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GENERAL CONFERENCE

DECISIONS AND RESOLUTIONS OF THE GENERAL CONFERENCE

Eleventh regular session
Vienna, Austria
28 November-2 December 2005

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DECISIONS*

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* All decisions were adopted by consensus. Discussion related to the adoption of the decisions are reflected in the summary records cited in the present contents.

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RESOLUTIONS*

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* All resolutions were adopted by consensus. Discussion related to the adoption of the resolutions are reflected in the summary records cited in the present contents.

Introductory note

1. The decisions and resolutions adopted by the General Conference at its eleventh regular session (2005) are reproduced in the present document.
2. The table of contents, for ease of reference, lists a serial number by which each decision or resolution may be cited, the title of each decision and resolution, the pertinent background document(s), a reference to the summary record of the plenary meeting at which the decision or resolution was adopted and the relevant agenda item. Decisions and resolutions are, as far as possible, set out in the order of the agenda.
3. The present document should be read in conjunction with the summary records of the General Conference, where details of the proceedings are provided.

AGENDA OF THE ELEVENTH REGULAR SESSION

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Organization of work.
5. Credentials of representatives to the Conference.
6. Elections to organs:
 - (a) Industrial Development Board;
 - (b) Programme and Budget Committee.
7. Annual reports of the Director-General on the activities of the Organization for 2003 and 2004.
8. Reports of the Industrial Development Board on the work of its twenty-eighth, twenty-ninth and thirtieth regular sessions.
9. Forum on industrial development issues.
10. Financial matters:
 - (a) Scale of assessments of Member States;
 - (b) Financial situation of UNIDO;
 - (c) Working Capital Fund;
 - (d) Supplementary estimates for the biennium 2004-2005 for security enhancements;
 - (e) Appointment of an External Auditor;
 - (f) Annex to the financial regulations.
11. Implementation of the medium-term programme framework, 2004-2007.
12. Medium-term programme framework, 2006-2009.
13. Strategic long-term vision statement.
14. Programme and budgets, 2006-2007.
15. Implementation of the Cooperation Agreement with the United Nations Development Programme.
16. UNIDO Staff Pension Committee.
17. Matters related to intergovernmental, non-governmental, governmental and other organizations.
18. Appointment of the Director-General.
19. Date and place of the twelfth session.
20. Closure of the session.

DECISIONS

GC.11/Dec.1 ELECTION OF THE PRESIDENT

The General Conference elected by acclamation Mr. M. Somol (Czech Republic) President of the Conference at its eleventh session.

*1st plenary meeting
28 November 2005*

GC.11/Dec.2 ELECTION OF THE VICE-PRESIDENTS

The General Conference elected the following Vice-Presidents of the Conference at its eleventh session: Mr. M. Mamed-Kuliev (Azerbaijan), Mr. H. Bazoberry Otero (Bolivia), Mr. Wu Hailong (China), Mr. K. S. Korneliou (Cyprus), Mr. C. Braun (Luxembourg), Mr. O. Cabello Sarubbi (Paraguay), Mr. Cho Chang-Beom (Republic of Korea), Mr. F.M.D. Seisay (Sierra Leone) and Mr. S.G.E. Elamin (Sudan).

*1st plenary meeting
28 November 2005*

GC.11/Dec.3 ADOPTION OF THE AGENDA

The General Conference:

(a) Decided to suspend rule 42 of its rules of procedure for the first day of the Conference only, paragraph 1 (a) of which covers functions of the General Committee with regard to the adoption of the agenda;

(b) Adopted the agenda of its eleventh session as contained in document GC.11/1.

*1st plenary meeting
28 November 2005*

GC.11/Dec.4 ORGANIZATION OF WORK

The General Conference:

(a) Decided to cover agenda items 7 to 17 and 19 in the plenary in the form of a general debate;

(b) Also decided to establish, in accordance with rule 44 of its rules of procedure, one Main Committee, under the chairmanship of Mr. S. K. Sharma (India), on which each Member participating in the Conference may be represented;

(c) Further decided to refer agenda items 7 to 17 and 19 to the Main Committee for a more

focused debate aimed at the preparation of consensus draft decisions and resolutions for submission to the plenary and requested the Chairman of the Main Committee to submit a written report on its work in accordance with decision GC.3/Dec.11 to the Conference on 2 December 2005.

*3rd plenary meeting
29 November 2005*

GC.11/Dec.5 APPOINTMENT OF THE CREDENTIALS COMMITTEE

The General Conference appointed the following Members to serve on the Credentials Committee: Cameroon, China, Costa Rica, Norway, Panama, Portugal, Russian Federation, Sierra Leone and Sri Lanka.

*3rd plenary meeting
29 November 2005*

GC.11/Dec.6 CREDENTIALS OF THE REPRESENTATIVES OF THE ELEVENTH SESSION OF THE GENERAL CONFERENCE

The General Conference:

(a) Having considered the report of the Credentials Committee and the recommendations contained therein;

(b) Approved the report of the Credentials Committee.

*7th plenary meeting
1 December 2005*

GC.11/Dec.7 ELECTION OF TWENTY-SEVEN MEMBERS TO THE INDUSTRIAL DEVELOPMENT BOARD

The General Conference, in pursuance of Article 9.1 of the Constitution, elected the following twenty-seven members to the Industrial Development Board to hold office until the close of the thirteenth session of the Conference in 2009:

(a) Eighteen members from States in Lists A and C of Annex I to the Constitution: Afghanistan, Algeria, Bolivia, Burkina Faso, Côte d'Ivoire, Cuba, Egypt, Ethiopia, Guatemala, India, Iran (Islamic Republic of), Kenya, Nigeria, Paraguay, Saudi Arabia, Sri Lanka, Thailand and Uruguay;

(b) Seven members from the States in List B of Annex I to the Constitution: Austria, Greece, Ireland, Luxembourg, Spain, Switzerland and Turkey;

(c) Two members from States in List D of Annex I to the Constitution: Czech Republic and Russian Federation.

*9th plenary meeting
2 December 2005*

As a result, the Industrial Development Board is composed of the following States: Afghanistan**, Algeria**, Austria**, Belgium*, Bolivia**, Brazil*, Burkina Faso**, Chile*, China*, Colombia*, Côte d'Ivoire**, Cuba**, Czech Republic**, Egypt**, Ethiopia**, France*, Germany*, Ghana*, Greece**, Guatemala**, India**, Indonesia*, Iran (Islamic Republic of)**, Ireland**, Italy*, Japan*, Kenya**, Luxembourg**, Mexico*, Morocco*, Netherlands*, Nigeria**, Norway*, Pakistan*, Paraguay**, Poland*, Republic of Korea*, Russian Federation**, Saudi Arabia**, Senegal*, Slovakia*, South Africa*, Spain**, Sri Lanka**, Switzerland**, Syrian Arab Republic*, Thailand**, Tunisia*, Turkey**, Ukraine*, United Kingdom of Great Britain and Northern Ireland*, Uruguay**, Zimbabwe*.

*Twenty-six States whose term of office expires at the end of the twelfth regular session of the General Conference, in 2007 (see decision GC.10/Dec.8 of 5 December 2003).

**Twenty-seven States whose term of office expires at the close of the thirteenth regular session of the General Conference, in 2009.

GC.11/Dec.8 ELECTION OF TWENTY-SEVEN MEMBERS TO THE PROGRAMME AND BUDGET COMMITTEE

The General Conference, in pursuance of Article 10.1 of the Constitution, elected the following twenty-seven members of the Programme and Budget Committee to hold office until the close of the twelfth regular session of the Conference in 2007:

(a) Fifteen members from States in Lists A and C of Annex I to the Constitution: Algeria, Burkina Faso, China, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Ethiopia, Guatemala, Iran (Islamic Republic of), Mexico, Pakistan, Peru, Republic of Korea, South Africa and Tunisia;

(b) Nine members from States in List B of Annex I to the Constitution: Austria, France, Germany,

Greece, Italy, Japan, Switzerland, Turkey and United Kingdom of Great Britain and Northern Ireland;

(c) Three members from States in List D of Annex I to the Constitution: Hungary, Poland and Russian Federation.

*9th plenary meeting
2 December 2005*

GC.11/Dec.9 SCALE OF ASSESSMENTS OF MEMBER STATES

The General Conference:

(a) Took note of the information in documents IDB.30/7 and Add.1;

(b) Also took note of Board decision IDB.30/Dec.3;

(c) Decided to establish a scale of assessments for the regular budget expenditures of UNIDO for the fiscal period 2006-2007, based on United Nations General Assembly resolution 58/1 B, adjusted to the membership of UNIDO on the understanding that new Members shall be assessed for the year in which they become Members on the basis of the United Nations scale of assessments, as applicable to UNIDO, as contained in the annex to document IDB.30/7.

*9th plenary meeting
2 December 2005*

GC.11/Dec.10 FINANCIAL SITUATION OF UNIDO

The General Conference:

(a) Took note of the information provided in document GC.11/13;

(b) Urged those Member States and former Member States that had 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 to effect the collection of arrears.

*9th plenary meeting
2 December 2005*

**GC.11/Dec.11 REQUEST FOR RESTORATION
OF VOTING RIGHTS—
AFGHANISTAN**

The General Conference:

(a) Recalled the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12 and Corr.1), in particular paragraphs 13 and 14;

(b) Also recalled Board decision IDB.19/Dec.5 and General Conference decisions GC.9/Dec.12 and GC.10/Dec.12-14;

(c) Welcomed the commitment of Afghanistan to settle its arrears, as reported in document GC.11/16;

(d) Gave satisfaction to the request by Afghanistan for the restoration of its voting rights in accordance with Article 5.2 of the UNIDO Constitution;

(e) Took note of the signature of a payment plan agreement and encouraged Afghanistan to pay regularly its instalments in line with the conditions therein.

*7th plenary meeting
1 December 2005*

**GC.11/Dec.12 REQUEST FOR RESTORATION
OF VOTING RIGHTS—
KAZAKHSTAN**

The General Conference:

(a) Recalled the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12 and Corr.1), in particular paragraphs 13 and 14;

(b) Also recalled Board decision IDB.19/Dec.5 and General Conference decisions GC.9/Dec.12 and GC.10/Dec. 12-14;

(c) Welcomed the commitment of Kazakhstan to settle its arrears, as reported in document GC.11/17;

(d) Gave satisfaction to the request by Kazakhstan for the restoration of its voting rights in accordance with Article 5.2 of the UNIDO Constitution;

(e) Took note of the signature of a payment plan agreement and encouraged Kazakhstan to pay

regularly its instalments in line with the conditions therein.

*7th plenary meeting
1 December 2005*

**GC.11/Dec.13 UNENCUMBERED BALANCES
OF APPROPRIATIONS**

The General Conference:

(a) Took note of the information provided in document GC.11/13;

(b) Encouraged Member States to consider voluntarily renouncing their share of the unencumbered balances of appropriations so that they could be used to supplement the regular budget and technical cooperation activities of UNIDO and/or costs associated with decentralization after the pilot phase of the Cooperation Agreement between UNIDO and the United Nations Development Programme had been completed, on the basis that Member States retain their capacity to decide for which purpose they wish their share of unencumbered balances to be assigned;

(c) Requested Member States to inform the Secretariat by 30 June 2006 if they would like to voluntarily renounce their share of the unencumbered balances for the purposes stated in paragraph (b);

(d) Reiterated that, should no instruction be received on the surrender of unencumbered balances by the date mentioned in paragraph (c), the funds arising from the respective share shall be refunded to the Member State concerned;

(e) Requested the Director-General to report to the Industrial Development Board at its thirty-first session on the amounts renounced by Member States.

*9th plenary meeting
2 December 2005*

GC.11/Dec.14 WORKING CAPITAL FUND

The General Conference:

(a) Took note of decision IDB.30/Dec.4;

(b) Decided that the level of the Working Capital Fund for the biennium 2006-2007 should remain at €7,423,030 and that the authorized purposes of the Fund for the biennium 2006-2007 should remain the same as for the biennium 2004-2005, i.e. as stipulated in decision GC.2/Dec.27, paragraph (b);

(c) Urged Member States to pay their outstanding assessed contributions as soon as possible to minimize the need to withdraw sums from the Working Capital Fund to meet shortfalls in the payment of assessed contributions.

*9th plenary meeting
2 December 2005*

GC.11/Dec.15 SUPPLEMENTARY ESTIMATES FOR THE BIENNIUM 2004-2005 FOR SECURITY ENHANCEMENTS

The General Conference:

(a) Took note of the information provided in document GC.11/10 concerning supplementary estimates for the biennium 2004-2005 for the purpose of funding the UNIDO share of security enhancements at the Vienna International Centre;

(b) Also took note of the recommendations of the Industrial Development Board for financing the UNIDO share of the security enhancements, contained in decisions IDB.29/Dec.4 and IDB.30/Dec.5;

(c) Approved the supplementary estimates for 2004-2005 in the amount of €2,585,160 as presented in document GC.11/10 to be financed from assessed contributions;

(d) Noted that, in accordance with Industrial Development Board decision IDB.30/Dec.5, a part of the requirement for windows replacement amounting to €215,670, shall be financed from savings achieved in the biennium 2004-2005;

(e) Took note of the establishment of a special account by the Director-General as described in document GC.11/10 for the purpose of financing UNIDO's share of the security enhancements.

*9th plenary meeting
2 December 2005*

GC.11/Dec.16 APPOINTMENT OF AN EXTERNAL AUDITOR

The General Conference decided to extend the current appointment of the Auditor General of South Africa as the External Auditor of UNIDO for a period of two years, from 1 July 2006 to 30 June 2008, under the terms of reference specified in the Financial Regulations of UNIDO.

*7th plenary meeting
1 December 2005*

GC.11/Dec.17 ANNEX TO THE FINANCIAL REGULATIONS

The General Conference:

(a) Took note of the recommendation of the Industrial Development Board on the annex to the financial regulations as contained in decision IDB.30/Dec.6;

(b) Decided to amend paragraph 5 of the annex to the financial regulations, as set out in the annex to the present decision.

*9th plenary meeting
2 December 2005*

Annex

Paragraph 5 of the annex to the financial regulations ("Additional terms of reference governing the audit of the United Nations Industrial Development Organization")

5. The External Auditor shall express and sign an opinion on the financial statements of the Organization. The opinion shall include the following basic elements:

(a) The identification of the financial statements audited;

(b) A reference to the responsibility of the management of the United Nations Industrial Development Organization and the responsibility of the External Auditor;

(c) A reference to the audit standards followed;

(d) A description of the work performed;

(e) An expression of opinion on the financial statements as to whether:

- The financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;
- The financial statements were prepared in accordance with the stated accounting policies; and
- The accounting policies were applied on a basis consistent with that of the preceding financial period;

(f) An expression of opinion on the compliance of transactions with the financial regulations and legislative authority;

(g) The date of the opinion;

(h) The External Auditor's name and position;
and

(i) Should it be necessary, a reference to the report of the External Auditor on the financial statements.

GC.11/Dec.18 PROGRAMME AND BUDGETS, 2006-2007

The General Conference:

(a) Took note of the recommendation of the Industrial Development Board on the programme and budgets for the biennium 2006-2007 as contained in decision IDB.30/Dec.7;

(b) Also noted the immaterial variations in gross expenditures and income as a technical consequence of incorporating the adjustments prescribed by the above decision;

(c) Approved the programme and budget proposals for the biennium 2006-2007 as contained in document GC.11/11;

(d) Also approved the regular budget estimates of gross expenditure totalling €154,009,900 to be financed from assessed contributions in the amount of €150,785,600 and other income of €3,224,300;

(e) Further approved estimates of gross expenditures totalling €20,174,920 for the purpose of the operational budget for the biennium 2006-2007 to be financed from voluntary contributions in the amount of €19,859,720 and other income amounting to €315,200 as may be provided for in the financial regulations;

(f) Decided that the budget proposal for 2008-2009 will have a comparative basis to the approved amount of gross expenditures for 2006-2007 as referred to in paragraphs (d) and (e) above.

*9th plenary meeting
2 December 2005*

GC.11/Dec.19 UNIDO STAFF PENSION COMMITTEE

The General Conference:

(a) Took note of decision IDB.30/Dec.10;

(b) Decided to elect the following two members and two alternate members of the UNIDO Staff Pension Committee for the biennium 2006-2007:

Members: Mr. Khaled El Mekwad (Egypt)
Mr. David Best (Switzerland)

Alternate Mr. Iván Fernando Garcés Burbano (Ecuador)
Members: Mr. I. Himato Zhimomi (India)

*9th plenary meeting
2 December 2005*

GC.11/Dec.20 APPOINTMENT OF THE DIRECTOR-GENERAL

The General Conference:

(a) Took note of decision IDB.30/Dec.11;

(b) In accordance with Article 11.2 of the Constitution, decided to appoint Mr. Kandeh K. Yumkella as Director-General of UNIDO for a period of four years from 8 December 2005 or until the Director-General to be appointed at the thirteenth regular session of the General Conference assumes office, whichever is later.

*9th plenary meeting
2 December 2005*

GC.11/Dec.21 TERMS AND CONDITIONS OF APPOINTMENT OF THE DIRECTOR-GENERAL

The General Conference:

(a) Took note of decision IDB.30/Dec.12;

(b) In accordance with rule 103 of the rules of procedure of the General Conference, decided to approve the contract annexed to the present decision, which establishes the terms and conditions of appointment of the Director-General, including the salary and emoluments attached to the office.

*9th plenary meeting
2 December 2005*

Annex

**DRAFT CONTRACT FOR APPOINTMENT OF
THE DIRECTOR-GENERAL**

THIS CONTRACT is made

between the United Nations Industrial Development Organization (hereinafter called the Organization) for the one part

and Kandeh Kolleh YUMKELLA (hereinafter called the Director-General) for the other part.

WHEREAS

The Director-General, upon recommendation of the Board, has been duly appointed by the Conference at its eleventh session held from 28 November to 2 December 2005.

IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Office

The Director-General shall be appointed for a period of four years from the eighth day of December two thousand five (2005), or until the Director-General to be appointed at the thirteenth regular session of the General Conference assumes office, whichever is later.

2. Official Duty Station

The official duty station for the Director-General shall be Vienna, Austria.

3. Official Duties

In accordance with Article 11 of the Constitution of the Organization, the Director-General shall be the chief administrative officer of the Organization.

4. Privileges and Immunities

The Director-General shall enjoy all the privileges and immunities in keeping with his office as determined by the Constitution of the Organization, Article 21, and any relevant legal instruments already in force or to be concluded in the future.

5. Staff Regulations

The Director-General shall be subject to the Staff Regulations of the Organization, together with such amendments as may be made thereto, in so far as they are applicable to him.

6. Assessable Salary and Allowances

(a) The annual gross salary of the Director-General shall be US dollars two hundred and thirty-three thousand and six (233,006), corresponding to an annual net base salary equivalent to US dollars one hundred and fifty-four thousand six hundred and sixty-four (154,664) (dependency rate) or US dollars one hundred and thirty-seven thousand five hundred forty-three (137,543) (single rate) respectively. The gross and net base salary shall be adjusted whenever the General Assembly decides to adjust the gross and net base salary levels of staff in the Professional and higher categories;

(b) He shall receive post adjustment, allowances and benefits, including social security benefits, for which a staff member in the Professional category of the UNIDO Secretariat would be eligible under the Staff Regulations and Staff Rules of the Organization, provided the purpose of such emolument, allowance or benefit has not already been met by other provisions of the present contract;

(c) The Director-General shall receive a representation allowance of euros thirty thousand and thirty-three (30,033) per annum, adjusted for the budgeted annual inflation rate, to meet his share of the obligations which the Organization incurs in the form of representation and hospitality expenditure;

(d) He shall receive a housing allowance amounting to euros forty-seven thousand and seventy (47,070) per annum adjusted for the budgeted annual inflation rate;

(e) The above salary, allowances and benefits to which the Director-General is entitled under this agreement shall be subject to adjustment by the Board, after consultations with the Director-General, to keep them in line with those of the executive heads of other specialized agencies within the common system of the United Nations.

7. Pension Arrangements

The Director-General shall participate in the United Nations Joint Staff Pension Fund in accordance with the provisions of decision IDB.10/Dec. 17 (d) of the Industrial Development Board. His pensionable remuneration shall be determined and adjusted in accordance with the provisions of articles 54(c) and (b) of the regulations and rules of the United Nations Joint Staff Pension Fund.

8. Currency of payments

Payments will be effected in the currency applicable to staff in the Professional and higher categories serving at the official duty station Vienna, Austria.

9. Notice of Resignation

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.

10. Entry into force

This contract shall enter into force as of the eighth day of December 2005.

SIGNED this 2nd day of December 2005 at Vienna.

Miroslav Somol
President of the Conference
acting on behalf of
the Organization

Kandeh Kolleh Yumkella
Director-General

**GC.11/Dec.22 DATE AND PLACE OF THE
TWELFTH SESSION**

The General Conference decided that its twelfth session shall be held in Vienna from 3 to 7 December 2007.

*9th plenary meeting
2 December 2005*

RESOLUTIONS

GC.11/Res.1 REGIONAL PROGRAMME FOR LATIN AMERICA AND THE CARIBBEAN

The General Conference,

Taking note of the Millennium Development Goals adopted by the Millennium Summit of the United Nations,

Bearing in mind the 2005 Human Development Report prepared by the United Nations Development Programme, which draws attention to the decreasing share of Latin America and the Caribbean in international trade flows, as well as the limited progress made in increasing average income and reducing poverty in the region,

Taking into account resolution GC.10/Res.8, entitled "Poverty reduction in developing countries, particularly in Latin America and the Caribbean in the context of sustainable development", in which the General Conference, in the year 2003, requested the Director-General to allocate resources to the extent possible to initiatives and programmes in the region, in accordance with the mandate of UNIDO,

Considering decision IDB.30/Dec.8 on the medium-term programme framework, 2006-2009, in which the Director-General was requested to establish a regional programme for Latin America and the Caribbean during the biennium 2006-2007 and to report on it periodically to the Industrial Development Board,

Recalling the Memorandum of Understanding signed in October 2005 between the Director-General of UNIDO and the Secretary-General of the Organization of American States, the purpose of which is to establish a framework for the implementation of joint programmes in all the countries of Latin America and the Caribbean,

Emphasizing the need for UNIDO, on the basis of experience gained in the formulation and implementation of technical cooperation programmes in the various countries of Latin America and the Caribbean, also to attend to the challenges and opportunities affecting sustainable industrial development in the whole region,

1. *Requests* the Director-General, taking into account the General Conference resolution and the Industrial Development Board decision referred to above, together with document GC.11/12 and the strategic long-term vision statement, to adopt, in

consultation with the Member States of the region, the necessary measures to establish a regional programme for Latin America and the Caribbean before the thirty-first session of the Industrial Development Board, with a view to its implementation in the biennium 2006-2007;

2. *Requests* the Secretariat of UNIDO to identify and mobilize financial resources which, without affecting the resources assigned to other regions, will permit the implementation of the regional programme for Latin America and the Caribbean;

3. *Further requests* the Director-General to inform periodically both the Industrial Development Board, beginning at its next session, and the General Conference on action taken in pursuance of the present resolution.

*9th plenary meeting
2 December 2005*

GC.11/Res.2 UNIDO ACTIVITIES IN THE PALESTINIAN TERRITORIES

The General Conference,

Fully aware of the severe economic and social conditions under which the Palestinian people are living in the occupied territories,

Conscious of the significance of the economic growth, in particular after the Israeli disengagement from the Gaza Strip, to the generation of job creation for poverty reduction and promotion of peace and stability,

Aware of the role of the development of the industrial sector in the overall economic growth, and the importance of the UNIDO integrated programme in upgrading Palestinian industries,

Noting with satisfaction the findings of the recent UNIDO independent evaluation report for the UNIDO activities during the period 1999-2005, and the achievements reached in the process of industrial development,

1. *Expresses* its appreciation to Member States and UNIDO for providing the needed funds to carry out the first phase of the programme;

2. *Emphasizes* the need to continue implementing in full the second phase of the programme;

3. *Emphasizes* the importance of coordinating such programmes and activities with donors and other relevant development organizations within the United Nations system;

4. *Encourages* Member States to contribute funding to the second phase of the programme;

5. *Requests* the Director-General to keep Member States informed on the achievements in that regard.

*9th plenary meeting
2 December 2005*

GC.11/Res.3 UNIDO INITIATIVES IN THE UNITED NATIONS DEVELOPMENT SYSTEM

The General Conference,

Noting the initiatives of the Director-General of UNIDO in developing proposals to renew the United Nations economic development functions so as to improve the prospect of achieving the Millennium Development Goals in a sustainable manner,

1. *Commends* the Director-General for his important contribution and commitment to enhancing economic development activities in the United Nations system for the benefit of developing countries;

2. *Underlines* the desirability of further enhancing and promoting UNIDO's cooperation with other organizations, particularly within the United Nations system, in order to implement the Millennium Declaration and achieve internationally agreed development goals;

3. *Requests* the Director-General:

(a) To continue to participate actively in the framework of the United Nations Chief Executives Board, High-Level Committee on Programmes, the task force established for that purpose and the United Nations Development Group;

(b) To continue to identify priority areas for coordinated responses in the field of economic development;

(c) To strive to fully implement the Triennial Comprehensive Policy Review of operational activities for development of the United Nations system, as set out in General Assembly resolution 59/250, and to report thereon on a regular basis;

(d) To ensure UNIDO's active participation in relevant meetings of United Nations bodies and

important events, including the UNCTAD XI Mid-Term Review, the comprehensive global review of the implementation of the Brussels Programme of Action for the Least Developed Countries (2001-2010) and the fourteenth Commission on Sustainable Development, and to consult with Member States in the run-up to those conferences on planned UNIDO initiatives and activities.

*9th plenary meeting
2 December 2005*

GC.11/Res.4 STRATEGIC LONG-TERM VISION STATEMENT

The General Conference,

Recalling General Conference resolution GC.10/Res.2 inviting the Director-General to develop a strategic long-term vision statement in time for its adoption by the next General Conference,

Taking note of the information provided in documents GC.11/8 and Add.1,

1. *Adopts* the strategic long-term vision statement for UNIDO covering the period 2005-2015, as contained in the annex to the present resolution;

2. *Requests* the Director-General to take the strategic long-term vision statement into account when formulating and implementing the medium-term programme frameworks, the programmes and budgets and other operational programmes during the period under coverage.

*9th plenary meeting
2 December 2005*

Annex

Strategic long-term vision statement, 2005-2015

Introduction

1. In the context of the changing global economic environment and emerging needs of developing countries and countries with economies in transition, the United Nations Industrial Development Organization (UNIDO) must profile itself as a competent, effective, efficient and professional organization, contributing to relevant international development objectives and to sustainable industrial development in these countries.

2. The international development objectives, in particular the Millennium Development Goals (MDGs), and the developments in the world economy,

especially the complex process of economic globalization and marginalization of poor countries, will together be the major driving forces determining the future scenarios. Added to these are issues related to appropriate technology transfer, foreign direct investment and sustainable use of the environment and natural resources as well as energy, which impact on industrial development.

3. The challenges and opportunities to be addressed by UNIDO in the coming decade through the promotion of sustainable industrial development include the following:

- Poverty alleviation in the context of MDGs as the most important development goal in the next 10 years;
- Economic globalization, which has potential benefits as well as downside risks, including marginalization;
- Environment and energy as factors for sustainable development;
- Sub-Saharan African countries' unique development needs and differentiated development requirements of other regions;
- Countries and regions emerging from crisis situations resulting from man-made or natural disasters requiring international assistance.

4. UNIDO will need to address these challenges on the basis of its mandate, taking into account the Business Plan on the Future Role and Functions of UNIDO, the Strategic Guidelines Towards Improved UNIDO Programme Delivery, and its corporate strategy, using its comparative advantage to ensure value addition within the framework of the United Nations development system.

Areas of focus

5. In order to deal with the future challenges, the activities of UNIDO will need to focus on the following three areas:

(A) Poverty alleviation through productive activities

The activities and programmes under this group will focus on the following:

- (a) Entrepreneurship (including rural and women's entrepreneurship) development;
- (b) Small enterprise and business development;

(c) Development of microenterprises, including informal sector upgrade;

(d) Development of the domestic private sector;

(e) Institutional capacity-building at the country and sectoral levels;

(f) Development of agro-industries and textiles;

(g) Industrial policy advice based on applied research;

(h) Assistance in the diffusion and transfer of modern and relevant technologies;

(i) Assistance in the creation of conducive investment climate;

(j) Promoting industrial growth in less developed areas with a focus on employment and income generation.

(B) Trade capacity-building

The activities and programmes under this area of focus will seek to assist the developing countries and transition economies to build and develop both production and trade-related capacities, including the capacity to conform to the standards of international markets. These will include:

(a) Assistance in building and developing production and export capacities in quality products and for conforming with technical standard requirements;

(b) Programmes for the development of infrastructure relating to metrology, standards, testing and quality.

(C) Environment and energy

The activities under this area of focus will promote sustainable industrial development. These activities would include:

(a) Programmes on environmentally sustainable industrial development strategies and policies;

(b) Transfer and promotion of technologies and know-how to enhance the efficient use and management of energy, natural resources, and materials to produce less pollution and waste;

(c) Support programmes involving changes in product design and technology which maximize the reuse and recycling of waste materials;

(d) Programmes for promoting renewable sources of energy, particularly in remote rural areas;

(e) Assistance and participation in the implementation of international environmental agreements.

Cross-cutting approaches

6. A number of cross-cutting approaches will characterize the Organization's activities in the identified focus areas:

(a) Continuous improvement in the managerial and financial performance of the Organization as well as the technical expertise and professional competence of UNIDO personnel;

(b) Establishment of a balanced portfolio of activities relating to implementation of the environmental agreements and traditional industrial development functions in areas such as investment and technology promotion, small enterprise development and trade capacity-building;

(c) A proper mix of operational activities and global forum functions involving analysis, dissemination of knowledge and discussions of industrial development issues;

(d) Creation, transformation and management of knowledge on, and best practices in relevant areas such as industrial development, technology, industrial statistics, skills;

(e) Promotion of new and emerging technologies;

(f) Assistance with rehabilitation and reconstruction of industrial infrastructure in countries emerging from crisis situations in cooperation and coordination with other international organizations and within UNIDO's mandate;

(g) Coordination of UNIDO activities with national policies and priorities as well as nationally-owned poverty reduction strategies;

(h) Promotion of partnerships with the organizations of the private sector and of civil society;

(i) Strengthening UNIDO's advocacy function and enhancing its visibility;

(j) Consolidating UNIDO's reform process in order to increase its efficiency to fulfil its mandate.

Regional dimensions

7. There will be a number of regional dimensions to UNIDO's work in the coming years. In this regard, UNIDO will consult with each regional group to define regional strategies as a way to enhance sustainable industrial development.

8. Given its unique development problems, Africa, in particular sub-Saharan Africa, will receive special attention in the Organization's technical cooperation and global forum activities.

9. Due consideration will be given to the differentiated challenges and opportunities of other regions—Asia and the Pacific, Latin America and the Caribbean and countries with economies in transition.

10. Effective decentralization of the Organization's functions and activities to the field will be continued and strengthened through various measures including networking, arrangements with the United Nations Development Programme and other development agencies, whilst ensuring proper evaluation of this process in consultation with Member States.

11. Promotion of South-South cooperation will be an important feature of UNIDO's work in the coming years.

Finance for development

12. UNIDO will strive to mobilize adequate financial resources for its technical assistance and global forum activities and also to increase their levels over the next 10 years. This will be done through:

(a) Seeking a fair share of the increase in the official development assistance expected in the coming years;

(b) Negotiating for increased allocations under various multilateral environment agreements, and seeking allocations from new and additional multilateral funds, including taking advantage, within its mandate, of human security funds to finance its industrial development activities;

(c) Designing other innovative measures including funding from the private sector and industry associations.

13. UNIDO will strengthen its policy of promoting public awareness of its activities and reinforce the Goodwill Ambassadors initiative, launched by the Director-General in October 2004, with a view to

mobilizing funds for developing countries, and particularly least developed countries.

14. In this connection, the Organization will continue to refine and streamline its methods of work to more efficiently address the needs and interests of its donor and recipient Member States to achieve the MDGs.

UNIDO in the multilateral system

15. UNIDO will continue and enhance its cooperation arrangements with other international, regional and subregional organizations, in the relevant areas of UNIDO activities. At the same time it will strive to contribute to the coherence of the United Nations development system through the adoption of an agreed, MDG-based business plan or common agenda of action on the basis of the concept of issue-based leadership.

GC.11/Res.5 COOPERATION AGREEMENT WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME

The General Conference,

Recalling that the Business Plan on the Future Role and Functions of UNIDO called for an effective decentralization of activities and strengthened field representation,

Recalling General Conference resolutions GC.10/Res.2 encouraging the Director-General to carry forward the process of decentralization to the field and further strengthen and rationalize the field operations of the Organization, and GC.10/Res.10 requesting the Director-General to present additional recommendations on decentralization following the review of the field operations,

Further recalling the establishment of the informal advisory group on decentralization,

Recalling decision IDB.28/Dec.2, in which the Industrial Development Board recommended that UNIDO's new field presence be expanded in a carefully planned, phased-in approach,

Bearing in mind the conclusions of the report on the assessment of field representation and the options for strengthening and rationalizing the field presence, with the aim of increasing and extending the Organization's technical cooperation delivery, while enhancing its participation in the United Nations system at the country level, as referred to in Board decision IDB.28/Dec.2,

Noting Programme and Budget Committee conclusion 2004/6, which acknowledged the possible benefits of the Agreement with the United Nations Development Programme,

Taking note of the information provided in documents GC.11/7 and Add.1 and GC.11/CRP.7 on the progress within the context of the strategic alliance with the United Nations Development Programme through the Cooperation Agreement signed on 23 September 2004,

Noting the potential importance of this Agreement as an example for inter-agency cooperation in the United Nations system, and recalling the United Nations 2005 World Summit outcome document to further strengthen system-wide coherence between United Nations agencies, funds and programmes, as well as United Nations General Assembly resolution 59/250 on the triennial comprehensive policy review of operational activities for development of the United Nations system,

Also noting the benefits of jointly developing programmes and projects, including in the private sector, under the Agreement,

1. *Appreciates* the efforts of the Director-General in initiating this innovative Agreement and of the Secretariat in carrying forward its implementation;

2. *Underlines* the importance of a cost-effective decentralization of UNIDO activities and strengthened field representation, as called for in the Business Plan;

3. *Invites* the Director-General to continue his consultations with Member States on the implementation plan of the Agreement;

4. *Notes* that the implementation of the Agreement should not negatively impact on existing projects and field structures, during the pilot phase, beyond what has been proposed in decision IDB.28/Dec.2;

5. *Requests* the Director-General in consultation with the Administrator of the United Nations Development Programme:

(a) To continue pursuing the implementation of the Agreement, with the aim of ensuring effective and sustainable decentralization of activities and the expansion of UNIDO's field presence;

(b) To continue strengthening activities with regard to private sector development, as called for in the Agreement, and to support developing countries in

this area within the context of the United Nations Development Assistance Framework;

(c) To ensure adequate funding is made available, from within existing resources, to enable the effective decentralization of activities and the expansion of UNIDO's field presence during the pilot phase of the Agreement;

6. *Requests* the Director-General to undertake an assessment of the outcome of the pilot phase in consultation with Member States at the end of the phase and present results and recommendations to the Industrial Development Board at its thirty-second session, with a view to taking appropriate decisions;

7. *Emphasizes* that the evaluation which will follow the pilot phase should assess the impact of the Cooperation Agreement in terms of enhancing and expanding technical cooperation services and providing a cost-effective modality for the expansion of UNIDO's field representation;

8. *Requests* the Director-General to continue to submit regular progress reports to the governing bodies of UNIDO on the implementation of the Agreement.

*9th plenary meeting
2 December 2005*

GC.11/Res.6 EXPRESSION OF APPRECIATION AND FAREWELL TO MR. CARLOS MAGARIÑOS

The General Conference,

Recognizing the laudable work done by Mr. Carlos Magariños at the head of UNIDO in the last eight years,

Underlining his success in stabilizing UNIDO at a critical moment and in reformulating its activities and objectives in order to revitalize it and give it a new impetus in the international context,

Emphasizing that the skilful leadership of UNIDO by Mr. Carlos Magariños has strengthened the credibility and improved the image of the Organization as a United Nations agency devoted to economic and social development,

Noting with satisfaction that the adoption of appropriate measures has permitted UNIDO to achieve financial stability, as well as to implement a strategy based on integrated programmes and services which are helping to optimize the execution of technical assistance projects in the developing countries,

1. *Expresses* its sincere appreciation to Mr. Carlos Magariños for the dedication with which he has discharged his duties during his tenure as Director-General and for his many achievements in this office;

2. *Wishes* Mr. Carlos Magariños the greatest success in the future.

*9th plenary meeting
2 December 2005*

Annex

DOCUMENTS SUBMITTED TO THE GENERAL CONFERENCE
AT ITS ELEVENTH REGULAR SESSION

Symbol	Agenda item	Title
GC.11/1	3	Provisional agenda
GC.11/1/Add.1	3	Annotated provisional agenda
GC.11/2	8	Report of the Industrial Development Board on the work of its twenty-eighth session (25-27 May 2004)
GC.11/3	8	Report of the Industrial Development Board on the work of its twenty-ninth session (9-11 November 2004)
[Spanish only: GC.11/3/Corr.1	8	Informe de la Junta de Desarrollo Industrial sobre la labor de su 29º período de sesiones (9 a 11 noviembre de 2004). Corrección]
GC.11/4	8	Report of the Industrial Development Board on the work of its thirtieth session (20-23 June 2005)
GC.11/5-IDB.30/10-PBC.21/10	10 (b)	Financial situation of UNIDO. Special accounts. Report by the Director-General
GC.11/6-IDB.30/16	11	Implementation of the medium-term programme framework, 2004-2007. Report by the Director-General
GC.11/7-IDB.30/17 and GC.11/7/Add.1	15	Implementation of the Cooperation Agreement with the United Nations Development Programme. Progress report by the Director-General
GC.11/8-IDB.30/23	13	UNIDO strategic long-term vision statement. Report by the Director-General
GC.11/8/Add.1	13	Strategic long-term vision statement. Report by the Director-General following consultations with Member States
GC.11/9	17	Matters related to intergovernmental, non-governmental, governmental and other organizations. Note by the Director-General
GC.11/10	10 (d)	Supplementary estimates for the biennium 2004-2005 for security enhancements. Note by the Secretariat
GC.11/11	14	Programme and budgets, 2006-2007. Revised proposals of the Director-General
GC.11/12	12	Medium-term programme framework, 2006-2009. Revised proposals of the Director-General
GC.11/13	10 (b)	Financial situation of UNIDO. Report by the Director-General
GC.11/14	4	Lists of States included in Annex I to the Constitution of UNIDO
GC.11/15	9	Forum on industrial development issues. Industrial development, trade and poverty alleviation through South-South cooperation. Issue paper submitted by the Secretariat
GC.11/16	10 (b)	Financial situation of UNIDO. Request from Afghanistan for restoration of voting rights based on payment plan. Note by the Director-General
GC.11/17	10 (b)	Financial situation of UNIDO. Request from Kazakhstan for restoration of voting rights based on payment plan. Note by the Director-General
GC.11/18	-	Report of the Main Committee. Submitted by the Chairman of the Main Committee, Mr. Sheel Kant Sharma (India)

Symbol	Agenda item	Title
GC.11/CRP.1	10 (b)	Financial situation of UNIDO. Status of assessed contributions and unutilized balances of appropriations. Note by the Secretariat
GC.11/CRP.2	11	Implementation of medium-term programme framework, 2004-2007. Status of the integrated programmes and country service frameworks. Note by the Secretariat
GC.11/CRP.3	12	Medium-term programme framework, 2006-2009. Note by the Secretariat
GC.11/CRP.4	4	Preparations for the General Conference. Report on the results of the informal consultations of Permanent Missions in Vienna for the preparation of the General Conference. Submitted by the President of the thirtieth session of the Industrial Development Board, H.E. Mr. T. Stelzer (Austria)
[English only: GC.11/CRP.4/Corr.1	4	Preparations for the General Conference. Report on the results of the informal consultations of Permanent Missions in Vienna for the preparation of the General Conference. Corrigendum]
GC.11/CRP.5	9	Forum on industrial development issues. Industrial development, trade and poverty alleviation through South-South cooperation. Background paper submitted by the Secretariat
GC.11/CRP.6	10 (e)	Appointment of an External Auditor. Candidatures for the appointment of an External Auditor. Note by the Secretariat
GC.11/CRP.7	15	Implementation of the Cooperation Agreement with the United Nations Development Programme. Note by the Secretariat.

GC.11/L.1	5	Credentials of representatives to the Conference. Report of the Credentials Committee. Chairman: H.E. Mr. F.D.M. Seisay (Sierra Leone)
GC.11/L.2 and Add.1		Draft decisions and resolutions submitted on behalf of the Main Committee by its Chairman
GC.11/L.3	18	Draft decision submitted on behalf of the Conference by its President

GC.11/INF.1	-	Advance information for participants
GC.11/INF.2/Rev.1	-	List of participants
GC.11/INF.3	3	List of documents
GC.11/INF.4	-	Decisions and resolutions of the General Conference

IDB.30/2-PBC.21/2 and Add.1	7	<i>Annual Report of UNIDO 2004</i> (including programme performance report)
IDB.30/4-PBC.21/4	10 (f)	Amendment to the annex to the financial regulations. Submitted by the Secretariat
IDB.30/5-PBC.21/5 and Add.1-4	10 (e)	Candidatures for the appointment of an External Auditor. Report by the Director-General
IDB.30/7-PBC.21/7	10 (a)	Scale of assessments for the fiscal period 2006-2007. Note by the Secretariat
IDB.30/11-PBC.21/11	10 (d)	Security enhancements at the Vienna International Centre. Report by the Director-General
IDB.30/12-PBC.21/12 and Add.1	10 (d)	Supplementary estimates for the biennium 2004-2005 for security enhancements. Proposal of the Director-General
IDB.30/12/Add.2	10 (d)	Funding options for security enhancements. Addendum
IDB.28/2-PBC.20/2 and Add.1	7	<i>Annual Report of UNIDO 2003</i> (including programme performance report)