer of the Government of Peru to host the fifteenth session of the General Conference in Lima;

(d) Also took note of the assurances received from the Government of Peru to bear all additional costs directly or indirectly involved in holding the session in Lima, as referred to in paragraph (b);

(e) Decided to accept the offer of the Government of Peru to host the fifteenth session of the General Conference at the Westin Convention Center in Lima, from 2 to 6 December 2013;

(f) Requested the Director-General to negotiate and conclude an appropriate Conference agreement with the Government of Peru no later than February 2013;

(g) Also requested the Director-General to report to the forty-first session of the Board on the progress achieved in that matter.

*2nd plenary meeting
20 November 2012*

IDB.40/Dec.14 Provisional agenda and date of the forty-first session

The Industrial Development Board:

(a) Took note of the information contained in document IDB.40/CRP.7;

(b) Decided to approve the following provisional agenda for its forty-first session:

1. Election of officers.
2. Adoption of the agenda.
3. Annual report of the Director-General for 2012.
4. Report of the Programme and Budget Committee:
 - (a) Report of the External Auditor for 2012;
 - (b) Financial situation of UNIDO;
 - (c) Scale of assessments for apportionment of the regular budget expenses for the biennium 2014-2015;
 - (d) Working Capital Fund for the biennium 2014-2015;
 - (e) Mobilization of financial resources;
 - (f) Appointment of an External Auditor;
 - (g) Strengthening UNIDO programmes through unutilized balances of appropriations.
5. Programme and budgets, 2014-2015.
6. Medium-term programme framework.
7. Informal working group on the future, including programmes and resources, of UNIDO.

8. UNIDO activities in environment and energy.
 9. Activities of the Joint Inspection Unit.
 10. Personnel matters.
 11. Matters related to intergovernmental, non-governmental, governmental and other organizations.
 12. Recommendation of a candidate for the post of Director-General.
 13. Preparations for the fifteenth session of the General Conference.
 14. Provisional agenda and date of the forty-second session.
 15. Adoption of the report.
- (c) Decided to hold its forty-first session from 24 to 27 June 2013.

*5th plenary meeting
22 November 2012*

Annex II

Documents submitted to the Board at its fortieth session

<i>Symbol</i>	<i>Agenda item</i>	<i>Title</i>
IDB.40/1/Rev.1	2	Provisional agenda
IDB.40/1/Rev.1/Add.1	2	Annotated provisional agenda
IDB.40/2	3, 5, 9	<i>Annual Report of UNIDO 2011</i>
IDB.40/3	4 (a)	Report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial year 1 January to 31 December 2011
IDB.40/4	4 (b)	Financial situation of UNIDO. Report by the Director-General
IDB.40/5	4 (c)	Programme for Change and Organizational Renewal. Report by the Director-General
IDB.40/6*	4 (c)	Trust fund on food security. Report by the Director-General
IDB.40/7	4 (c)	Trust fund on renewable energy. Report by the Director-General
IDB.40/8	4 (c)	Unutilized balances of appropriations. Report by the Director-General
IDB.40/9	4 (d)	Mobilization of financial resources. Report by the Director-General
IDB.40/10	8	Informal working group on the future, including programmes and resources, of UNIDO. Interim report of the Co-Chairs (H.E. Ms. A.T. Dengo Benavides, Costa Rica, and Mr. A. Groff, Switzerland)
IDB.40/11/Add.1	4 (b)	Request from Ukraine for restoration of voting rights based on a payment plan. Note by the Director-General
IDB.40/12	4	Report of the Programme and Budget Committee on the work of its twenty-eighth session
IDB.40/13	5	Activities of the Evaluation Group. Note by the Secretariat
IDB.40/14	6	Activities of the Joint Inspection Unit. Report by the Director-General
IDB.40/15	7	UNIDO activities related to environment. Report by the Director-General
IDB.40/16	7	UNIDO activities related to energy. Report by the Director-General
IDB.40/17	8	Informal working group on the future, including programmes and resources, of UNIDO. Second interim report of the Co-Chairs (H.E. Ms. A.T. Dengo Benavides, Costa Rica, and Mr. A. Groff, Switzerland)
IDB.40/18 and Corr.1	9	Personnel matters. Report by the Director-General
IDB.40/19	13	Date and place of the fifteenth session of the General Conference. Report by the Director-General
IDB.40/20	10	Application from a non-governmental organization for consultative status. Note by the Director-General
IDB.40/21 and Add.1	11	Selection process for the post of Director-General. Note by the Secretariat

<i>Symbol</i>	<i>Agenda item</i>	<i>Title</i>
IDB.40/22	4 (b)	Developments related to Buildings Management Services. Note by the Secretariat
IDB.40/23	10	Application from a non-governmental organization for consultative status. Note by the Director-General
IDB.40/24	12	Industrial innovation and productive capacity — Proposal submitted by Brazil. Note by the Secretariat
IDB.40/25	4 (b)	Introduction of digital recordings. Note by the Secretariat
IDB.40/26	11	Legislative procedures for the appointment of the Director-General. Note by the Secretariat
Conference room papers		
IDB.40/CRP.1	2	List of documents
IDB.40/CRP.2	3	UNIDO activities to promote knowledge networking and knowledge-sharing. Note by the Secretariat
IDB.40/CRP.3	4 (b)	Status of assessed contributions and unencumbered balances of appropriations. Note by the Secretariat
IDB.40/CRP.4	4 (c)	Programme for Change and Organizational Renewal. Note by the Secretariat
IDB.40/CRP.5	4 (c)	Unutilized balances of appropriations. Note by the Secretariat
IDB.40/CRP.6	9	List of staff of the UNIDO Secretariat
IDB.40/CRP.7	14	Provisional agenda and date of the forty-first session. Note by the Director-General
IDB.40/CRP.8	5	Synthesis of findings and lessons learned from evaluations conducted in 2010-2011. Note by the Secretariat
IDB.40/CRP.9	8	Position paper of Group of 77 and China, and comments by the European Union regarding the weaknesses summary proposal of the informal working group. Note by the Secretariat
IDB.40/CRP.10	8	Submission by Brazil to the informal working group on the future, including programmes and resources, of UNIDO. Note by the Secretariat
IDB.40/CRP.11	3	Fostering the development of local pharmaceutical production in developing and least developed countries — Support to the African Union Commission on accelerating the implementation of the Pharmaceutical Manufacturing Plan for Africa
IDB.40/CRP.12/Rev.1	–	List of participants