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United Nations Industrial Development Organization

## Industrial Development Board

Third Session

Vienna, 24 April - 15 May 1969

### SUMMARY RECORD OF THE EIGHTY-FIFTH MEETING

Held at the Neue Hofburg, Vienna,  
on Monday, 12 May 1969, at 3.5 p.m.

<u>President:</u>	Mr. ORTIZ de ROZAS (Argentina)
later,	Mr. QUAN (Cameroon)
<u>Presidents:</u>	Mr. BILLNER (Sweden)

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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.

ADOPTION OF THE REPORT OF THE THIRD SESSION (ID/B/L.44/Add.3, 11, 13) (continued)

Chapter VI: Organizational matters (ID/B/L.44/Add.11)

1. Mr. ROBERTS (Canada), supported by Mr. QUAN (Cameroon) and Mr. LERENA (Argentina), desired to insert at the beginning of the chapter a new section A entitled "Future organization". The present section A would become section B and section B would become section C and the paragraph numbering would be increased by one digit. The proposed text was as follows:

A. Future organization

"1. Several delegations reiterated their view that the time had come for an examination of future objectives, orientation and organization; such an examination would best be undertaken by an outside body of experts or by a single expert of international reputation and submitted to the Board for its consideration. Others felt that any examination ought to be placed in the hands of a group of the Board. Some other delegations felt that it was too early in UNIDO's development to have such an outside study."

2. Mr. GRAHL (United States of America) said he saw no obstacle to accepting the amendments proposed by the Canadian delegation, but wished to insert the following text between the first and the second sentences:

"One of these delegations emphasized that the Board was not yet adequately discharging its responsibility for providing the Executive Director with useful guidance on UNIDO's programme. In its view a study in depth with recommendations to the Board by recognized experts would help the Board to fulfil this important duty."

3. Mr. SHATSKY (Union of Soviet Socialist Republics), supported by Mr. BITTENCOURT (Brazil), Mr. ARCHIBALD (Trinidad and Tobago), Mr. MAJCHER (Poland), Mr. SARWAN (India) and Mr. MANSOUR (Sudan), found it difficult to imagine how the Board could chastize itself in its report and admit that it was incapable of assuming the functions allotted to it. That assertion was the less appropriate since many delegations had, like the Soviet Union, judged the Board to be fully able to decide for itself the organization and direction of its work.

4. Mr. GRAHL (United States of America) declared that his amendment by no means reflected a general opinion but strictly the view of one delegation. He therefore insisted that it should be retained.

5. Mr. SHATSKY (Union of Soviet Socialist Republics) therefore requested that the following sentence be added to the text proposed by the United States delegation: "Most delegations did not agree on the need to invite outside experts to investigate the work of UNIDO, but considered that that task should be fulfilled by the Board alone".

6. The amendment submitted by the Canadian delegation, as modified by the delegations of the United States and the Soviet Union, was adopted.

Paragraph 1

7. Mr. LIZANA (Chile) proposed that the words "A number of" in the second line be replaced by the word "Several".

8. Mr. QUAN (Cameroon) suggested that "Africa south of the Sahara" should be added to the list of regions in the fourth line.

9. Mr. YOMEKPE (Ghana) regarded that division as arbitrary and preferred to mention only "Africa".

10. The amendment submitted by the Cameroon delegation, as modified by the delegation of Ghana, was adopted.

11. Paragraph 1 was adopted.

Paragraphs 2 and 3

12. Paragraphs 2 and 3 were adopted.

Paragraph 4

13. Mr. SYLLA (Secretary of the Board) said that the secretariat desired to insert after the sentence ending "Staff Regulations 4.4", the sentence: "This fact and the provisions of General Assembly resolution 2152 (XXI) relating to the secretariat explain the geographical distribution in the Divisions of Administration and of Technical Co-operation". Allowance had had to be made, at the establishment of UNIDO and during its years of rapid growth, for two essential factors: continuity and experience.

14. The secretariat amendment was adopted.

15. Paragraph 4, as amended, was adopted.

Paragraphs 5 and 6

16. Paragraphs 5 and 6 were adopted.

17. Document ID/B/L.44/Add.11, as a whole, was adopted.

Chapter VII: Questions relating to intergovernmental and non-governmental organizations (ID/B/L.44/Add.5)

18. Document ID/B/L.44/Add.5, as a whole, was adopted.

Chapter VIII: Inclusion of Equatorial Guinea and Swaziland in list "A" of States annexed to General Assembly resolution 2152 (XXI) (ID/B/L.44/Add.3)

Paragraph 1

19. Paragraph 1 was adopted.

Paragraph 2

20. Mr. SYLLA (Secretary of the Board) said that the secretariat desired to replace the present paragraph by the following: "Consequently, in accordance with the last sentence of Section II, paragraph 4 of General Assembly resolution 2152 (XXI) establishing UNIDO, the Board at its seventy-ninth meeting took note of the General Assembly's decision mentioned in the preceding paragraph".

21. Paragraph 2, as amended, was adopted.

22. Document ID/B/L.44/Add.3, as a whole, was adopted.

Chapter IX: Guidelines for documentation for the fourth session (ID/B/L.44/Add.12)

Paragraphs 1 to 5

23. Paragraphs 1 to 5 were adopted.

Paragraph 6

24. Mr. BOYCE (United Kingdom) judged by the context that in the third line the future and not the conditional should be used. The words "should be" ought therefore to be replaced by "would be".

25. Paragraph 6, as amended by the delegation of the United Kingdom, was adopted.

Paragraph 7

26. Mr. VAVASSEUR (France) expressed satisfaction that the French delegation had received the documents for the present session six weeks in advance. He considered that the following words should be added at the end of the paragraph: "Moreover, the Board noted that an appreciable effort had been made in that direction".

27. Paragraph 7, so amended, was adopted.

28. Document ID/B/L.44/Add.12, as a whole, was adopted.

Chapter XI: Date and place of the next session

29. Mr. BRILLANTES (Philippines) held that the whole duration of the fourth session should be specifically limited to four weeks.

30. The PRESIDENT said that it would be necessary to state that the four weeks would include both the Board's session and that of the Working Group. He suggested that the following words should be inserted after the first sentence: "on the understanding that the duration of the Working Group's session and the Board's session shall not exceed four weeks in all".

31. Document ID/B/L.44/Add.13, as a whole, so amended, was adopted.

The meeting was suspended at 4 p.m. and resumed at 7.50 p.m.

Mr. Guen (Cameroon) took the Chair.

CONSIDERATION OF DRAFT RESOLUTIONS AND RECOMMENDATIONS (ID/B/L.48 and Add.1, ID/B/L.49, 53, 54, 57 and 59)

32. Mr. BERCROFT (Nigeria), Chairman of the Contact Group, said that the Group had agreed to recommend a certain number of amendments to the draft resolution submitted to it. He would announce those amendments when the Board examined each text.

Draft resolution concerning the regular programme of technical assistance (ID/B/L.48 and Add.1)

33. Mr. ALJEE'AN (Kuwait) submitted the draft resolution co-sponsored by the delegations of Brazil, Chile, Kuwait, Rwanda, the Sudan and Thailand.

34. Mr. BEECROFT (Nigeria), Chairman of the Contact Group, stated that Nigeria wished to be named as a co-sponsor of the draft resolution. The Group recommended, in the second operative paragraph, that the word "guidelines" should be replaced by the words "guiding principles", and the words "in document ID/B/49" by the words "the first part of document ID/B/49".

35. The proposed amendments were adopted.

36. The draft resolution, so amended, was adopted.

Draft resolution concerning the central role of UNIDO in co-ordinating the activities of the United Nations system in the field of industrial development (ID/B/L.49 and Add.1)

37. Mr. ARKADIEV (Union of Soviet Socialist Republics) emphasized that the role of UNIDO in co-ordination did not merely consist in collecting information or preparing balance sheets of the activities of United Nations agencies in the field of industrial development, but in defining very precisely the aims pursued and the steps to be taken to attain them. Thus UNIDO should influence the programmes and the very lives of the other agencies and should see how far their activities corresponded to the decisions of the General Assembly. His delegation favoured the adoption of the draft resolution; according to the results obtained in implementing the resolution, it reserved the right to invite the secretariat to continue its efforts towards co-ordination more energetically.

38. Mr. BEECROFT (Nigeria), Chairman of the Contact Group, indicated that the delegations of the following countries had asked to be mentioned among the sponsors of the draft resolutions: Austria, the United States of America, Nigeria, Pakistan, the Netherlands, the United Kingdom, Rwanda and Switzerland.

39. The group recommended to the Board that the beginning of the third preambular paragraph should be amended to read: "Having examined the bilateral arrangements on co-operation set out in the report ..."; he recommended that, in operative paragraph 1 the words "... approves the agreements on co-operation listed above" should be replaced by the words "notes with satisfaction the conclusion of the bilateral arrangements on co-operation listed above" and that operative paragraph 2 should be amended to read: "Requests the Executive Director to continue his efforts to conclude agreements with other United Nations organizations concerned and to elaborate further as appropriate the existing arrangements".



40. The third preambular paragraph, as amended, was adopted.
41. Mr. ARCHIBALD (Trinidad and Tobago) had no rooted objection to raise against the amendments, but, in his view, if the Group suggested that the word "approves" should be replaced by the words "notes with satisfaction" that was an important amendment which affected the very meaning of the paragraph.
42. Mr. YONENPE (Ghana) and Mr. BITENCOURT (Brazil) wondered whether the Board should not consult the UNIDO Legal Adviser on that point.
43. Mr. FROST (Switzerland) remarked that if the Board adopted the draft resolution instead of noting it with satisfaction, it might seem not to be taking into account possible developments in the situation and to be considering as final agreements that should be further elaborated or improved according to circumstances.
44. Mr. SYLLA (Secretary of the Board) pointed out that, in paragraph 288 of the report, the Board had noted "that the Executive Director had expressed the hope that, in view of the satisfactory progress of discussions with the agencies, he would be in a position to submit formal notes of agreement with some of them to the Board at its next session". Also, in operative paragraph 2 of resolution C (II), the Board had invited the Executive Director "to continue his activities for developing the co-operation of the United Nations Industrial Development Organization with the regional economic commissions and the United Nations Economic and Social Office in Beirut"; finally, the General Assembly of the United Nations, in its resolution 2152 (XXI), had decided that one of the principal functions and powers of the Board should be "to review and facilitate the co-ordination of activities within the United Nations system in the field of industrial development".
45. Mr. BURNAN (India) thought that if the Council noted with satisfaction the agreements concluded, that obviously meant that it approved them.
46. Mr. AMAN (Pakistan) added that in acting thus the Board would be relinquishing none of its authority.
47. Mr. ROYCE (United Kingdom) considered that the Board had the right to approve agreements when they had been completed; the Executive Director himself had remarked that the arrangement concluded between UNIDO and the ILO was still somewhat vague.
48. Operative paragraph 1, as amended, was adopted.

49. Mr. NDOUNG (Cameroon) wondered whether UNDP and FAO, agencies with which UNIDO was to conclude agreements, ought not to be mentioned in operative paragraph 2.
50. Mr. LERENA (Argentina) and Mr. BEECROFT (Nigeria) did not see the advantage of mentioning those agencies.
51. Operative paragraph 2 was adopted, with the amendment recommended by the Group.
52. Operative paragraph 3 was adopted.
53. Mr. BRILLANTES (Philippines) held the view that the subject of co-ordination should be a regular item on the Board's agenda and proposed that the last operative paragraph should be amended to read: "Requests the Executive Director to submit a comprehensive report on the implementation of this resolution to the Board at its fourth and succeeding sessions".
54. Mr. LERENA (Argentina) suggested the following wordings: "Requests the Executive Director to continue submitting to the Board detailed reports on the implementation of this resolution".
55. Mr. ANAN (Pakistan) remarked that the problem of co-ordination might lose its importance in future and suggested the following wordings: "Requests the Executive Director to submit to the fourth and, if required, to the succeeding annual sessions of the Board detailed reports on the implementation of this resolution".
56. Mr. VAVASSEUR (France) said that until the problem of co-ordination had been solved satisfactorily, the Board should adopt a draft resolution on the subject at each session.
57. Mr. SYLLA (Secretary of the Board) pointed out that, in resolution 6 (II), the Board had requested the Executive Director "to include in each annual report on the co-ordination of United Nations activities in the field of industrial development full particulars of the measures of co-operation that have been effectively implemented or that are proposed in agreement with the Executive Secretaries of the regional economic commissions and the Director of the United Nations Economic and Social Office in Beirut".
58. Mr. LORENZI (Uruguay), Mr. SIRCHAMARA (Thailand) and Mr. SIERRA (Spain) saw no reason to amend operative paragraph 4.

59. The PRESIDENT put to the vote operative paragraph 4 as it appeared in document ID/B/L.49.

60. Operative paragraph 4 was adopted by 33 votes to 2, with 3 abstentions.

61. The draft resolution, as amended, was adopted.

Draft resolution concerning the programme of Special Industrial Services (ID/B/L.53)

62. Mr. AWAN (Pakistan) introduced draft resolution ID/B/L.53 and pointed out that Austria, Kuwait, the Netherlands, the Federal Republic of Germany, Sweden, the Sudan and Uruguay should be added to the list of sponsors.

63. Mr. BITTENCOURT (Brazil) said that his delegation fully supported draft resolution ID/B/L.53, because the continuation of the SIS type of operations on a more permanent basis was of the utmost importance. His delegation considered that it would be highly desirable if, at a later stage, the SIS programme were completely transferred to the area of competence of UNIDO. The current system of co-administration by UNDP and UNIDO affected to a certain extent the character of emergency of the services.

64. Furthermore, the funds allotted to the programme should be placed at the entire disposal of UNIDO. When UNIDO was established, it had been decided that all funds should be paid directly to the Organization; the contribution of funds to the SIS programme under co-administration was a procedure that had introduced into UNDP the principle of earmarking, to which his delegation was opposed. It was to be hoped that UNIDO would in the not too distant future become an autonomous organization from the financial point of view.

65. Mr. BEECROFT (Nigeria), Chairman of the Contact Group, submitted two amendments. In operative paragraph 2, the words "of the programme" should be replaced by the words "of the activities in". Also, at the end of operative paragraph 4, the words "future needs" should be substituted for the words "its future needs".

65. Mr. ZONGO (Upper Volta) said that his delegation wished to appear among the sponsors of the draft resolution.

67. The amendments proposed by the Contact Group were adopted.

68. Draft resolution ID/B/L.53 was adopted.

Draft resolution concerning industrial development field advisers (ID/B/L.54)

69. Mr. AWAN (Pakistan) introduced draft resolution ID/B/L.54 and announced that the delegations of Brazil, Iran, Trinidad and Tobago and Uruguay had asked to be included in the list of sponsors.
70. Mr. BEECROFT (Nigeria), Chairman of the Contact Group, said that a number of revisions should be made in draft resolution ID/B/L.54.
71. In the second preambular paragraph, the words "played by UNIDO" should be replaced by the words "which UNIDO should play" and the words "important contribution made" by the words "important contribution that can be made". The two operative paragraphs should be replaced by the following:
1. Urges the further working out of arrangements under the agreement between the Administrator of UNDP and the Executive Director of UNIDO concerning the establishment and financing of the existing programme of UNIDO industrial development field advisers;
  2. Also urges the Governing Council and the Administrator of UNDP to provide financing for a substantial increase in the number of industrial field advisers, thus enabling UNIDO and UNDP to commence their recruitment (on the basis of just geographical distribution) (in accordance with stipulated procedural and other norms) at a very early date but preferably before the end of 1969 (commensurate with the future needs of the UNIDO programme)."
72. The drafting group had been unable to reach agreement on the words appearing in brackets in that text. The Board must therefore decide which expressions it wished to be used in the resolution.
73. Mr. DIXIT (India) said that the Group of Socialist Countries, which was anxious that a phrase concerning geographical distribution should be included, had proposed the first of the bracketed expressions. However, as some countries belonging to the Western Group had raised objections, his delegation had proposed the second bracketed expression by way of compromise. Since most delegations appeared to be in agreement on the substance of the matter, the adoption of the draft should not raise serious difficulties.

74. Mr. ARKADIEV (Union of Soviet Socialist Republics) wished to stress that the problem raised by the Group of Socialist Countries was an important question of principle. The countries concerned strongly maintained that the rule of equitable geographical distribution should be applied in the recruiting of field advisers. There had been actual cases in which the USSR Government had submitted the names of highly qualified candidates to UNIDO and they had been unjustifiably rejected.

75. In spite of the many resolutions adopted by the General Assembly on the subject, the principle of equitable geographical distribution was not being observed and that situation was unacceptable to the socialist countries.

76. After a protracted exchange of views in which Mr. ARCHIBALD (Trinidad and Tobago), Mr. VAVASSEUR (France), Mr. AMAN (Pakistan), Mr. SIERRA (Spain), Mr. FROST (Switzerland), Mr. NDOUNG (Cameroon), Mr. ARKADIEV (Union of Soviet Socialist Republics), Mr. CASILLI (Italy), Mr. LORENZI (Uruguay) and Mr. BRILLANTES (Philippines) took part, Mr. SIERRA (Spain) moved the adjournment of the debate.

77. The motion for the adjournment of the debate was rejected by 26 votes to 12, with 3 abstentions.

78. Mr. ARKADIEV (Union of Soviet Socialist Republics) thought that an agreement could be reached if the bracketed expressions in operative paragraph 2 were deleted and the following words were added at the end of the paragraph: "appointing nationals of member countries of the Organization having appropriate experts available to the posts of industrial field advisers, with the agreement of the recipient countries concerned".

79. Mr. ROBERTS (Canada) said that it was not really possible to speak of "member countries" of UNIDO and that it would be better to say "countries participating in the activities of UNIDO".

80. Mr. HEDGECOCK (Nigeria) proposed that, to take into account the amendments suggested by the delegations of the Soviet Union and Canada, operative paragraph 2 should be replaced by the following:

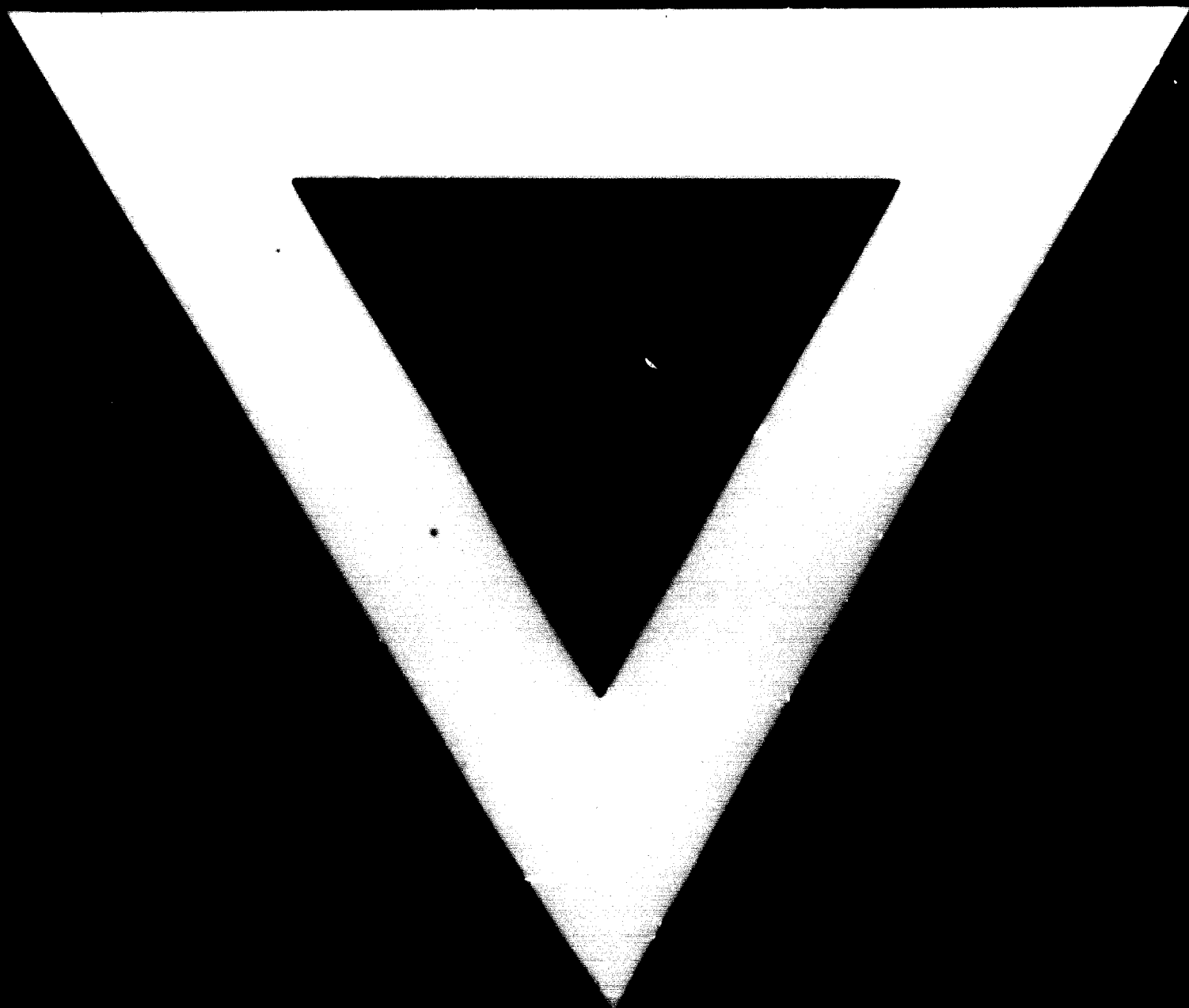
"2. Urges the Governing Council and the Administrator of UNDP to provide financing for a substantial increase in the number of industrial field advisers, thus enabling UNIDO and UNDP to commence their recruitment at a very early date but preferably before the end of 1969; for this purpose experts from countries participating in UNIDO and having appropriate expertise should be made use of, with the agreement of the recipient countries."

81. Mr. NDOUNG (Cameroon), pointed out that experts were always recruited from countries participating in UNIDO's activities, that countries which submitted the names of experts naturally had the necessary expertise available and that the recipient countries could in any case object to the appointment of the experts concerned. That being so, the proposed text seemed superfluous and it would be preferable to dispense with it.
82. Mr. ARCHIBALD (Trinidad and Tobago) suggested, as a compromise solution, that the addition proposed should be replaced by the words "in accordance with United Nations principles".
83. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that he wished to withdraw his amendment subject to the adoption of the amendment proposed by Trinidad and Tobago.
84. Mr. STURAVY (United States of America) observed that there were no United Nations principles regarding the recruitment of UNDP experts; there were only principles adopted by UNDP and UNIDO on the subject.
85. Mr. CALLE (Peru) thought that the words "in accordance with the principles and practices of the United Nations" would be generally acceptable.
86. After an exchange of views in which Mr. AWAN (Pakistan), Mr. DIXIT (India) and Mr. ABDEL-RAHMAN (Executive Director) took part, Mr. BERCROFT (Nigeria) read out a new text which, he said, seemed to emerge from the discussions. The text would read as follows:
- "2. Urges the Governing Council and the Administrator of UNDP to provide financing for a substantial increase in the number of industrial field advisers, thus enabling UNIDO and UNDP to commence their recruitment at a very early date but preferably before the end of 1969; for this purpose competent experts from countries participating in the activities of UNIDO should be made use of."
87. Mr. ARKADIEV (Union of Soviet Socialist Republics) said he objected strongly to that version. The text which had been read out incorporated his delegation's amendment, which had been withdrawn, and which could be put to the vote only if another delegation introduced it in its own name, which had not happened. Moreover, the amendment proposed by Trinidad and Tobago had not been taken into account at all. The text read out by the representative of Nigeria was therefore unacceptable to the USSR delegation.

88. Mr. ZONCO (Upper Volta) said that his delegation would like to become a co-sponsor of draft resolution ID/B/L.54.
89. Mr. VAVASSEUR (France) said that the text originally submitted by the Nigerian representative had ended with an expression in brackets which, in the interests of clarity, should be included near the beginning of operative paragraph 2. His delegation therefore proposed that the paragraph should begin: "Urges the Governing Council and the Administrator of UNDP to provide financing for a substantial increase in the number of industrial field advisers, commensurate with the future needs of the UNIDO programme ...".
90. The amendment proposed by France was adopted by 16 votes to 12, with 10 abstentions.
91. After a further exchange of views, the PRESIDENT said that the approval of operative paragraph 2 and of draft resolution ID/B/L.54 as a whole would be deferred until the following evening.

The meeting rose at 8.50 P.M.





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