



## **Industrial Development Board**

### **Fortieth session**

Vienna, 20-22 November 2012

Item 13 of the provisional agenda

### **Date and place of the fifteenth session of the General Conference**

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### **Report by the Director-General**

The present document provides information on the consultations undertaken by the Director-General in relation to the interest expressed by the Government of Peru in hosting the fifteenth session of the General Conference in Lima, Peru, from 2 to 6 December 2013. In compliance with decision GC.14/Dec.21, the report also includes information on the financial implications as well as all aspects covered during a preparatory mission to Lima, such as conference facilities, security, local infrastructure and financial arrangements.

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## I. Introduction

1. At its fourteenth session the General Conference adopted decision GC.14/Dec.21 on the date and place of its fifteenth session and requested the Director-General to undertake the necessary consultations with any Member States expressing interest to host the forthcoming session of the Conference, with particular regard to rule 8 of the Rules of Procedure of the General Conference. The Conference furthermore delegated to the Industrial Development Board, in accordance with Article 8 (2) (b) and Article 8 (4) of the Constitution of UNIDO, the authority to consider and determine at its fortieth session the venue and date of the fifteenth session of the General Conference.

2. After the participation of H.E. Mr. Julio Guzmán Cáceres, Deputy Minister for Industry and Small and Medium-Sized Enterprises in the fourteenth session of the General Conference, on 5 December 2011, in a note verbale, the Permanent Mission of Peru transmitted the offer of the Government of Peru to host the fifteenth session of the General Conference of UNIDO in 2013 in Lima, Peru. Subsequently several meetings were convened between the representatives of the Permanent Mission of Peru and the UNIDO Secretariat in Vienna.

3. The Director-General visited Lima, from 13 to 15 June 2012, and met with the President of Peru, H.E. Mr. Ollanta Humala Tasso; the Prime Minister, H.E. Mr. Oscar Valdés, the Minister of Production, H.E. Ms. Gladys Triveño, and the Vice-Chancellor of Foreign Affairs, H.E. Mr. José Beraun. On that occasion, the Government reiterated its interest in hosting the General Conference in 2013.

4. Bilateral meetings between the Secretariat and representatives of the Permanent Mission of Peru in Vienna took place on 7 December 2011, and on 4 and 12 September 2012 to discuss requirements for holding a General Conference away from Headquarters. In particular, the Secretariat provided the Permanent Mission with the text of a model host country agreement, a tentative cost estimate and a requirements paper for transmission to the authorities in Lima. The meetings underlined that the basis for determining the financial arrangements for holding a session away from Vienna was rule 8 of the Rules of Procedure of the General Conference, which states that “the actual costs directly or indirectly involved in holding a session away from the seat of the Organization shall be borne by the host Government.” It was furthermore explained that a host country agreement would need to be concluded, setting out the financial obligations of the Government, as well as its contributions in kind, such as conference and other facilities, office space, transportation, police protection and local staff.

5. Following an invitation of the Government of Peru, a preparatory mission by a delegation, composed of UNIDO staff and representatives of the UNOV Conference Management Service and the United Nations Security and Safety Service, was undertaken in Peru from 21 to 23 October 2012. The Ministry of Production in cooperation with the Ministry for Foreign Affairs and the Permanent Mission of Peru to UNIDO organized a comprehensive programme which covered various aspects including conference facilities, security, transportation, visa requirements, protocol arrangements and hotel facilities.

6. The UNIDO/UNOV delegation also met with high-ranking government representatives. In particular, the Minister of Production, H.E. Ms. Gladys Triveño,

the Vice-Chancellor of Foreign Affairs, H.E. Mr. José Beraun as well as the Vice-Minister of Fisheries, H.E. Mr. Paul Phumpiu. All counterparts assured the delegation of their interest, full commitment and strong support for hosting the General Conference in Lima. The government representatives underlined that holding the General Conference away from Vienna Headquarters would not only be a unique opportunity for Peru, which had been classified by the World Bank as a “middle-income country of rapid growth”, but for Latin America to emphasize the importance of industry in the overall economic and social development. It was noted that some of the countries of this region are already members of the G20, BRICS and the Organisation for Economic Co-operation and Development (OECD). It would provide an occasion for Latin America and the Caribbean and Peru to show how the country and the region have been cooperating with other regions and to explore new opportunities. In this context the delegation was informed that the Third Summit of Heads of State and Government of South American and Arab Countries (ASPA) had just taken place in Lima in October 2012. Lima will also host the World Economic Forum in 2013, the annual meetings of the International Monetary Fund and World Bank in 2015, and the 24th Asia-Pacific Economic Cooperation (APEC) Summit in 2016. It was noted that Peru is positioning itself as a hub for international conferences and currently the construction of an International Convention Centre was approved by the Government.

7. The representatives of the Government of Peru also noted that since UNIDO had become a specialized agency in 1985, the General Conference had taken place only twice away from Vienna, namely the second session in Bangkok, Thailand (1987), and the fifth session in Yaoundé, Cameroon (1993). They also made reference to the Lima Declaration and Plan of Action on Industrial Development and Cooperation, which had been adopted at the Second General Conference of UNIDO in Lima in March 1975. This would be an opportunity for Member States to renew their commitment to promote industrial development and South-South cooperation among the regions.

## **II. Conference facilities**

8. During the preparatory mission, the UNIDO/UNOV delegation was offered several potential venues for the Conference and visited two of them. The host country representatives as well as the delegation arrived at the conclusion that the Westin Convention Center would be the most suitable venue, as it has the best infrastructure and conditions for holding the General Conference. It is part of the modern Westin Hotel building which is located in Lima’s financial district and offers the largest conference facilities in South America. It is expected that the Convention Center will also be the venue for the World Economic Forum in April 2013. The conference facilities are located on the third and fourth floors of the hotel building. General requirements for facilities, services and equipment were discussed jointly with the Government of Peru and the hotel management. Additional discussions with the hotel management lead by the Government are underway.

9. The UNIDO/UNOV delegation determined that the Conference Center is able to accommodate the official meetings of the General Conference. In particular, the delegation concluded that the Center could accommodate the plenary meetings with

about 700 delegates as well as the Conference's subsidiary bodies (Main Committee, General Committee and Credentials Committee), round tables and regional group meetings. It should also have enough room for side events and other activities which have previously been held in the context of the General Conference. The Center has the capacity for installing the IT infrastructure required for conferences of such magnitude, inter alia, for simultaneous interpretation. With careful planning, sufficient office space should be available for the elected officers and Secretariat staff with direct support functions. The fact of having the Convention Center combined with a hotel would offer practical benefits and efficiencies, inter alia, enabling core support staff, especially those working in shifts and long hours, to stay at the premises. The host Government would need to secure acceptable room rates for that category of staff. The UNIDO/UNOV delegation was also informed by the host country authorities that arrangements would be made for delegates to stay in hotels of different price categories in close proximity to the Convention Center (paragraph 16 refers).

10. Based on this first inspection of the Westin Convention Center, slight adjustments were made to the preliminary cost estimate and requirements paper for holding the fifteenth session of the General Conference in Lima. In view of the fact that the venue would essentially be concentrated on two floors and given the excellent infrastructure offered by the hotel, the number of UNOV conference servicing staff has been slightly reduced.

11. In terms of infrastructure for delegates, the Westin Hotel offers 24-hour business centre services and wireless Internet access in all event rooms, public areas and guest rooms. Furthermore, the hotel services include two restaurants, cafeteria, cash dispensers, travel agencies, private medical services and parking.

### III. Security

12. As regards the question of safety and security, it is to be noted that the current security level for Lima is designated by the United Nations Department of Safety and Security at Low (Level 2) according to the Security Level System methodology.

13. The United Nations Department of Safety and Security (UNDSS) has the mandate to enable the effective and efficient conduct of United Nations activities while ensuring the security, safety and well-being of staff, delegates and visitors to the conference. The enforcement of this mandate places UNDSS under the responsibility of ensuring the coordinated action of United Nations security entities and officials with the relevant host country authorities. The provision of security services for the General Conference would be a combined effort by UNDSS and the host country. The United Nations Security and Safety Service Vienna and the Government authorities will draft a Memorandum of Understanding (MOU) that sets out the responsibilities and cooperation between the two parties before, during and after the event. The MOU will facilitate the preparation and execution of an event-specific operational security plan.

14. The UNOV/UNIDO delegation noted that the proposed conference sites appeared capable of providing a sufficient level of safety and security for the Conference within the confines of its premises. The delegation had various meetings regarding the issue of security at the General Conference. Assurances were given

that the host country authorities would provide all necessary security and safety services for the Conference. It was noted that the host country authorities are experienced in providing security for similar large-scale events.

#### **IV. Local infrastructure**

15. There is an international airport in Lima, the Jorge Chávez International Airport, which is 15 km from the Westin Convention Center. There are several connections with international commercial airlines servicing the capital.

16. The Westin Convention Center is located in a district where an important number of embassies are located and which is also home to several other hotels in various categories. The Government of Peru expressed its willingness to negotiate with the Westin Hotel, as well as other hotels in the area, room rates at the level of United Nations rates, which should be significantly lower than the normal room rates.

#### **V. Financial arrangements**

17. In accordance with rule 8 of the Rules of Procedure of the General Conference, the actual additional costs directly or indirectly involved in holding a session away from Headquarters shall be borne by the host Government. During the UNIDO/UNOV mission, the financial implications of holding the Conference in Lima were explained to officials of the Ministry of Production and the Ministry of Foreign Affairs. Reference was made to the model host country agreement, preliminary cost estimate and requirements paper which had already been transmitted to the authorities in Lima via its Permanent Mission in Vienna at the beginning of 2012. The requirements specified cover, inter alia, such facilities as conference rooms; offices for the officers of the Conference, the substantive Secretariat and conference services; and other facilities, including facilities and equipment for six-language interpretation, service areas, local transportation, a documents reproduction centre, local short-term support staff, and equipment, including personal computers, printers, telephones and photocopiers.

18. As indicated in paragraph 10 above, after the inspection of the available conference facilities at the Westin Hotel, the Secretariat has reviewed its conference requirements and the preliminary cost estimate for holding the General Conference in Lima. The revised cost estimate specifying cash requirements (annex refers) covers expenses relating to preparatory missions, staff travel, shipment of security and registration equipment, replacement of conference service staff and security officers, supplementary support staff, and a provision for contingencies.

19. The UNIDO/UNOV delegation was informed by the Minister of Production that the costs for hosting the General Conference in Peru are already included in the national budget for 2013 which should be formally approved by Parliament in November 2012. It should furthermore be noted that the sum representing the total estimated costs of holding the Conference in Lima would need to be deposited in euros with UNIDO no later than 1 June 2013. In addition, the costs of two additional preparatory missions to be undertaken by the Secretariat during the first and second half of 2013 would need to be advanced no later than one month

before the mission takes place. Should other initial expenses, as estimated in the annex to the present document, be required prior to the session, the requisite funds would also need to be advanced no later than one month before.

## **VI. Conference agreement**

20. Should the Board decide to hold the fifteenth session of the General Conference in Lima, rule 54 of the Rules of Procedure of the General Conference requires the Director-General to conclude a Conference agreement with Peru specifying the arrangements to be made and the obligations to be undertaken by the host State and the Secretariat in connection with the session. As indicated in paragraphs 4 and 17 above, the Secretariat has furnished the text of a model host country or Conference agreement to the Government of Peru for its preliminary consideration. Further amendments to the agreement will be proposed by the Secretariat to take into account findings of the preparatory mission. In light of its consultations with the Government of Peru, the Secretariat would recommend that the Conference agreement be negotiated and concluded latest by February 2013 in order to provide an appropriate basis for further planning of the Conference by UNIDO and the Government.

## **VII. Date of the session**

21. The UNIDO/UNOV delegation received confirmation during its meetings with the Government of Peru and the Westin Convention Center that the dates originally envisaged for the fifteenth session of the General Conference (2 to 6 December 2013) would be suitable should the session be held in Lima.

## **VIII. Action required of the Board**

22. The Board is invited to take note of the information contained in the present document; to decide on the date and place of the fifteenth session of the General Conference; and, should it decide to hold the session in Lima, to request the Director-General to negotiate and conclude an appropriate Conference agreement with the Government of Peru by February 2013.

## Annex

**Estimated costs****Based on the recommendation of the Government of Peru and the UNIDO/UNOV delegation to use the Westin Convention Center, Lima**

	<b>Estimated cost</b> (In euros)
<b>I. Cash contribution to be borne by the host Government</b>	
<b>Preparatory missions</b> <sup>1</sup> (3 missions composed of 5 staff members each, prefinancing required)	76,605
<b>Staff travel</b> – 160 staff at various levels (UNIDO: approximately 76; UNOV approximately 84, including conference services, interpretation, documents control, documents distribution, IT support and Security and Safety Service)	1,272,375
- Based on entitlement Vienna-Lima-Vienna as of November 2012 (includes 1 travel day each direction)	
- Staggered, function-related arrival dates	
<b>Shipment</b> (2,500 kg air freight)	46,900
- Includes conference documents and files, conference and reference material, security/registration and exhibition material (assuming local availability of sufficient IT equipment and relevant office supplies)	
<b>Remote translation</b>	3,000
<b>Replacement staff</b> (personnel costs for replacement staff in UNOV Conference Management Service (9 staff members) and Security and Safety Service (14 staff members) <sup>2</sup> to cover Headquarters meetings during staff absence from Vienna)	26,000
<b>Supplementary staff for Policymaking Organs Secretariat</b> (consultancy fee for 1 Professional to support preparation and liaison with host Government for a period of 6 months, including travel to Lima) <sup>3</sup>	57,000

<sup>1</sup> One mission was undertaken from 21 to 23 October 2012. Two further missions should take place in 2013.

<sup>2</sup> Estimate does not include overtime. Overtime will only be charged when incurred.

<sup>3</sup> Prefinancing of 1 Professional might be required in case duties need to be taken up during the first quarter of 2013.



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<b>Contingencies</b> (10 per cent for inflation, exchange rate fluctuations, etc.)	148,188
<b>Total</b>	<b>1,630,068</b>

**II. Contribution in kind to be borne by the host Government**

<b>Conference premises and facilities at the Westin Convention Center</b> , equipped and furnished as per specifications in requirements paper (PCs/printers, wireless connection, reproduction and technical equipment, interpretation facilities, telecommunication equipment and costs, security and safety equipment, etc.)	Undetermined
<b>Local support staff</b> (approximately 100)	Undetermined
<b>Other local facilities</b> (bank, first aid/medical assistance, post office, travel agency, etc.)	Undetermined
<b>Local transportation</b> from other hotels to Westin Convention Center and between airport and hotels (buses, minibuses and cars for VIPs)	Undetermined
<b>Police protection</b> as required under the host country agreement	Undetermined

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