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Industrial Development Board

Sixth Session

Vienna, 23 May - 2 June 1972

SUMMARY RECORD OF THE ONE HUNDRED AND TWENTY-SEVENTH MEETING

Held at the Haus Hofburg, Vienna
on Wednesday, 31 May 1972, at 3.40 p.m.

President:

Mr. BRILLANTES (Philippines)

Secretary:

Mr. HAWISA (Libyan Arab Republic)

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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

FINANCIAL AND ORGANIZATIONAL MATTERS (ID/B/92, ID/B/103, ID/B/104, ID/B/108, ID/B/109;
ID/P/L 114) (continued)

1. Mr. SHIMSKY (Union of Soviet Socialist Republics) expressed his delegation's satisfaction with the statement in paragraph 2 of document ID/B/103 that UNIDO's budget estimates for 1973 had been prepared in accordance with the Secretary-General's directives designed to maintain the establishment and expenditures for the period at the 1972 level. The assumption that the cost of operational activities in 1973 would show an increase of about 2 million dollars over the estimated figure for 1972 implied that UNIDO possessed and would mobilize the necessary reserves. He asked why there were certain discrepancies in the documentation before the Board concerning budget figures for 1973 and 1971, and assumed that those contained in document ID/B/103 were accurate.
2. Turning to the administrative activities of UNIDO and to organizational matters, he called attention to the lack of balance in the structure of the Secretariat, where administrative staff accounted for 70.3 per cent and professional staff for 29.7 per cent of the total personnel. Bearing in mind the recommendations of the Special Conference, the provisions of paragraph 14 of General Assembly resolution 2823 (XXVI) and the fact that the effectiveness of UNIDO was measured more by the success of its operational activities than by the functioning of its administrative machinery, steps should be taken to reduce the number of administrative staff, to strengthen the substantive divisions and streamline their work through structural changes (particularly in the Technical Co-operation Division), to eliminate activities which were duplicated elsewhere in the Secretariat or which were non-productive, to combat bureaucratization and to ensure the more effective implementation of projects through a closer relationship between headquarters and field activities.
3. On the question of recruitment to the Secretariat, he expressed concern, despite minor improvements in the situation with regard to nationals of his own country, at UNIDO's failure to observe the principle of equitable geographical distribution of posts in the Professional category, particularly in the higher echelons. As the latest figures showed, preference continued to be given, usually for no valid reason, to nationals of the Western countries, although qualified specialists were available in the Socialist countries. That situation, which also prevailed with regard to the

appointment of experts, especially in connexion with the implementation of IIS projects, was in direct contradiction with the provisions of General Assembly resolution 2158 (XXI) and the conclusions of the Special Conference of UNIDO concerning the utilization of the experience of industrialized countries with different social and economic systems.

4. The USSR was an active contributor to the UNIDO General Trust Fund, and was grateful for the assistance which the Secretariat had provided in the execution of the numerous projects - both in the Soviet Union and in other countries - financed by its annual voluntary contributions. His delegation hoped, however, that greater use would be made of sums already available in the Fund. If the specialist training courses organized in the USSR, which were considered to be most useful, could be planned over a longer term, they would be even more effective.

5. Long-term planning would not only be in keeping with Soviet practice, but would also be fully in line with the principles set out in document ID/B/L.114 on planning, programming and budgeting. These principles were most commendable, and it was greatly to be hoped that the Secretary-General's proposals would be adopted and implemented as rapidly as possible.

6. Miss VINING (United Kingdom) said that she shared the concern of many other delegations that the Board, in considering the budget estimates for 1973, should do its best to comply with the Secretary-General's directive on budgetary restraint within the United Nations system as a whole. She commended the efforts made by the Secretariat in that respect and hoped that further savings would be made. In that connexion, an effort was needed to ensure that the proposed permanent committee placed as little additional strain as possible on UNIDO's manpower and budgetary resources, and to reduce the volume and cost of documentation. On the basis of the recommendations made by the Ad Hoc Sub-Group on Documentation, the Secretariat must attempt to effect considerable economies in future. In that connexion, she had been encouraged to see that UNIDO had already taken strenuous steps to contain its publications programme, in particular by critically examining the need for publishing in all cases an official report of expert group meetings. Such reports might well be distributed in mimeographed form very soon after the end of meetings, when their practical value was high. At a later stage, it could be decided whether the cost of publishing a formal report was really justified. She also wished to draw attention to the Joint Inspection Unit's report on recurrent publications, contained in document A/8302.

7. In connexion with chapter II of the estimates, she hoped that her delegation's observations as to the priority to be accorded to expert group activities would be taken into account should it become necessary to make savings in the course of 1973.
8. Turning to the Executive Director's notes on planning, programming and budgeting (ID/B/L.114), she pointed out that the Secretary-General's proposals, if adopted by the General Assembly, had very wide-ranging implications for the timing and organization of the Board and its subsidiary organs, and the presentation and review of UNIDO's work programme. Since the Board would not have sufficient time to consider the question fully at the present session, she wished to suggest that consultations should be held after the session between the Secretariat and members of the Board, and that the matter be referred to the first meeting of the proposed permanent committee, if timing permitted. Should the General Assembly adopt the new proposals, the implications for UNIDO should be discussed at the seventh session of the Board.
9. Mr. BELFRAGE (Sweden) said that the budget estimates for 1973 should be viewed in the light of paragraph 14 of the consensus resolution adopted by the Special International Conference. His delegation supported the concept behind that paragraph because it would give UNIDO greater autonomy and promote the programme-budgeting approach.
10. His delegation had certain comments to make on the budget estimates for 1973 and would like them to be transmitted to the General Assembly, together with the observations of other delegations. Perhaps a special report reflecting the views of the Board could be forwarded to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Fifth Committee of the General Assembly.
11. It was clear that the estimates for 1973 merely updated those for 1972. In his view, however, the budget had not adequately taken into account the fact that, owing to the new country programming procedures, UNIDO's operational programme would soon double in size. That point had been clearly made by the Executive Director in his introductory statement during the general debate. The Swedish delegation, on the same occasion, had expressed the view that UNIDO faced a situation where operational activities would increase sharply while its administrative capacity remained roughly at the present level. It was therefore essential that there should be a certain degree of re-allocation of the resources available for administrative and supporting activities,

and he hoped that the Executive Director would recommend a similar arrangement for UNIDO. In any case, the budget provisions should be kept flexible enough to allow for the re-allocation of resources in order to meet the concrete needs of the developing countries.

12. Turning to the question of the UNDP contribution to overheads, he reiterated his country's support for the idea that UNDP and the executing agencies should develop a cost-accounting system designed to give, as far as possible, an accurate picture of direct overheads and administrative costs incurred on a project-by-project basis. Such a system would help to show whether the agencies were under-compensated or over-compensated and would provide a sound basis for co-operation between them and UNDP. His Government would like to see the present system of providing a fixed and uniform percentage rate of 13 per cent discontinued. In that connexion, he was inclined to agree with a recent report of ACIBQ that UNDP should not be requested to pay for activities which the agencies would have been carrying out in any case under their own statutes. Indeed, the provision of technical assistance was explicitly listed among the statutory objectives of several organizations including UNIDO. It seemed to his delegation that a reasonable approach would be to have UNDP reimburse only easily identifiable programme support costs directly related to the implementation of UNDP-financed projects. The remaining costs, only indirectly connected to UNDP activities, should preferably be financed out of the regular budgets of the agencies, in accordance with their own statutes. That approach would have the further advantage of simplifying the cost-accounting system required for the reimbursement of overheads. Even so, it should be borne in mind that some direct costs fell to a certain extent within UNIDO's statutory mandate. Cost-accounting would also lead to the avoidance of so-called "double overheads", when a project was subcontracted by an agency to a consultant.

13. In conclusion, he pointed out that UNDP also financed UNIDO's industrial field advisers. That arrangement would in the long term constitute a substantial item in the UNDP budget and he therefore wondered whether the two organizations should not at some stage explore the possibility of a package deal, whereby UNDP would finance a sizeable percentage of the field representatives, whereas UNIDO would absorb a greater share of overheads. In the longer run, it did not appear feasible for UNDP to finance both items fully. The question had been considered at the January session of the Governing Council and had subsequently been embodied in its conclusions. Naturally, the measure would be applicable to all agencies.

14. Mr. STIBRAVY (United States of America) welcomed the Board from the Board that UNIDO was indeed supporting the Secretary-General in his efforts to stabilize the financial situation of the United Nations.
15. After a preliminary examination of the contents of document ID/B/L.114 on planning, programming and budgets, his Delegation wished to state that it was prepared to co-operate in the implementation of such of the Secretary-General's proposals as might be adopted by the General Assembly with reference to UNIDO. He recalled his delegation's earlier suggestion that the examination of UNIDO's work programme might be biennial rather than annual. If the Secretary-General's proposals were adopted by the General Assembly, his delegation would appreciate the opportunity of a detailed exchange of views with the UNIDO Secretariat concerning their implications for the budget format of UNIDO and for the work programme of the Board. Perhaps such an exchange could be held during the autumn meeting of the proposed permanent committee, if such a meeting were decided upon and if by that time the General Assembly had made sufficient progress in its deliberations. In that connexion, he pointed to the relevance of the provisions of paragraph 14 of the consensus resolution of the Special International Conference of UNIDO, and expressed the belief that the change towards a budget format on a programme rather than object-of-expenditure basis would greatly help to give effect to those provisions.
16. He commended the continued improvement in UNIDO's management and the elimination of many weaknesses of administration. There was a greater professionalism in the overall approach to administrative matters, and his delegation was particularly appreciative of the work of the Technical Equipment, Procurement and Contracting Office (TEPCO). Moreover, it was only fair to recognize that there were a number of administrative activities which made a direct contribution to the support of operational and field activities.
17. The New York Liaison Office had an important role to play, not only in its representation of UNIDO's interests at United Nations Headquarters, but also in the establishment of relations between UNIDO and organizations, such as the Inter-American Development Bank, located in the North American continent. For that reason, it was important that the Liaison Office should be well-staffed.
18. It must be remembered that the Board was responsible for ascertaining whether the Secretariat was organized in such a way as to respond most effectively to the increasing demands for technical assistance on the part of the developing countries. In that

connection, he requested that the Board be provided, the Secretariat with at least a summary of the major recommendations of the administrative management survey, together with information concerning the implementation of those recommendations.

19. He reiterated his delegation's earlier suggestions that a programme planning and evaluation unit be established in the Secretariat and attached to the Office of the Executive Director.

20. Earlier speakers had expressed their dissatisfaction with regard to the application of the principle of equitable geographical distribution in the staffing of the Secretariat. His own delegation was also concerned at the present situation. The number of citizens of the United States of America currently employed in UNIDO was only just above the minimum figure in the desirable range established for that country by the United Nations, and his delegation felt entitled to expect an improvement in that respect. Moreover, his delegation was strongly dissatisfied at the small number of United States citizens occupying posts in UNIDO, in comparison with the contribution which the United States was making to UNDP. Noting that United States citizens accounted for only 10 per cent of the number of experts recruited by UNIDO, he requested the Secretariat to prepare for each future session of the Board a breakdown by nationality of all expert appointments, to be annexed to the Executive Director's report on administrative matters.

21. Mr. MANNO (Italy) said he had a few observations to make on the subject of voluntary contributions, which were the most appropriate means for financing projects relating to the industrial sector. So far, such contributions had reached the considerable total of \$9 million, including \$1.2 million from his own country. Encouraged by the positive results achieved during 1971, his Government had come to an agreement with UNIDO for a four-year training programme for industrial, technical and administrative personnel. In addition, two subregional industrial projects would be financed from existing Italian contributions and from future contributions, amounting to a total of over \$2 million.

22. He was happy to note that other countries had decided to make voluntary contributions to UNIDO and hoped that their example would be followed by yet others, in the interests of the developing countries and the greater effectiveness of UNIDO.

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Mr. BIRCHFIELD (Director, Division of Administration, Finance and General Services), replying to the debate, stated that it had been the wish of all speakers that the UNIDO budget estimates were prepared by the Secretary-General of the United Nations. UNIDO could only transmit the Board's comments to the Secretary-General, who would place them before ACABQ and the Fifth Committee.

24. With regard to the organization and allocation of staff within UNIDO, the subject had been under constant review by several different bodies. He would welcome any further review of the question of the allocation of posts between substantive and administrative elements, but wished to point out that professional staff were needed in both areas.

25. Several delegations had referred to paragraph 5 of the budget estimates for 1973, which contained a necessary and important statement. The 1973 estimates had indeed been prepared on the basis of an updating of the 1972 expenditures, yet the 1973 work programme foresaw an increase of \$9 million over the present estimate for operational programmes in 1972. The question thus arose as to whether so greatly increased a programme could be implemented within the present limitations, and paragraph 8 therefore stated that revised estimates might need to be presented to the General Assembly at its twenty-seventh session. In that connexion he had already informed the Group of High-Level Experts that the present UNDP contribution to overheads was not high enough to cover actual expenses and that UNIDO had no funds available to meet such extra costs. He also felt obliged to draw the Board's attention to the fact that an additional sum of \$9 million could not be absorbed by the Secretariat under the present limitations and that, although every effort would be made, some other solution must be found.

26. Mr. HOLMES (Chief, Personnel Services), replying to questions concerning geographical distribution, pointed out that responsibility for the equitable distribution of Professional posts rested with the Secretary-General, who was responsible for appointing UNIDO staff in the Professional and higher categories. The geographical distribution situation in the United Nations Secretariat as a whole was reviewed annually in a report by the Secretary-General, who was directly responsible to the General Assembly for the composition of the United Nations Secretariat, of which the UNIDO Secretariat was part. It was for that reason that responsibility for the appointment of staff subject to geographical distribution could not be decentralized.

27. It had, of course, been recognized that, within certain limits, UNIDO's particular needs had to be taken into account and required some flexibility. UNIDO had calculated the desirable ranges of posts subject to geographical distribution proportionately to the ranges applicable to the United Nations Secretariat as a whole. The calculation revealed that the representation of three regions - Africa, the Middle East, and North America and the Caribbean - was within the desirable range, Western Europe was over-represented, Eastern Europe and Latin America were to some extent under-represented, while Asia and the Far East was substantially under-represented.

28. In the case of Asia, the problem was aggravated by the extreme difficulty of recruiting nationals from two of the major countries of the region, because they were already substantially over-represented in the United Nations Secretariat as a whole. Similarly, with regard to Latin America, eight countries, including the two largest, were already substantially over-represented in the United Nations Secretariat. UNIDO's efforts to improve the geographical balance of its staff were thus to a considerable extent impeded by the legacy of the past.

29. Turning to the problem of Eastern European representation, he pointed out that the UNIDO Secretariat's efforts to improve the situation had been handicapped by a high turnover rate. However, it should be noted that of eighteen candidates whose appointments had been recommended as of 15 May 1972, six were from Eastern Europe.

30. The reason for the over-representation of Western Europe was mainly historical, going back to the early years of the United Nations when its Secretariat had first been formed. It should be noted that the problem would gradually solve itself, since the representation of Western Europe would diminish on account of the increasing number of retirements.

31. Two measures had recently been taken to improve the present situation. In the first place, all permanent missions accredited to UNIDO had been sent an extract of the 1972 circular of vacancies in the United Nations Secretariat. He appealed to all countries which were under-represented or not represented at all to look out for highly qualified candidates suitable for UNIDO. In the second place, he recalled that the General Assembly had endorsed the idea of establishing a long-term recruitment plan. Work on the project was now under way and it was hoped that a more systematically planned approach to recruitment would raise the calibre of staff recruited, reduce delays and bring about improvement in geographical distribution.

32. With regard to the question raised by the representatives of the Soviet Union and the United States concerning the commitment of experts, it was stated that the final decision on such matters rested with the requesting Government. UNIK was always looking for well-qualified experts, and had the relevant experience and were suited to work in the developing countries. Of 423 appointments in 1971, 48 nationalities had been represented, including 85 experts from the developing countries themselves. Forty-two experts from Eastern Europe had been appointed in 1971 and it was hoped to increase that figure in 1972. Fifty experts from the United States had been employed in 1971, representing 11 per cent of the total number, and during the first four months of 1972, 28 United States nationals had been appointed, representing 15.5 per cent of the total. However, there was no doubt that the real solution to the present imbalance lay in a sustained co-operative effort between Governments and the Secretariat. Because of the various constraints a drastic adjustment could not be achieved overnight, but he wished to assure the Board that there was no lack of serious intent, effort and will to succeed on the part of the Secretariat.

33. Mr. BARBOSA (Chief, Financial Services), replying to a question from the French representative as to whether overheads from UNDP were included in the regular budget estimates for 1973, said that the portion that used to be earned in respect of the Technical Assistance component was included, whereas the portion earned in respect of Special Fund and SIS components was not. The reason was historical, since several years ago the General Assembly had decided that both income and expenditure in connexion with overheads should appear in the United Nations budget. That decision had been taken when only the Technical Assistance programme existed. Later, with the creation of the Special Fund and SIS, it had been decided that the income should go directly to the executing agency. It should be noted that the system had changed during the present year, and the estimates would in due course be revised; in future, neither income nor expenditure relating to overheads would appear on the budget estimates. Nevertheless, table 4, as the French representative had noticed, indicated the number of posts available from extra-budgetary resources that were not included in the budget itself.

34. With regard to the figures mentioned by the French representative, the sum of \$1.8 million related to credits from UNDP on account of projects approved in 1971, in conformity with the old formula. The reason why the total had not been spent was that

... However, that system had also been discussed with UNDP representatives regarding the programmes actually delivered. The amount of the overhead account at the end of 1971 was fully consumed in the course of 1972.

35. The French representative's suggestions concerning the method of budget allocation were theoretically appealing, but difficult to put into practice, since UNJCO was tied to the United Nations system of budgeting and because the amounts received from the UNDP as overheads were not sufficient for full backstepping.

36. With regard to the question raised by the representative of Austria concerning the actual level of backstepping costs, rough calculations indicated that they amounted to approximately 25 per cent of the value of projects. The regular budget supported about 15 per cent of that amount; the rest came from overhead funds.

37. The discrepancies noted by the Soviet Union representative between figures in the budget document and document ID/B/97 were due to the fact that the latter had been prepared on the basis of estimates available to UNIDO at the end of 1971, whereas the budget estimates were based on later figures available to the Secretary-General. The total of \$15,042 million in document ID/B/103 represented the initial budget estimates of the Secretary-General based on the existing levels of activities, while the figure of \$16,086 million in ID/B/97 represented the first estimate of the cost of carrying out the work programme as submitted to the Board in the same document. The Secretariat would try to implement as much as possible of the programme set forth in document ID/B/97, but it was expected that additional funds would be needed in order to carry out the total programme; otherwise the programme would have to be adjusted downwards.

38. The Swedish representative had referred to the new cost-accounting system that would replace the present system. He wished to confirm that it was now under discussion at various levels and that a report on it would be submitted to the Governing Council of UNDP at its June session. However, it would not become operational before January 1974.

39. The PRESIDENT suggested that consideration of agenda item 6 be concluded by incorporating the following three paragraphs in the Board's report:

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The Board, after an initial and general exchange of views on the communication of the Secretary-General on planning, programming and budgeting (ID/B/L.114) and in view of the importance of the matter, decided to refer the question to the permanent committee with the request that appropriate recommendations be submitted to the seventh session of the Industrial Development Board. In the meantime, inter-sessional consultations with Governments, as appropriate, should be undertaken by the Executive Director. The Executive Director should inform the Secretary-General of the steps being undertaken by the Board and the Secretariat to give this matter most careful study and consideration."

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40. Mr. STIBRAVY (United States of America) pointed out that, in the second of the three paragraphs suggested by the President, there was no reference to his delegation's statement at the 116th plenary meeting that, if the proposals contained in paragraphs 21 and 22 of document ID/B/55 had been put to the vote, his delegation would have registered its objection. He wished to see that statement reflected in the Board's report and pointed out that the report of the previous year's Board had contained a reference to the objection of a delegation to similar proposals.

41. The PRESIDENT replied that the summary records and the Board's report would reflect the views expressed by the United States and by other delegations such as Norway. He suggested that the Board should approve the three paragraphs for inclusion in its report.

42. It was so decided.

PROVISIONAL AGENDA OF THE SEVENTH SESSION (ID/B/L.115)

Mr. UNICHER (United Kingdom) referred to the Secretary-General's letter to the Board of Economic and Social Affairs, dated 1957, in which he urged restraint in committing financial resources, in view of the resolution 2530 (XXVI) and Economic and Social Council resolution 1113 (II), it might be appropriate if the Board deleted agenda item 7 ("General debate") from the provisional agenda for the seventh session. His delegation felt that much of what had been said in the general debate of the sixth session might well have been said during the discussion of other items such as "Financial and organizational matters" and the report of the Working Group on Programme and Co-ordination. Deletion of the agenda item "General debate" would facilitate the work of the Reporteur by enabling him to decrease the length of the Board's report.

44. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that his delegation had always strongly opposed any proposals and suggestions that the item "General debate" be deleted from the Board's agenda. UNIDO was the only United Nations body which did not have an annual general conference, and the general debate gave members of the Board an opportunity to make general statements concerning, for example, the direction which UNIDO's activities should take, and to philosophize about its activities. Although such a debate was of a general nature, the delegations over the years had made very specific points during it. Its removal from the agenda would deprive the Board of a fundamental and complex element in its work and would not, in any case, result in substantial financial savings.

45. Mr. LEDUC (France) observed that some of the most important items on the agenda for the sixth session, such as items 5(a) and 5(b), had not been properly considered because during the general debate some delegations had not only spoken in general terms but also dealt at length with specific matters. His delegation considered that, if the agenda item "General debate" were retained, delegations should confine themselves to general remarks and refrain from speaking on specific matters which should be considered under other items of the agenda.

46. Mr. DE ABAINO (Brazil), referring to the provisions of paragraph 9 of the consensus resolution of the Special Conference of UNIDO concerning the strengthening of existing services within the Secretariat, asked whether he was correct in assuming that that important subject would be covered under item 7, or possibly item 9, of the agenda for the seventh session.

47. Mr. LLOBRY (Belgium) said that he was in favour of an unduly long title address course, which he considered would be a waste of time. During the Board's sixth session, the Board did not try to solve the problem of distinct and specific questions of strategy which could be put to the Board. He suggested that the agenda should be simplified. With regard to the philosophical content in the agenda, he suggested that the Board should have an opportunity to philosophize during the 1971 Special Conference and in the years in the Board. He suggested that, at least for the seventh session, the item "General debate" could be deleted on the understanding that all delegations could make relevant general remarks during the discussion of other items of the agenda.

48. Mr. STIBRAVY (United States of America) said that an important matter had been raised by the delegation of the Federal Republic of Germany. His delegation was also concerned about the consequences of the amount of time spent on the general debate, during which so many delegations spoke about matters which could have been discussed under other items. He agreed with the French delegation that too little had, as a result, been said concerning specific matters of concern to UNIDO. His delegation considered that each delegation had every opportunity to speak on matters which it considered important and even to philosophize. For example, the discussion of the Board's programme of work provided ample opportunity for far-ranging comments on such matters as the general direction in which UNIDO was moving.

49. Referring to paragraph 33 of document IB/E/97 (Part I), he supported the Executive Director's suggestion and proposed that the following item be included on the agenda for the seventh session: "The question of procedures to be adopted by UNIDO for the review and appraisal of the policy measures and the goals and objectives of the International Development Strategy within the industrial sector".

50. He suggested that the wording of item 5 of the provisional agenda for the seventh session, "Report of the Permanent Committee on the work of its first session", made it sound as though the proposed permanent committee would definitely be meeting immediately before the seventh session of the Board in 1973 and not in the autumn of 1972.

51. Mr. PREISZ (Hungary) and Mr. SEDIVY (Czechoslovakia) gave full support to the views expressed by the USSR delegation concerning the need to retain the agenda item "General debate".

52. Mr. IDELLAZIE (Algeria) said that, if there were to be a reduction in the number of meetings of the proposed permanent committee, it would be desirable if it would be dealing with questions in the same way as was done in the past, that time and money would be saved as a result. The expression of views on a still hypothetical nature was important and had an immediate impact on UNIDO's activities. He wondered whether the important question of SIS and the link between UNIDO and UNEP would be dealt with under any of the items in the provisional agenda for the seventh session.

53. Mr. de LIEDEKERKE (Belgium) thought that the item "General Debate" should be deleted from the agenda of the seventh session. Although his delegation shared the concern expressed by the USSR and other delegations, the general debate, if it were retained, would overlap very considerably with item 7, which concerned the conclusions of the 1971 Special International Conference of UNIDO.

54. Miss VINING (United Kingdom) agreed with the Belgian delegation that the Board should avoid any overlapping of agenda items. It was important that the Board should give serious consideration to the final report of the Group of High-Level Experts on Long-Range Strategy of UNIDO (item 7 (a)). In view of the amount of time usually taken up by the general debate, it should be deleted from the agenda for the seventh session, on the understanding that the broad guidelines for UNIDO would be covered under agenda item 7 (a). She considered that the Board should exercise care with regard to agenda item 5 as the proposed permanent committee did not yet have any terms of reference. In the meantime, the Board should refrain from approving an item which specifically referred to certain tasks which the permanent committee might perform, and should refer to the item in the following more general terms: "Report of the Permanent Committee on its first session(s), including matters referred to the Permanent Committee by the Board at its sixth session."

55. Mr. HUSSAIN (India), Mr. AZHARIEV (Bulgaria), Mr. HANTAN (Egypt), Mr. AYUB (Pakistan), Mr. de OUFQ-FILATO (Brazil), Mr. NOTOSOEMARSO (Indonesia), Mr. FAYONI (Peru) and Mr. KAMALI (Iran) praised the usefulness of the general debate and supported its retention on the Board's agenda.

56. Mr. UNGERER (Federal Republic of Germany) said that, although his delegation still felt that the Board was not functioning as effectively and productively as possible, he was withdrawing his suggestion in view of the objections to it.

57. THE PRESIDENT said that it was his impression that the Board had a number of administrative reviews, the retention of the present list of items was, however, that it should be understood that not all delegations to the seventh session of the Board necessarily had to make statements in the general debate. The question of saving time and money rested, therefore, with the delegations themselves.

58. With regard to the United States' proposal that the agenda for the seventh session contain the following item: 'The question of procedures to be adopted by UNIDO for the review and appraisal of the policy measures and the goals and objectives of the International Development Strategy within the industrial sector', it might perhaps be incorporated under agenda item 7 (c), depending on the nature of the final report of the Group of High-Level Experts on Long-Range Strategy of UNIDO. He suggested that the United States delegation keep its proposed item in mind so that the subject could be brought up at the seventh session. For the time being, the proposed item should not be included in the agenda for the seventh session.

59. Mr. STIBRAVY (United States of America) agreed with the President's suggestion but emphasized that the Secretariat should keep the Board fully informed.

60. Mr. ABDEL-RAHMAN (Executive Director) suggested that the record of the matter should be transmitted to the Group of High-Level Experts for its consideration as it might wish to refer to it in its report. The Secretariat was not working independently but within the framework of the United Nations system. The Board should return to the matter later to resolve the question of timing. It was not clear whether the proposed second special conference of UNIDO would consider the matter as a major item. It would be useful at the present stage to make a preliminary observation on linking the matter with the agenda of the proposed second special conference. He would be returning to the subject at the seventh session.

61. Mr. STIBRAVY (United States of America) agreed that the Secretariat was entitled to guidance on the question of the time-table for the review of industrial progress in connexion with the International Development Strategy. He recalled his delegation's remarks on that subject in the Working Group, where it had supported the target date of 1975. The question was highly relevant to the agenda for the second special conference, and in proposing that the matter be taken up at the seventh session he had mainly intended that the Board should look into the procedures UNIDO would follow in carrying out its part of the review. He was quite flexible as to how the seventh session would approach the matter.

62. Mr. AKLITV (Union of Soviet Socialist Republics) stated that, after his consultations with several delegations, he had concluded that they agreed in principle for the Board or the permanent committee to carry out a regular review of industrial development in the developing countries, in the line of the discussion of the world economic situation in the Second Committee of the United Nations General Assembly. Regular enquiry into the true state of affairs with regard to industrial development in the developing countries could become a most important activity, leading to the establishment of developmental models for particular countries or groups of countries. He therefore welcomed the proposal to carry out a review, which could be done in 1975, if the Executive Director thought that date appropriate.

63. Mr. LEDUC (France) suggested that item 5 of the provisional agenda should be reworded to read either "Report of the Permanent Committee on its work" or "Report of the Permanent Committee on the work of its sessions". With regard to the items on which the permanent committee should report, he agreed with the remarks of the United Kingdom representative. In his view the permanent committee's terms of reference were those set forth in paragraph 9 of the consensus resolution, and for that reason he was in favour of deleting 5 (c) (i) and (ii) and changing item 6 to 5 (d).

64. Mr. ABDEL-RAHMAN (Executive Director) observed that it would be difficult to establish an agenda for the seventh session before a clear decision had been reached concerning the division of labour and activities between the two sessions of the permanent committee, and before it was decided whether or not a session of the permanent committee would be held in the autumn of 1972.

65. In reply to the representative of Brazil, he said that it would be necessary to define the approaches of the Board and the permanent committee to matters related to the transfer of technology. While the Secretariat could produce papers dealing with the subject in a very general manner, it could respond more effectively if it received requests to deal with specific aspects of the question.

66. Mr. HESSANI (India) agreed with other speakers that many questions related to the work of the permanent committee could not be resolved until a decision had been taken concerning its constitution and the periodicity of its sessions.

67. The PRESIDENT suggested that further consideration of the provisional agenda for the seventh session might be deferred until a decision had been taken concerning the composition, mandate and organization of work of the permanent committee.

68. It was so decided.

The meeting rose at 6.45 a.m.



16.7.74