



United Nations Industrial Development Organization

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Programme and Budget Committee

Twenty-ninth session

Vienna, 22-24 May 2013

Item 2 of the provisional agenda

Adoption of the agenda

Annotated provisional agenda

Opening of the session

The twenty-ninth session of the Programme and Budget Committee will be opened by the Chairperson of the Committee, H.E. Ms. C. Stix-Hackl (Austria).

Item 1. Election of officers

In accordance with rule 17.1, each year, at the commencement of its regular session, the Committee shall elect from among the representatives of its members a Chairman and three Vice-Chairmen, and from among the delegations of its members a Rapporteur. Rule 17.3 stipulates that the offices of the Chairman, the three Vice-Chairmen and the Rapporteur shall be subject to equitable geographical rotation within a five-year cycle in accordance with appendix A to the rules of procedure. According to that appendix, the Chairman of the twenty-ninth session should be elected from members of the Committee from Asian and Pacific States in List A, and the three Vice-Chairmen from States in List B, States in List C and States in List D. The Rapporteur should be elected from members of the Committee from the African States in List A.

Item 2. Adoption of the agenda

A provisional agenda for the twenty-ninth session, prepared by the Director General in consultation with the Chairperson of the Committee, in accordance with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.29/1 as stipulated in rule 12.

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.

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The Committee will have before it:

- Provisional agenda (PBC.29/1)
- Annotated provisional agenda (PBC.29/1/Add.1)
- List of documents (PBC.29/CRP.1)

Item 3. Report of the External Auditor for 2012

Financial regulations 11.9 and 11.10 stipulate that the reports of the External Auditor, together with the audited financial statements, shall be completed by not later than 20 April for the first year of the biennium, following the financial year to which they relate and shall be transmitted through the Programme and Budget Committee to the Board in accordance with directions given by the Conference. The Committee shall examine the financial statements and the audit reports and submit recommendations to the Board, which shall forward them to the Conference with such comments, as it deems appropriate.

The Committee in its conclusion 1987/19 requested the Director General to submit each year to the Board through the Committee a clear and detailed financial performance report itemizing the utilization of financial resources. Since 2011, the financial performance report, i.e. the financial statements compliant with the International Public Sector Accounting Standards (IPSAS), is included in the External Auditor's report.

The Committee will have before it:

- Report of the External Auditor on the accounts of UNIDO for the financial year 1 January to 31 December 2012 (PBC.29/3-IDB.41/3)

Item 4. Financial situation of UNIDO

The report by the Director General to the Board at its fortieth session (IDB.40/4), amended through a note by the Secretariat (IDB.40/CRP.3), covered a wide range of issues within the context of the financial situation. That information will be updated in a document submitted to the present session.

The Committee will thus have before it:

- Financial situation of UNIDO. Report by the Director General (PBC.29/4-IDB.41/4)

Item 5. Programme and budgets, 2014-2015

In accordance with Articles 14.1 and 14.2 of the Constitution, the Director General shall prepare and submit to the Board through the Committee, a draft programme of work for the following fiscal period, together with the corresponding estimates for those activities to be financed from the regular budget. The Director General shall, at the same time, submit proposals and financial estimates for those activities to be financed from voluntary contributions to the Organization. The Committee shall consider the proposals of the Director General and submit to the Board its recommendations on the proposed programme of work and corresponding estimates for the regular budget and the operational budget. Such recommendations of the Committee shall require a two-thirds majority of the members present and

voting. At its fifteenth session, the General Conference will need to consider and approve the programme and budgets, 2014-2015.

At the fortieth session of the Industrial Development Board, some Member States suggested that discussions on the proposal to introduce digital records should be part of the consideration of the programme and budgets, 2014-2015. Such a proposal was made by the Secretariat (IDB.40/25) with a view to achieving economies.

The Committee will have before it:

- Programme and budgets, 2014-2015. Proposals of the Director General (PBC.29/5-IDB.41/5)

Item 6. Scale of assessments for apportionment of the regular budget expenses for the biennium 2014-2015

The General Conference at its fifteenth session will need to establish a scale of assessments for the years 2014 and 2015. In accordance with Article 10.4 (b) of the Constitution, the Committee shall prepare the draft scale of assessments for regular budget expenditures, for submission to the Board. Article 15.2 of the Constitution stipulates that the scale of assessments shall be based to the extent possible on the scale most recently employed by the United Nations. The Committee will be provided with the latest information concerning the United Nations scale of assessments applicable for the years 2014 and 2015 and any adjustments that might be required for UNIDO.

The Committee will thus have before it:

- Scale of assessments for the fiscal period 2014-2015. Note by the Secretariat (PBC.29/6-IDB.41/6)

Item 7. Working Capital Fund for the biennium 2014-2015

In accordance with financial regulation 5.4 paragraph (a), the Committee should recommend to the Board the amount and purposes of the Working Capital Fund for the biennium 2014-2015. At its fourteenth session, the General Conference decided (GC.14/Dec.15) that the level of the Working Capital Fund for the biennium 2012-2013 should remain at €7,423,030 and that the authorized purposes of the Fund for the biennium 2012-2013 should remain the same as for the biennium 2010-2011, i.e. as stipulated in decision GC.2/Dec.27, paragraph (b).

The Committee will thus have before it:

- Working Capital Fund for the biennium 2014-2015. Proposals of the Director General (PBC.29/7-IDB.41/7)

Item 8. Medium-term programme framework

At its fourteenth session the General Conference took note of the midterm review of the medium-term programme framework (MTPF) 2010-2013 and decided that the MTPF 2010-2013 remained in force until its scheduled expiry in 2013 (decision GC.14/Dec.18). With the same decision, the General Conference requested the Director General to submit on a quadrennial basis, from 2013 onwards, to the Board in the second year of a biennium, through the Programme and Budget

Committee, a draft medium-term programme framework for the four years that follow the current biennium, taking into account the recommendations of the latest comprehensive policy review of operational activities for development. As the consultations of the informal working group on the future, including programmes and resources, of UNIDO are still ongoing, the Director General, at a meeting of the Enlarged Bureau of the Committee on 5 November 2012, proposed that the adjusted MTPF 2010-2013 be extended until 2015.

The Committee will thus have before it:

- Proposal by the Director General regarding the medium-term programme framework (PBC.29/8-IDB.41/8)

Item 9. Strengthening UNIDO programmes through unutilized balances of appropriations

At its thirteenth session, the General Conference decided to utilize parts of the amounts of unutilized balances of appropriations due to Member States in 2010 for financing the Programme for Change and Organizational Renewal (PCOR), and the trust funds on food security and on renewable energy (GC.13/Dec.15).

In line with decision IDB.38/Dec.4, Member States were regularly briefed on the developments regarding PCOR. The most recent update was provided in a report issued to the fortieth session of the Industrial Development Board (IDB.40/5) as well as a note by the Secretariat (IDB.40/CRP.4). The Committee will be apprised of the main developments that have taken place since then.

Also in relation to the two dedicated trust funds, the Committee will be informed of the most recent developments, thereby updating the reports on the trust fund on food security (IDB.40/6*) and the trust fund on renewable energy (IDB.40/7).

In addition, the fourteenth session of the General Conference encouraged Member States to consider voluntarily renouncing their shares of unutilized balances to strengthen UNIDO programmes (GC.14/Dec.14). The Director General will report through the Committee to the forty-first session of the Board on the implementation of the same decision, including the establishment of a trust fund for Latin America and the Caribbean, as well as further contributions received from Member States through voluntarily renouncing their shares of unutilized balances that were due in 2013, to strengthen UNIDO programmes.

The Committee will thus have before it:

- Programme for Change and Organizational Renewal. Report by the Director General (PBC.29/9-IDB.41/9)
- Trust fund on food security. Report by the Director General (PBC.29/10-IDB.41/10)
- Trust fund on renewable energy. Report by the Director General (PBC.29/11-IDB.41/11)
- Unutilized balances of appropriations. Report by the Director General (PBC.29/12-IDB.41/12)

Item 10. Informal working group on the future, including programmes and resources, of UNIDO

In accordance with Board decision IDB.39/Dec.7 (h), an informal working group of interested Member States to provide guidance on the future, including programmes and resources, of UNIDO was established under the co-chairmanship of H.E. Ms. A. T. Dengo Benavides (Costa Rica) and Mr. A. Groff (Switzerland) in November 2011.

In line with the terms of reference of the informal working group (document GC.14/14 and Corr.1), an interim report on the activities of the working group shall be submitted to the UNIDO policymaking organs biannually until the fifteenth session of the General Conference. A third interim report of the Co-Chairs will be submitted through the current session of the Programme and Budget Committee to the forty-first session of the Board, thereby updating previous interim reports (IDB.40/10 and IDB.40/17).

The Committee will thus have before it:

- Informal working group on the future, including programmes and resources, of UNIDO. Third interim report of the Co-Chairs (PBC.29/13-IDB.41/13)

Item 11. Financial regulations

At its thirty-ninth session the Industrial Development Board decided to reduce the number of Board sessions in non-General Conference years to one regular session (decision IDB.39/Dec.7 (f)). Hence, this decision affected the schedule of sessions of the policymaking organs, and as a result, further amendments to the financial regulations, in particular as they relate to reporting deadlines of the External Auditor, will become necessary. The proposed amendments to the Financial Regulations of UNIDO (PBC.28/CRP.2) will be presented through the Programme and Budget Committee and the Industrial Development Board for approval by the fifteenth session of the General Conference in 2013.

The Committee will thus have before it:

- Financial Regulations of UNIDO. Note by the Secretariat (PBC.29/14-IDB.41/14)

Item 12. Mobilization of financial resources

The *Annual Report of UNIDO 2012* provides information on the mobilization of financial resources during that year.

The Committee will have before it:

- Information on the mobilization of financial resources, contained in the *Annual Report of UNIDO 2012* (PBC.29/2-IDB.41/2)
- Projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2012 (PBC.29/CRP.2)

Item 13. Appointment of an External Auditor

In accordance with financial regulation 11.1, an External Auditor, who shall be the Auditor-General (or an officer exercising an equivalent function) of a Member

State, shall be appointed in the manner and for the period decided by the General Conference. The Conference, by decision GC.14/Dec.17, decided to extend the appointment of the Auditor General of Pakistan as the External Auditor of UNIDO for a period of two years, from 1 July 2012 to 30 June 2014.

In decision GC.6/Dec.18, the Conference requested the Director General to invite proposals from Member States for the appointment of an External Auditor and to submit such proposals to the Committee for consideration. A report will be issued to the Committee concerning proposals received.

The Committee will have before it:

- Candidates for the appointment of an External Auditor. Report by the Director General (PBC.29/15-IDB.41/15)
- Candidates for the appointment of an External Auditor. Note by the Secretariat (PBC.29/CRP.3)

Item 14. Date of the thirtieth session

The following dates have been reserved for the policymaking organs of UNIDO in 2013 and 2014:

24-27 June 2013	Industrial Development Board, forty-first session
28 June 2013	General Conference, second special session
2-6 December 2013	General Conference, fifteenth session (Lima, Peru)
23-27 June 2014 (tentative)	Programme and Budget Committee, thirtieth session
24-28 November 2014 (tentative)	Industrial Development Board, forty-second session

Item 15. Adoption of the report
