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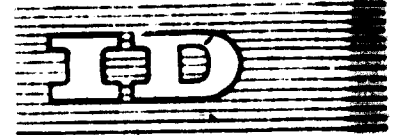
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United Nations Industrial Development Organization

Industrial Development Board

Second Session

SUMMARY RECORD OF THE SEVENTH MEETING

held at the Neue Hofburg, Vienna,
on Tuesday, 14 July 1968, at 9.35 p.m.

President: Mr. SCHINDLER (Austria)
Rapporteur: Mr. AGHASSI (Iran)

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Agenda
Item

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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.

CONSIDERATION AND ADOPTION OF DRAFT RESOLUTIONS (continued)

Draft resolution concerning the regular programme (ID/B/L.38 and Amend.1)
(continued)

1. Mr. DUCCI (Italy) explaining his delegation's vote on draft resolution ID/B.L.38, said that an increase in the proposed planning level for the regular programme of technical assistance to \$1.5 million seemed to him justified, provided that it did not adversely affect the other activities. The amount of \$6.4 million which it had been decided to include in part V of the United Nations budget was inadequate since new countries had joined the United Nations and additional activities had been undertaken. Moreover, the Governing Council of UNDP had recognized at its fifth session that it would be necessary to go beyond that figure. If such a decision was taken at the next session of the General Assembly of the United Nations, the share allotted to UNIDO should be increased so that it could respond to the requests it received.

2. Mr. NORSTROM (Sweden) said that his delegation had voted against the draft resolution. It had not felt that the recommendation for a 50 per cent increase in the planning level for the regular programme of technical assistance in 1969 and 1970 was opportune, since it was highly probable that the total figure for the United Nations regular programme would remain unchanged. It would therefore be preferable to increase the sum of \$6.4 million, which would enable the activities relating to urgent programmes, particularly in the industrial field, to be extended.

Draft resolution on agenda items 4 and 7: work programme and report of activities (ID/B/L.39/Rev.1)

3. Mr. FORMICHE (Belgium) introducing the draft resolution, said that it should be seen as an attempt to carry further the work which had led to the adoption of draft resolution ID/B/L.33, that part of the text of draft resolution ID/B/L.39 had been incorporated in draft resolution ID/B/L.33 and that the sponsors of draft resolution ID/B/L.39 had thought it desirable to retain the rest of their text and submit it to the Board. Originally, the sponsors had had no prepared text and their draft reflected ideas which had come to maturity during the Board's debate, a fact which explained why the draft had been submitted.

so late. The new draft was designed essentially to supplement resolution 1(1) which had defined the fields of activity of UNIDO, and to indicate more precisely the relationship between UNIDO and the developing countries. A comparison would bring out the affinity between the two texts and, at the same time, the original features of the second text, which related to the way in which UNIDO could best fulfil its duties in the interests of the developing countries, help them, guide them and provide them with information, and how it could serve as an intermediary between those needing assistance and those able to offer such assistance.

4. Mr. ASANTE (Ghana) said that the Board should study the problems raised by the draft resolution very carefully, and that it would not be doing justice to the proposal if it took a decision immediately. He wondered whether it would be possible for the sponsors to withdraw their proposal, since there was insufficient time to discuss it and defer the debate until the third session of the Board.

5. Mr. FOITHCOTE (Belgium) agreed that it would be difficult to do constructive work at the very end of the session and that the subject could be deferred till the next session of the Board. The sponsors would be satisfied if the Board decided to include their text as an annex to the report, indicating that the questions to which the resolution related might be raised again by them, or by any other delegation, at the third session.

6. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that the members of the Board were being asked to take note of the proposals of the sponsors of the draft resolution, without having been invited to take part in a discussion on the substance of the matter. For his part, he thought that the draft resolution had been drawn up hastily and contained contradictions, and that an attempt at analysis would have been necessary. He stressed that the text must be considered in the light of draft resolution ID/B/L.33.

7. Mr. TALL (Jordan) said he would like to propose, in order to close the debate, that the Board should decide, as the representative of Belgium had suggested, to include the text in its report, but not as an annex, since it was neither a statement nor a resolution. The draft in question was an expression of the ideas of certain delegations and it was natural that they should wish to see their positions recorded in the report. Under rule 41 of the Rules of

Procedure, he moved the closure of the debate on draft resolution ID/B/L.39/Rev.1.

8. The PRESIDENT put to the vote the motion of the representative of Jordan for the closure of the debate.

9. The motion for the closure of the debate was adopted by 35 votes to 1, with one abstention.

10. Mr. BEECROFT (Uganda) said he wished to protest against the closure of a debate which had not even been opened, and saw no reason to depart, on that occasion, from the practice normally followed regarding resolutions.

11. Mr. RAMIRO (Philippines) thought that draft resolution ID/B/L.39/Rev.1 should, if it was withdrawn, be treated in the same way as draft resolution ID/B/L.36.

12. Mr. FORTHOUE (Belgium) said that the Board was free to take whatever decision seemed appropriate to it. Wherever such differences of opinion arose, it was for the Board to decide by the normal methods. For his part, he supported the view of the representative of Jordan.

13. Mr. RICHARDS (Trinidad and Tobago) recalled that, at the first session of the Board, a decision had been taken to include in the report a resolution which had not been put to the vote.

14. Mr. TELL (Jordan) supported by Mr. BITTENCOURT (Brazil) and Mr. FORTHOUE (Belgium), proposed that, in the interests of fairness, the text of draft resolution ID/B/L.39/Rev.1 should be treated like draft resolution ID/B/L.36 and incorporated in the report.

15. It was so decided.

Draft resolution concerning the establishment of a working group on programme and co-ordination as a subsidiary organ of the Board (ID/B/L.43)

16. Mr. PROBST (Switzerland) introducing the draft resolution, said that its purpose was to clarify resolution ID/B/Res.3(II), which had been adopted by the Board after protracted discussions and with a large number of amendments. Doubts had arisen since then in the minds of certain delegations which had wondered whether the working group envisaged could be regarded as a subsidiary

organ under rule 62 of the Rules of Procedure, as was indicated in the last pre-ambular paragraph of the resolution, or whether that was not the case since it was the Executive Director, who was requested, in operative paragraph 1, to convene the group. The sponsors of the draft which had been adopted had certainly had in mind a subsidiary organ. Regarding the question of a quorum, the solution proposed seemed logical since the working group was open to everyone and it was impossible to know in advance who would participate in it; the text therefore spoke only of a majority. In view of the short time available for the conclusion of the Board's work, it would perhaps be preferable to look for the simplest way of resolving the problem; he would therefore yield the floor to the representative of the Netherlands, who had a suggestion to make.

17. Mr. BLAISSE (Netherlands) suggested that, in order to make the situation quite clear, the Board should decide to incorporate the following text in the final report:

"In considering the resolution on the establishment of a working group on programme and co-ordination, the Board decided that:

- (a) the working group is a subsidiary organ within the meaning of rule 62 of its Rules of Procedure;
- (b) the costs of members attending the session of the working group will be borne by governments;
- (c) a quorum of the working group will consist of a majority of those members registered with the Secretariat at Vienna as participants in the working group."

18. Mr. ASANTE (Ghana) thought that the text proposed gave the clarifications which were needed following the adoption of the resolution in question, and fully supported the proposal of the Netherlands representative.

19. Mr. WARSAMA (Somalia) said that his delegation had made clear its views concerning subsidiary organs. The suggestion of the Netherlands representative did not in any way change the text of resolution ID/B/L.43, except with regard to the bearing of costs by governments. He regretted that the suggestion should have been made at such a late date; there was insufficient time to examine the question and his delegation would therefore oppose the proposed text.

20. Mr. TELL (Jordan) opposed the suggestion made by the Netherlands representative. There seemed to be nothing in the Rules of Procedure authorizing the Board to convene a group, or for that matter the Executive Director or any member of the Secretariat. If the Board's intention was to establish a subsidiary organ, it should adopt resolution ID/E/L.43, which clarified the situation. In any event, he remained convinced that the costs must be borne by UNIDO.
21. Mr. ORTIZ de ROZAS (Argentina) drew attention to rule 13 of the Rules of Procedure, and observed that the proposal to establish a working group was in full conformity with the provisions of those rules. There could be no doubt that the costs of the participation of representatives in the deliberations of the working group must be borne by governments. He thought that it was also useful to indicate what would constitute a quorum.
22. Mr. BEERROFT (Nigeria) said that he, as one of the sponsors of draft resolution ID/B/L.40, gave his full support to the suggestion of the Netherlands representative. He would merely suggest that the words "their respective" should be added before the word "Governments".
23. Mr. SETRAFI (Iran) recalled the position of his delegation, which considered it unnecessary to establish organs of the kind proposed while UNIDO was still in its infancy; he therefore agreed with the statement of the representative of Somalia and opposed the suggestion of the Netherlands representative.
24. Mr. BITTENCOURT (Brazil) recalled that his delegation had abstained from voting on draft resolution ID/P/L.40; however, he thought that the question dealt with in the two operative paragraphs of draft resolution ID/E/L.43 should be the subject of a resolution and not of a mere recommendation in the report. He would like a vote to be taken on the draft resolution before the Board; for his part, he would be able to vote in favour of that second resolution.
25. Mr. PROBST (Switzerland) said the sponsors, in not pressing for the adoption of their draft resolution, had wished to simplify the situation and adopt a conciliatory attitude, since they had felt that it would be easier, at the present stage, to adopt a text for inclusion in the report.
26. Mr. SHABANA ALY (United Arab Republic) said that he fully shared the views expressed by the representatives of Somalia and Iran.

27. Mr. SUMANAJARN (Thailand) said that he was ready to vote for the draft resolution.

28. Mr. FORTHOISE (Belgium) observed that, since opinions were divided, the question should be put to the vote; he therefore re-introduced draft resolution ID/B/L.43 in the name of his delegation.

29. Mr. AGANTE (Ghana) did not think there was any need to vote on a text whose purpose had merely been to give certain necessary clarifications. There was no question of adding anything new to the resolution already adopted (ID/B/L.40).

30. Mr. TILL (Jordan) recalled that he had asked for an opinion from a legal adviser and that there had been no response to his request. According to the resolution adopted earlier, it was the Secretariat of UNIDO which decided to establish a subsidiary organ; it was therefore UNIDO which should bear the costs of the meetings of the working group.

31. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that the draft resolution under consideration essentially took up - and, it seemed rightly - the arguments put forward by the representative of Jordan during the debate on the draft which had become resolution 3 (II). The Soviet delegation, however, could not agree with the interpretation according to which it followed necessarily from resolution 3 (II) that the Secretariat must bear the costs relating to the working group. The practice followed in that regard by other organizations of the United Nations family showed clearly that costs resulting from meetings of expert groups and other subsidiary organs were borne sometimes by participating governments and sometimes by the organization concerned. That was the case in particular with the International Atomic Energy Agency. In any event, the interpretation in question had not been included in the draft resolution and there was no reason why the Secretariat should be obliged to abide by it.

32. Mr. TILL (Jordan) requested that the Board should proceed to vote on draft resolution ID/B/L.43

33. The draft resolution was adopted by 24 votes to 10, with 4 abstentions.

ADOPTION OF THE REPORT OF THE SECOND SESSION (ID/B/C.1/3 and Corr.1 and 2;
ID/P/C.1/3/Add.1, Add.2 and Add.2/Corr.1) (continued)

34. The EXECUTIVE DIRECTOR reminded the Board that it had decided, at its 60th meeting, to add the following sentence to the text of the report, as proposed by the delegation of Ghana on behalf of the Group of 25: "At the time of the adoption of the report of the First Committee on items 4, 5 and 7, a majority of the members of the Board associated themselves with the views expressed in paragraphs 11 and 12". He wished to know the intentions of those members of the Board who had supported that text.
35. Mr. ASANTE (Ghana) supported by Mr. AWAN (Pakistan), observed, on behalf of the Group of 25, that the situation referred to in paragraph 11 was a de facto situation, and that the majority of the members of the Board considered that the joint administration of the Special Industrial Services programme and the payment of contributions tied to a specific programme had become irregular procedures. The members of the Group of 25 were by no means suggesting that the SIS programme should be abolished, but they wished to appeal to the donor countries to make their pledges direct to UNIDO or to UNDP without recourse to the joint administration.
36. Mr. TELL (Jordan) also expressed the view that the donor countries who had voted in favour of the establishment of UNIDO should draw the logical conclusion from their vote and cease to make their contributions through any sort of intermediary, whether the joint administration of the SIS programme or any other authority. Paragraph 11 could certainly not be regarded as having any legal validity; such was not the case, however, with paragraph 12, which contained a decision taken by the Board that would be put into effect, unless, of course, the Fifth Committee of the General Assembly decided otherwise.
37. The PRESIDENT said that the Secretariat was satisfied with the explanations given on behalf of the Group of 25.
38. Mr. ARKADIEV (Union of Soviet Socialist Republics) pointed out that the report did not contain the text of an amendment to paragraph 22 proposed by the Soviet delegation and adopted by the Board.
39. The PRESIDENT replied that the text of that amendment would appear in the final report.

40. Mr. AGHASSI (Iran) Rapporteur, proposed that the Board's Report should include the report of Committee I, the resolutions adopted and also the draft resolutions which had not been adopted but which reflected the views held by certain delegations. The Report should furthermore contain a chapter with the following sub-sections: Admission of Mauritius and the People's Republic of Southern Yemen; text of the provisional agenda for the third session and a summary of the discussions on that text which had taken place at the second session; organization of the work of the third session; adoption of the report of the second session and final statements made by delegations. Since delegations would be leaving as soon as the work of the second session was completed, the Rapporteur would have to prepare the final text of the report with the help of one representative from each of the geographical groups or else prepare a provisional text for subsequent correction.

41. Mr. TELL (Jordan) said that he was fully confident that the Rapporteur would be able to prepare the final report. In view of the difficulty of the task, however, it would be advisable that at least one of the "Friends" of the Rapporteur should help him. He proposed that the representative of Brazil should be asked to accept that responsibility.

42. Mr. AWAN (Pakistan), Mr. SIEI (Ivory Coast), Mr. WARSAMA (Somalia) and Mr. PROBST (Switzerland) supported that proposal.

43. Mr. BITTENCOURT (Brazil) agreed to help in the final preparation of the report.

PROVISIONAL AGENDA FOR THE THIRD SESSION

44. Mr. FORCHOMIE (Belgium) said that in proposing to combine items 4 and 5 of the provisional agenda for the third session, he had by no means intended that delegations should be debarred from making statements on other subjects.

45. Mr. ARKADIEV (Union of Soviet Socialist Republics) considered that items 4 and 5 should remain separate. The general debate should be retained, and members of the Board who were representatives of sovereign States should have the right to express themselves freely even if their statements did not strictly relate to the activities of UNIDO; that was the practice followed by other United Nations bodies and he saw no reason to depart from it.

46. Mr. ASANTE (Ghana) observed that the Board would be called upon to adopt its agenda, at the beginning of the third session, and that any delegation would be free to propose the changes it saw fit. For his part, he was in favour of the draft agenda as given on page 3 of document ID/B/L.41/Rev.1.
47. Mr. AWAN (Pakistan) proposed that the following words "...and forecasts" should be added to the English text of sub-paragraph (a) of item 6*.
48. Mr. FORTHOUE (Belgium) pointed out with reference to the statement made by the representative of the Soviet Union, that his proposal had been intended to give a certain direction to the debate, but that he agreed to withdraw it.
49. The PRESIDENT invited the Board to approve the draft agenda as given on page 3 of Document ID/B/L.41/Rev.1, with the amendment proposed by the representative of Pakistan.
50. It was so decided.

DATE AND PLACE OF THE THIRD SESSION OF THE BOARD

51. Mr. BEECROFT (Nigeria) suggested that the third session should begin on 29 April and last three weeks.
52. Mr. ASANTE (Ghana) supported that suggestion.
53. Mr. PARRY (Canada) said he would prefer that the session should be held in June for the reasons he had already given at the Sixtieth Plenary Meeting.
54. Mr. FORTHOUE (Belgium) supported by Mr. ARKADIEV (Union of Soviet Socialist Republics) suggested that the date should not be fixed in advance but that it should be agreed to begin the third session sometime during the last two weeks in April.
55. The EXECUTIVE DIRECTOR welcomed that suggestion, which would enable the Secretariat to choose a date in the light of the calendar for conferences of United Nations bodies drawn up by the General Assembly.

*/ This amendment does not affect the French text.

56. The PRESIDENT proposed that the third session of the Board should be held in Vienna in the second half of the month of April 1969 and that it should last three weeks.

57. It was so decided.

ORGANIZATION OF THE WORK OF THE THIRD SESSION (Working Paper 68-8)

58. Mr. BELGROFF (Nigeria) thought that at its third session the Board should hold only plenary meetings, since the Working Group on Programme and Co-ordination would already have met for two weeks before the session.

59. Mr. RICHARDS (Trinidad and Tobago) and Mr. ASANTE (Ghana) supported that view.

60. Mr. AWAN (Pakistan) and Mr. TELL (Jordan) said that the Board could only give indications in the light of the experience gained at the second session.

61. The EXECUTIVE DIRECTOR pointed out that the Secretariat in Vienna did not have the facilities available in Geneva or New York for recruiting conference staff and that, moreover, it had to submit its estimates of expenditures for the session to the Secretary-General.

62. Mr. BEDENOFF (Nigeria), Mr. STIBRAVY (United States of America) and Mr. FORTHOETE (Belgium) considered that there should be summary records of plenary meetings only.

63. Mr. VAVASSEUR (France), Mr. AWAN (Pakistan), Mr. BLAISSE (Netherlands) and Mr. TURKZEN (Turkey) stressed the usefulness of having summary records of both the plenary meetings and the meetings of the Working Group.

64. Mr. TELL (Jordan) supported by Mr. ORTIZ de ROZAS (Argentina), observed that since the Working Group on Programme and Co-ordination was a subsidiary organ of the Board within the meaning of rule 62, it was entitled to ask for summary records under rules 57 and 63.

65. The PRESIDENT proposed that the report should contain a statement to the effect that the Board decided to hold only plenary meetings at its third session, and to have summary records of both the meetings of the Working Group and the plenary meetings of the Board.

11. It was so decided.

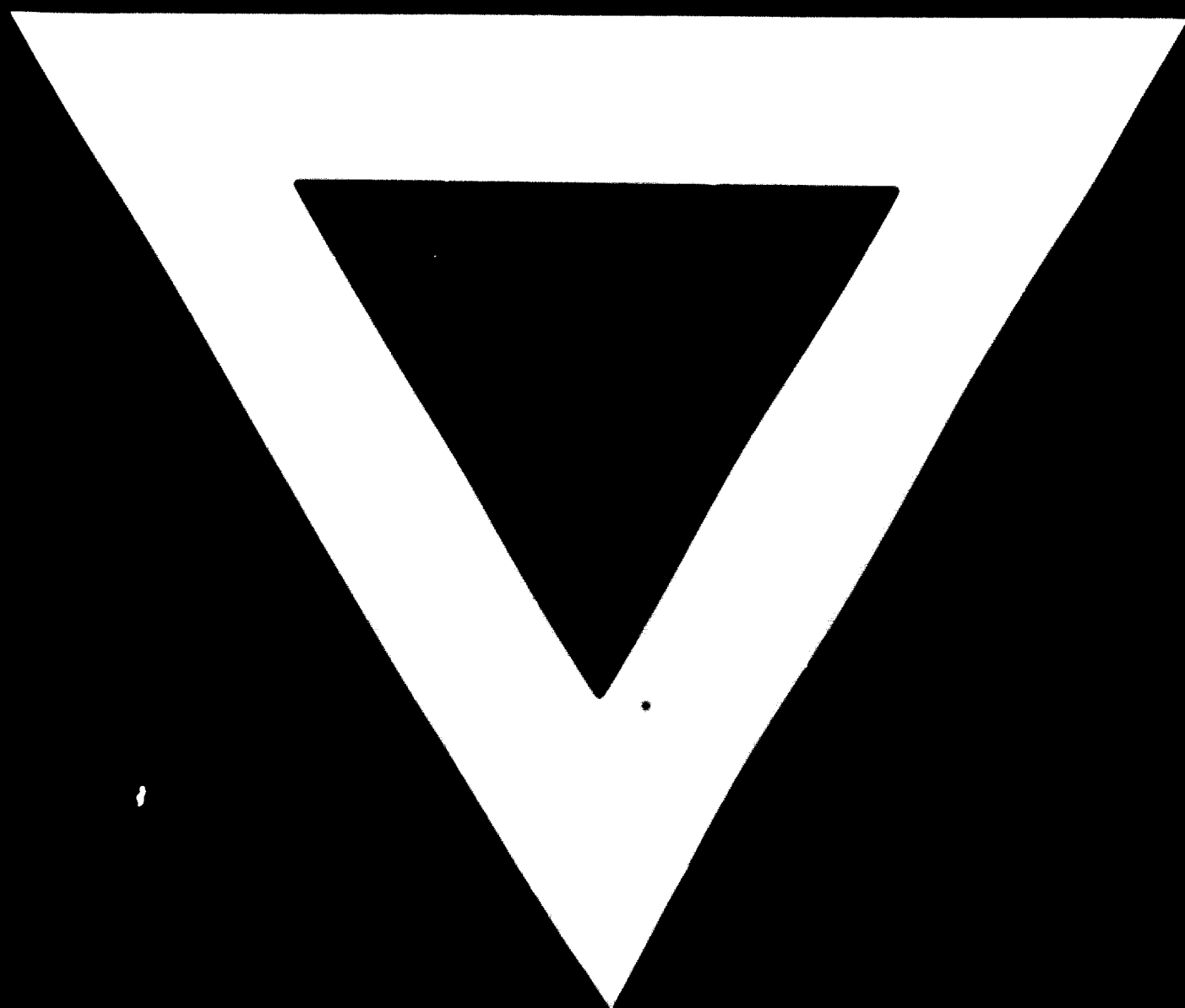
12. THE EXECUTIVE DIRECTOR thanked the President and the members of the Board for their co-operation with the Secretariat at a time when the Organization was going through a difficult transition period.

13. THE PRESIDENT thanked the Vice-Presidents, the Rapporteur and the friends of the Rapporteur, the members of the Board, the Executive Director and the Secretariat for their unfailing assistance throughout the Second Session.

14. Mr. ASANTE (Ghana) on behalf of the Group of 25, Mr. RUCCI (Italy) on behalf of the Western Group, Mr. BITTENCOURT (Brazil) on behalf of the Latin American countries, Mr. SCHEJBAL (Czechoslovakia) on behalf of the Socialist countries, Mr. TELL (Jordan) on behalf of the Asian countries and Mr. SIBI (Ivory Coast) on behalf of the African countries, commended the President for the authority and courtesy he had shown in conducting the debate throughout the Second Session and thanked the Executive Director and the members of the Secretariat, whose efficiency and dedication had enabled the Board to accomplish its task under the best possible conditions.

The meeting rose at 1.45 p.m.





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