



United Nations Industrial Development Organization

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Programme and Budget Committee

Twenty-sixth session

Vienna, 7-8 September 2010

Item 2 of the provisional agenda

Adoption of the agenda

Annotated provisional agenda

Opening of the session

The twenty sixth session of the Programme and Budget Committee will be opened by Mr. U. Canchola Gutierrez (Mexico) in his capacity as Acting Chairman of the twenty-sixth session.

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-sixth session should be elected from members of the Committee from States in List C, and the three Vice-Chairmen from the African States in List A, States in List B and States in List D. The Rapporteur should be elected from members of the Committee from the Asian States in List A.

Item 2. Adoption of the agenda

A provisional agenda for the twenty-sixth session, prepared by the Director-General in consultation with the Acting Chairman of the Committee in accordance

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with rules 8 and 9 of the rules of procedure, is submitted to the Committee for adoption in document PBC.26/1 as stipulated in rule 12.

The Committee will have before it:

- Provisional agenda (PBC.26/1)
- Annotated provisional agenda (PBC.26/1/Add.1)
- List of documents (PBC.26/CRP.1)

Item 3. Report of the External Auditor, financial performance report and programme performance report for the biennium 2008-2009

Financial regulations 11.9 and 11.10 stipulate that the reports of the External Auditor, together with the audited financial statements, shall be transmitted through the 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, as well as a programme performance report describing the level of programme implementation. Subsequently, the Board at its seventh session (decision IDB.7/Dec.11 (e)) approved the incorporation of the programme performance report in the annual report. Likewise the General Conference in its resolution GC.4/Res.2 (2) requested the Director-General to fully incorporate in future annual reports the programme performance report according to Board decision IDB.7/Dec.11 (e). Thus, the *Annual Report of UNIDO 2009* contains the programme performance report for 2009.

The Committee will have before it:

- Report of the External Auditor on the accounts of UNIDO for the financial period 1 January 2008 to 31 December 2009 (PBC.26/3-IDB.38/3)
- Financial performance report for the biennium 2008-2009. Submitted by the Director-General (PBC.26/4-IDB.38/4)
- *Annual Report of UNIDO 2009* (including programme performance report for 2009) (PBC.26/2-IDB.37/2)

Item 4. Financial situation of UNIDO

The report by the Director-General to the Board at its thirty-seventh session (IDB.37/7), amended through a note by the Secretariat (IDB.37/CRP.2*), 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. In addition, the complete text of the financial regulations superseding the version issued under the symbol PBC.22/CRP.2, dated 14 July 2006, will be brought to the attention of the Committee.

The Committee will thus have before it:

- Financial situation of UNIDO. Report by the Director-General (PBC.26/7-IDB.38/7)
- Financial Regulations of UNIDO. Note by the Secretariat (PBC.26/CRP.3)
- Financial situation of UNIDO. Note by the Secretariat (PBC.26/CRP.4)

Item 5. Unutilized balances of appropriations: Programme for Change and Organizational Renewal (change management initiative) and technical cooperation activities

At its thirteenth session, the General Conference decided that in relation to “the amount of unutilized balances of appropriations due to Member States in 2010 remaining on 31 December 2009, up to €9,113,949 shall be utilized for financing the change management initiative and up to €3 million shall be utilized for special accounts for technical cooperation activities during the biennium 2010-2011, aimed at

- (i) increased food security through agribusiness and agro-industry promotion, and
- (ii) renewable energy for productive activities” (GC.13/Dec.15).

As reported to Member States in information note No. 3 of 18 February 2010, a total of €6,798,386 became available for the purposes of funding the change management initiative (€5,281,960) and for special accounts for technical cooperation activities (€1,516,426).

In addition, the Director-General was requested to implement the decision in consultation with Member States and in accordance with the recommendations contained in the feasibility study (GC.13/8/Add.1) by selecting the most suitable and sustainable technical solution. In accordance with paragraph (k) of the same decision, the Director-General will report through the Programme and Budget Committee to the thirty-eighth and thirty-ninth sessions of the Industrial Development Board, on the implementation of the decision.

The Committee will thus have before it:

- Unutilized balances of appropriations: Programme for Change and Organizational Renewal (change management initiative). Report by the Director-General (PBC.26/9-IDB.38/9)
- Unutilized balances of appropriations: technical cooperation programmes. Report by the Director-General (PBC.26/10-IDB.38/10)

Item 6. Accounting standards

At its twelfth session, the General Conference decided that UNIDO adopt the International Public Sector Accounting Standards (IPSAS), effective 1 January 2010, as part of the United Nations system-wide adoption of those Standards (GC.12/Dec.14).

In accordance with a related decision (IDB.33/Dec.5), the Board at its thirty-third session, requested that the policymaking organs be kept informed of developments relevant to UNIDO with respect to IPSAS. The Secretariat will update the information presented in document GC.13/10.

The Committee will thus have before it:

- International Public Sector Accounting Standards. Progress report by the Secretariat (PBC.26/5-IDB.38/5)

Item 7. Mobilization of financial resources

At its twenty-fifth session the Board adopted decision IDB.25/Dec.5 on funds mobilization for integrated programmes. In that decision in paragraph (i), the Board, inter alia, requested the Director-General to maintain a continuous dialogue with Member States in order to actively sustain the common resource mobilization efforts. A report on progress made will be submitted to the Board through the Committee, and should be considered in conjunction with the *Annual Report of UNIDO 2009*, which provides information on mobilization of financial resources for that year.

The Committee will have before it:

- Mobilization of financial resources. Report by the Director-General (PBC.26/8-IDB.38/8)
- Funding performance. *Annual Report of UNIDO 2009* (PBC.26/2-IDB.37/2, chapter (1C))
- Projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2009 (PBC.26/CRP.2)

Item 8. Aligning the medium-term programme framework reporting cycle with the comprehensive policy review of operational activities for development of the United Nations system

In accordance with General Conference decision GC.2/Dec.23, and as subsequently modified in decision GC.6/Dec.10, the Director-General is requested to submit to the Board in the first year of each fiscal period, through the Committee, a draft medium-term programme framework for the four years that follow the current fiscal period. Furthermore, in compliance with paragraph (b) (v) (d) of the same decision, the Director-General will indicate a general ceiling for the biennium 2012-2013 based on anticipated resources and on programme activity.

At its sixty-third session, the United Nations General Assembly decided to change the comprehensive policy review of operational activities for development within the United Nations system from a triennial to a quadrennial cycle, and to hold its next comprehensive policy review in 2012, with subsequent reviews on a quadrennial basis (resolution 63/232). In addition, the General Assembly “encourages specialized agencies to carry out any changes required to align their planning cycles with the quadrennial comprehensive policy review, including the implementation of midterm reviews as necessary” (resolution 63/232, paragraphs 18 to 20). Accordingly, a corresponding adjustment of the planning cycle of the UNIDO medium-term programme framework to 2014-2017 is proposed. A draft decision will be presented through the Committee and the thirty-eighth session of the Board to the General Conference.

The Committee will have before it:

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- Aligning the medium-term programme framework planning cycle with the comprehensive policy review of operational activities for development of the United Nations system. Proposals of the Director-General (PBC.26/6-IDB.38/6)

Item 9. Date of the twenty-seventh session

The following dates have been reserved for the policymaking organs of UNIDO in 2010 and 2011:

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| 24-26 November 2010 | Industrial Development Board, thirty-eighth session |
| 9-13 May 2011 (tentative) | Programme and Budget Committee, twenty seventh session |
| 20-24 June 2011 (tentative) | Industrial Development Board, thirty-ninth session |
| 28 November-2 December 2011 | General Conference, fourteenth session (Vienna, Austria) |

Item 10. Adoption of the report
