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United Nations Industrial Development Organization

INDUSTRIAL DEVELOPMENT BOARD

First Session

SUMMARY RECORD OF THE THIRTY-SECOND MEETING

Held at Headquarters, New York,
on Wednesday, 3 May 1967, at 10.55 a.m.

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PRESENT:

President:	Mr. DUMITRESCU	(Romania)
Rapporteur:	Mr. MBAYE	(Guinea)
Members:	Mr. BRADLEY) Mr. VIDAL ETCHEVERRY)	Argentina
	Mrs. SAILER) Mr. REISCH)	Austria
	Mr. FORTHOMME) Mr. DELVAUX)	Belgium
	Mr. PATRIOTA	Brazil
	Mr. VLADOV	Bulgaria
	Mr. BELEOKEN) Mr. ZOA)	Cameroon
	Mr. BRADY	Canada
	Mr. FIGUEROA	Chile
	Mr. HERRAN-MEDINA	Colombia
	Mr. SANCHEZ LAMERAN	Cuba
	Mr. MUZIK) Mr. ADAMEK)	Czechoslovakia
	Mr. SARTORIUS	Federal Republic of Germany
	Mr. TORNQVIST) Mr. UGGELDAHL)	Finland
	Mr. GEORGE	France
	Mr. THERSON-COFIE	Ghana
	Mr. DIABATE	Guinea
	Mr. GUPTA	India
	Mr. MARTONEGORO) Mr. TAIHITU)	Indonesia
	Mr. ORDOOBADI	Iran
	Mr. PISANI MASSAMORMILE	Italy
	Mr. KOFFI	Ivory Coast
	Mr. ABE) Mr. MURAOKA)	Japan
	Mr. TELL	Jordan
	Mr. KHANACHET) Mr. AL-SHATTI)	Kuwait

PRESENT (continued):

Members (continued):

Mr. LUBBERS	Netherlands
Mr. OLUMIDE	Nigeria
Mr. AHMED	Pakistan
Mr. FERNANDINI	Peru
Mr. RODRIGUEZ	Philippines
Mr. CONSTANTIN	Romania
Mr. RYABONYENDE	Rwanda
Mr. WARSAMA	Somalia
Mr. ARANA	Spain
Mr. SAHLOUL	Sudan
Mr. BERGQUIST	Sweden
Mr. TURRETTINI	Switzerland
Mr. VISESSURAKARN	Thailand
Mr. ARCHIBALD	Trinidad and Tobago
Mr. CUHRUK	Turkey
Mr. LOBANOV	Union of Soviet Socialist Republics
Mr. BADAWI	United Arab Republic
Sir Edward WARNER	United Kingdom of Great Britain and Northern Ireland
Mr. GOLDSCHMIDT	United States of America
Mr. MONTERO	Uruguay
Mr. MANDA) Miss CAMPBELL)	Zambia

Observers for Member States:

Mr. RAHMANI	Algeria
Mr. BENSON	Australia
Mr. SCOTT-MURGA	Bolivia
U BA YIN	BURMA
Mr. FU	China
Mr. MULONGO	Congo (Democratic Republic of)
Mr. AGATHOCLEOUS	Cyprus

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PRESENT (continued):

Observers for Member States (continued):

Mr. OLSEN	Denmark
Mr. SUBERO	Dominican Republic
Mr. M'KAYA-CASTANOUL	Gabon
Mr. CARRANCO AVILA	Mexico
Mr. CHULUUNBAATAR	Mongolia
Mr. SVENNEVIG	Norway
Mr. NENEMAN	Poland
Mr. CISS	Senegal
Mr. KLU	Togo
Mr. SKATARETIKO	Yugoslavia

Representatives of specialized agencies:

Mrs. de LOPEZ	International Labour Organisation
Mr. ATEN	Food and Agriculture Organization of the United Nations
Miss BARRETT	United Nations Educational, Scientific and Cultural Organization
Mr. CONSOLO) Mr. PERINBAM)	International Bank for Reconstruction and Development

Representative of the International Atomic Energy Agency:

Mr. NAJAR	

Representatives of other United Nations bodies:

Mr. HARLAND	United Nations Development Programme

Representatives of inter-governmental organizations:

Mr. WOODLEY	United International Bureaux for the Protection of Intellectual Property

Secretariat:

Mr. ABDEL-RAHMAN	Executive Director, United Nations Industrial Development Organization
Mr. GRIGORIEV	Director, Industrial Technology Division
Mr. LACHMANN) Mr. ORNATSKY)	Department of Economic and Social Affairs
Mr. STOEDEL	United Nations Conference on Trade and Development
Mr. CYLLA	Secretary of the Board

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CONSIDERATION AND ADOPTION OF DRAFT RESOLUTIONS AND PROPOSALS (ID/B/L.8/Rev.1, L.17, L.23, L.24, L.26, L.28) (continued)

Draft resolution ID/B/L.17 (continued)

The PRESIDENT noted that the Board had before it, in addition to draft resolution ID/B/L.17, an unofficial paper indicating the amendments acceptable to the sponsors and the amendments submitted by the delegations of Czechoslovakia (ID/B/L.23) and Somalia (ID/B/L.24).

Mr. TURRETTINI (Switzerland) said that the fact that many areas of UNIDO's work also fell within the competence of other United Nations bodies was not adequately reflected in the draft resolution. It was also regrettable that the sponsors had not incorporated the suggestion that the offices of UNDP Resident Representatives should be used in presenting requests for assistance from Governments. The establishment of services almost identical with those of UNDP would not be an appropriate use of the limited resources available to the new organization. Nevertheless, his delegation would be able to approve the draft resolution, together with the amendments which the sponsors found acceptable.

Mr. SAHLOUL (Sudan) said that the sponsors of the draft resolution had not been in agreement regarding some of the amendments which had been proposed, and because of their desire to preserve unity among themselves they had been unable to accept all the amendments. However, his delegation considered as a matter of principle that the second preambular paragraph must refer specifically to the purpose of UNIDO if it was to be consistent with General Assembly resolution 2152 (XXI), and it could not subscribe to any measure which might be interpreted as a retreat from the provisions unanimously adopted in the Assembly's resolution and which might have political implications. Furthermore, it was possible that the present text of operative paragraph I implied a certain limitation on the work of UNIDO which had not been intended by the sponsors; his delegation therefore believed that the organization's promotional activities should be mentioned in that paragraph, in order both to emphasize their importance and to achieve a balanced presentation, since those activities were dealt with at greater length in paragraph II F.

For those reasons, his delegation would have no alternative but to vote in favour of the first three Somali amendments in document ID/B/L.24 if they were pressed to a vote. It also reserved its right to vote as it saw fit on the

(Mr. Sahlool, Sudan)

Czechoslovak amendments (ID/B/L.23), at least some of which were in the interests of UNIDO and of the developing countries.

Mr. KOFFI (Ivory Coast) said that his delegation could not agree with the Czechoslovak proposal that the reference to Africa, Asia and Latin America in paragraph II F, item 11, should be deleted. UNIDO had been established to help the developing countries and should not, therefore, be expected to give assistance to the Economic Commission for Europe.

Mr. GEORGE (France) said that his delegation was ready to agree to draft resolution ID/B/L.17 and the amendments accepted by the sponsors, with certain reservations. The reference in item 7 of the guidelines to the recruitment of competent management and its surveillance to ensure high performance gave UNIDO unwarranted powers of supervision, which might even undermine national sovereignty. His delegation also reserved its position regarding the amendment to item 15 of the guidelines until the concept of "industrial inputs" had been more fully explained. It endorsed the Czechoslovak amendments (ID/B/L.23) with the sub-amendments proposed orally by the representative of Finland at the preceding meeting.

Since the draft resolution and the amendments were all based on General Assembly resolution 2152 (XXI), which had been adopted unanimously, he saw no reason why the Board should not attempt to reach a compromise solution and avoid the need for a vote. He therefore appealed to the sponsors of the draft resolution to give further consideration to the remaining amendments and sub-amendments.

Mr. MUZIK (Czechoslovakia) said that his delegation was prepared, in a spirit of compromise, to accept all the sub-amendments submitted by the Finnish delegation, including the withdrawal of amendment 17 in document ID/B/L.23. It was also prepared to withdraw its amendment to the second preambular paragraph if the Somali amendment to that paragraph was accepted by the sponsors of the draft resolution. Finally, in accordance with suggestions which had been made, it wished to revise its amendment 18, the last part of which would now read "... the United Nations, its specialized agencies, IAEA, UNDP, UNCTAD and ...".

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Mr. WARSAMA (Somalia) said that his delegation had pressed only those amendments which were of prime importance, namely, those relating to the second preambular paragraph and to operative paragraph 1. His delegation was grateful that one of the sponsors of the draft resolution had been able to accept those amendments, and he appealed again to the other two sponsors to give further consideration to them. If they were unable to incorporate them into the draft resolution, his delegation would have no alternative but to request a vote.

Mr. BELEOKEN (Cameroon) said that his delegation would be able to agree to the draft resolution with the amendments accepted by the sponsors, although there was some ambiguity in the text of item 5 of the guidelines.

The Czechoslovak amendments (ID/B/L.23) needed some clarification. In amendment 4, it was not clear what was meant by "productive industrial forces", and the reference to industrially developed countries in amendment 16 should be deleted or redrafted to make it quite clear that developing countries should be able to choose the countries whose experience they wished to utilize. While his delegation had no objection to amendment 15, it must be made clear that, since UNIDO had been established to help the developing countries, it should not offer assistance to the Economic Commission for Europe, although the latter could be of assistance to UNIDO.

Mr. LOBANOV (Union of Soviet Socialist Republics) said that the Economic Commission for Europe, of which the USSR was a member, attached great importance to accelerating the industrial development of developing and other countries. At its twenty-second session, it had adopted a resolution expressing its hope that there would be close co-operation with UNIDO and its desire to give UNIDO every possible assistance in achieving its aims. The Board would be acting in a discourteous and regrettable manner if it rejected the offer of co-operation.

Mr. KOFFI (Ivory Coast) said that his delegation had no wish to be discourteous to ECE or to reject its offer of co-operation. Nevertheless, since UNIDO existed to help the developing countries, its relations with ECE would not be on the same footing as its relations with the other regional economic commissions, and the resolution must clearly reflect that situation.

Mr. MULIK (Czechoslovakia) explained that the "productive industrial forces" referred to in amendment 4 in document ID/B/L.23 meant all the factors necessary for industrial production - raw materials, machinery, manpower, financial resources, and so forth. The purpose of amendment 16 was to ensure that the developing countries had access to the full range of available experience before making their choices; it was in no way intended to preclude their freedom of choice.

Mr. TELL (Jordan), speaking on behalf of the sponsors, noted that the United States representative had queried the term "industrial inputs" in one of the Somali amendments accepted by the sponsors and said that those words had been used by the Administrator of UNDP. The whole purpose of UNIDO was to give the developing countries the kind of aid they could not get at home. The United States did not want UNIDO to become involved with investment proper or with the "grey area" between pre-investment and investment. However, the sponsors were reluctant to make any further changes in their draft; if any delegation objected to a specific project, it would have ample opportunity to state its objections when the programme of work came before the Board at future sessions. The restrictions on the use of UNIDO funds were severe enough as it was.

Co-operation with ECE was provided for in General Assembly resolution 2152 (XXI). Draft resolution ID/B/L.17 was concerned with the assistance function and the programme of work of UNIDO; that was why the sponsors had emphasized the role of those regional economic commissions which served the developing countries. ECE was doing good work, but it would have relatively little to do with UNIDO's operational activities.

He requested that the draft resolution should be put to a vote, and expressed the hope that it would receive overwhelming support.

Mr. BRADLEY (Argentina), supported by Mr. AHMED (Pakistan), Mr. KHANACHET (Kuwait) and Mr. PATRIOTA (Brazil), appealed to the sponsors of the draft resolution not to insist on a vote. If the Board was unable to reach unanimous agreement on UNIDO's programme of work at its very first session, there was a grave danger that the new organization would be still-born. He urged the sponsors of the various proposals to make one final effort to reach agreement.

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Mr. OLUMIDE (Nigeria) said that the sponsors of draft resolution ID/B/L.17 would make another effort to reach agreement with the Czechoslovak delegation and other interested delegations.

Mr. GUPTA (India) thanked the sponsors for their willingness to heed the appeal of other delegations. Failure to reach unanimous agreement on UNIDO's programme of work would be a serious setback to the common cause.

The PRESIDENT suggested that the discussion of draft resolution ID/B/L.17 should be adjourned, so that the sponsors could consult with other delegations.

It was so decided.

Proposal of the Philippines (ID/B/L.26) (continued)

Mr. RODRIGUEZ (Philippines) thanked those delegations which had made useful suggestions concerning the text of the Philippine proposal (ID/B/L.26) and said that the representative of Canada had assured him that it would now have the support of the Canadian delegation. He therefore hoped that it would be adopted unanimously, with the amendment proposed by India, Pakistan and the United Arab Republic (ID/B/L.28).

The proposal of the Philippines, as amended, was adopted unanimously.

Draft resolution ID/B/L.8/Rev.1

Mr. ZOA (Cameroon) said that, in view of the importance of decentralizing UNIDO's activities, he hoped that the Board would adopt draft resolution ID/B/L.8/Rev.1 unanimously.

Mr. RODRIGUEZ (Philippines) said that the acceleration of the industrialization of the developing countries called for in General Assembly resolution 2152 (XXI), part II, paragraph 1, could be satisfactorily achieved only if UNIDO's activities were carried out in the developing countries themselves. The battle against the hunger, the disease and the ignorance which afflicted three fourths of the world's population could not be won unless the forces engaged in it were in the front lines. Regional and sub-regional centres should be set up in the developing areas, so that UNIDO personnel would be better able to explain the organization's policies and programmes to the Governments concerned; UNIDO would not be able to make a breakthrough in the struggle against under-development until

(Mr. [illegible], Philippines)

[illegible] projects had the support of those Governments and of the [illegible] they represented. The idea that only a few countries would benefit from the establishment of such regional and sub-regional centres was unfounded, since it was anticipated that there would eventually be a UNIDO office in every developing country, just as there were UNICEF and UNDP offices in practically all of them.

Mr. MARTONEGORO (Indonesia) observed that it was clear from operative paragraphs 1, 2 and 5, which incorporated the suggestions made by the Somali, Brazilian and United States representatives respectively, that the draft resolution did not envisage the establishment of regional and sub-regional centres in the immediate future. However, if operational activities were to constitute one of UNIDO's main functions, the organization should be decentralized eventually. He would therefore be in favour of the draft resolution.

Mr. GUPTA (India) supported the draft resolution. As it was unanimously agreed that UNIDO's work should be action-oriented, the number of employees at UNIDO headquarters and at the proposed New York office should be the minimum required for the effective discharge of the organization's responsibilities, and emphasis should increasingly be placed on the utilization of UNIDO staff in the field.

Mr. VAJESSURAKARN (Thailand) said he agreed with the representative of Brazil that at UNIDO's present formative stage it was too early actually to establish regional and sub-regional centres; it would be advisable to wait until the Board had before it an outline of a decentralized structure, as called for in paragraph 1 of the draft resolution, before taking further action. However, he agreed with the sponsors that the Board should take a decision in principle to set up such centres in the future.

Mr. GEORGE (France) said that, while his delegation was in favour of the principle of decentralization of UNIDO's activities, it would be premature to [illegible] and then that the way to achieve it would be to set up regional and sub-regional centres in the developing countries. He noted that the draft resolution made no mention of the role to be played in UNIDO's activities by the

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(Mr. George, France)

regional economic commissions. He therefore hoped that the sponsors of draft resolution ID/B/L.8/Rev.1 would not press for adoption of their text, and he suggested that it might be replaced by a briefer resolution expressing the view that decentralization was desirable and calling for a study of the matter by the secretariat on the basis of which the Board could take a decision at a later session. Alternatively, the Board might decide to adopt no resolution on the subject but to hold the entire matter over to the next session.

The meeting rose at 1 p.m.

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