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United Nations Industrial Development Organization

Industrial Development Board

Fifth Session

Vienna, 24 - 28 May 1971

SUMMARY RECORD OF THE ONE HUNDRED AND EIGHTH MEETING

Held at the Neue Hofburg, Vienna,
on Monday, 24 May 1971, at 3.10 p.m.

President: Mr. ASANTE (Ghana)

Rapporteur: Mr. HARS (Hungary)

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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 AGENDA (ID/B/79)

1. The PRESIDENT invited the Board to consider the items on the agenda for its fifth session without concerning itself with the numerical order of the items, which could be rearranged.
2. Mr. BITTENCOURT (Brazil) proposed that a new item entitled "Consideration of the results of the Special International Conference of UNIDO" be included in the agenda. If the Board accepted that suggestion, it would have to suspend its work before the opening of the Special Conference and resume it for just a few hours, as soon as the Conference ended. Without prejudging the results of the Conference, the Brazilian delegation merely wished to give the Board an opportunity to consider the conclusions of the Conference, which would call for immediate action on its part, without delay rather than wait for the sixth session and thus lose a year. That procedure would not involve the Organization in any additional expenditure.
3. Mr. AGUNG (Indonesia), speaking on behalf of the group of Asian countries, supported the proposal of the representative of Brazil, which was all the more interesting because the Conference would have only very limited time at its disposal. Without prejudging the results of the Conference, the Board had every interest in reserving for itself the possibility of taking note of the Conference's recommendations, if only to be able to give the Executive Director directives on the action to be taken to implement them.
4. Mr. FAHMY (United Arab Republic), speaking in his capacity as Chairman of the Group of 77, said that the Group had already studied the question and that it unanimously approved the proposal of the representative of Brazil. It was possible that the Special Conference would touch on questions related to the powers and organization of the work of the Board. Such questions were solely within the competence of the Board, which could therefore consider them without waiting until the Economic and Social Council or the General Assembly had done so. On the other hand, the Board should not touch on substantive questions, which only the Economic and Social Council and the General Assembly were competent to deal with.

5. The PRESIDENT recalled that for the moment the Board had merely to come to a decision on the inclusion of a new item in its agenda. It was not at present called upon to adopt a position on the possibility of a suspension and resumption of its session.
6. Mr. STIBRAVY (United States of America) said that he naturally understood the wish of the representative of Brazil to provide the Board with an opportunity to examine without delay the conclusions and recommendations of the Special International Conference which might call for action on the part of the Board, particularly in the spheres coming within the Board's field of competence, but it appeared to him that that procedure would be incompatible with operative paragraph 4 of General Assembly resolution 2638 (XXV) according to which the Conference must "transmit its report through the Economic and Social Council to the General Assembly for consideration at its twenty-sixth session". It might be argued that the Board should give its views on certain points for the benefit of the Assembly, but the report of the Conference would constitute a whole, and action should not be taken on one part of it prior to the Assembly's review. In any case, the General Assembly had expressed the desire to have the report submitted to it in its entirety although the Assembly was obviously aware of the prerogatives of the Board under General Assembly resolution 2152 (XII). It was also probable that if the Conference proposed to make changes in the organization of the Board's work, it would be in the light of the positions taken by the Conference on substantive questions such as long-term industrial development strategy, which should have the benefit of the Assembly's comments. The United States delegation would like to know the views of the other delegations on that point.
7. The PRESIDENT thought that the Board should confine itself for the moment to reaching a decision on the inclusion of a new item in the agenda: general consideration of the Board's schedule of work called for greater reflection.
8. Mr. PROBST (Switzerland) pointed out that if the Board adopted the proposal made by the representative of Brazil, it would ipso facto be deciding to suspend its work at the opening of the Special Conference and to resume it when the Conference closed. As the President had expressed the view that the Board should not take any decision on that point, which called for mature reflection, however, a more flexible formula should be adopted.

9. The PRESIDENT suggested that, in order to take into account the observations which had just been made by the Swiss delegation, the delegation of Brazil might word the new agenda item as follows: "Consideration of questions which might arise from the Special International Conference of UNIDO".
10. Mr. BITTENCOURT (Brazil) accepted the wording proposed by the President.
11. Mr. BILLNER (Sweden) supported, on behalf of the Scandinavian countries, the suggestion by the representative of Switzerland. He pointed out that member States had already had considerable difficulty in forming delegations to represent them at the three sets of meetings scheduled by UNIDO, and it seemed difficult to add a fourth set of meetings which, moreover, might well be unsuccessful for want of adequate preparation. He considered that the Board's main task was to adopt a definite position regarding UNIDO's future, structure and programme.
12. Mr. VEGA (Philippines) supported the President's suggestion that the agenda be adopted without any decision being taken as to the order in which the various items would be considered by the Board. He was happy to support the proposal by the representative of Brazil, together with the amendment suggested by the representative of Switzerland. Perhaps those two delegations could accept a formula such as "Consideration of matters arising out of the Special International Conference of UNIDO".
13. It has been said that, if the Board were to resume its fifth session after the Special Conference, that might constitute lack of respect for the prerogatives of the General Assembly and the Economic and Social Council, but his delegation did not subscribe to that view, since those bodies would simultaneously have before them the reports of the Board and the Conference.
14. He did not share the opinion that it would be difficult for delegations to cope with the additional load imposed by a resumption of the Board's session, because only a few hours of meetings would be involved, and that would not constitute an excessive burden. If the developing countries supported the idea of a resumption of the Board's session, this was because it was disquieting to note that the United Nations had still not adopted a strategy for industrial development, although the Second Development Decade had already begun. It would be dangerous to delay implementation of the

Special Conference's decisions and recommendations by an extra year. The Swedish delegation, which was always concerned about efficiency, might perhaps be able to accept the idea of a resumption of a few hours which would enable one year to be gained. At all events, the delegation of the Philippines, like all the delegations of the developing countries, urged that the Board should consider the Conference's conclusions without delay.

15. Mr. APVADIEV (Union of Soviet Socialist Republics) said that he wanted to be sure that he was correctly interpreting the suggestion of the representative of Brazil. The latter proposed, it seemed, that one or two meetings should be devoted to considering the conclusions of the Special International Conference and, if appropriate, questions that the Conference might instruct the Board to consider. The Soviet delegation would like to know whether such a resumption would be of a purely explanatory and consultative character, or whether the Board would have to take additional decisions. According to General Assembly resolution 2638 (XXV), the report of the Special Conference must be transmitted to the General Assembly by the Economic and Social Council. The Soviet delegation felt that that probably did not exclude the possibility that the Board could consider questions that the Conference had referred to it. However, the Board should not reopen questions on which the Conference had expressed an opinion. For example, it would be inconceivable that the Board should recommend the transformation of UNIDO into a specialized agency if the Special Conference had adopted a different attitude.

16. Mr. BITTENCOURT (Brazil) said that in general terms the interpretation of the representative of the Soviet Union seemed correct. There was nothing in the provisions of General Assembly resolution 2638 (XXV) to prevent the Board from taking action to implement the recommendations of the Special International Conference. The six days available to the latter to cover its agenda would not permit it to study the strategy and long-term orientation of the activities of UNIDO, so it was necessary that the Board should formulate in that respect directives and principles which other organs would develop and apply. Furthermore, the Conference would have to give an opinion on other points in respect of which the Board would have to settle the

practical aspects. It therefore did not seem desirable to allow a year to pass by and to wait for the sixth session of the Board before taking the action that lay within its competence.

17. The PRESIDENT observed that the objections raised against the proposal of the representative of Brazil were of a substantial nature. He therefore invited delegations to seek jointly a formula acceptable to all.

18. Mr. REMOUILLE (France) considered that neither the work of the Board nor that of the Special Conference should be prejudged. The difficulty appeared to arise from the fact that the wording of the new agenda item could be looked upon by some as open to ambiguity. He thought that that difficulty would be removed by adoption of an additional item, entitled "Closure of the work of the Board", which would leave full latitude, when the time came, to suspend the Board's work or not.

19. Mr. CASILLI d'ARAGONA (Italy) said he hoped that the President's appeal would be heeded and proposed the insertion in the agenda of a new item entitled "Examination of questions concerning the Special International Conference of UNIDO". Such a formula, which could be acceptable to all delegations, would leave the Board the possibility of opening a debate before or after the Conference.

20. Mr. ILBOUDO (Upper Volta) thought that the point to which the Swiss delegation had drawn attention - namely, that decisions on fundamental issues should not be taken at that stage - was important. As the representative of Brazil had stated, mere formulae were no longer sufficient, a realistic approach was necessary, and the delegation of Upper Volta wondered whether the Conference, which was a political body, would be in a better position to take decisions than the Board, which had been following UNIDO's work for 4 years. The Executive Director had stated at an informal information meeting, at a time when it was not yet known that there would be a Special International Conference, that 1970 was a year for reflection and 1971 would be a year of decision. The Board was the decision-making body of UNIDO, and even after the Special Conference it would have to step in to speed up the operational phase. If the formula proposed by the representative of France was not accepted, the delegation of Upper Volta thought

that a new agenda item drafted in the following terms might be acceptable to delegations: "Examination of the desirability that the UNIDO Board should hold a meeting to evaluate the results of the Special International Conference of UNIDO". The idea that a whole set of meetings should be held had been avoided, as delegations already had three sessions of meetings to cope with.

21. Mr. RTIBRAVI (United States of America) suggested that informal discussions be held in order to find a formula which would be acceptable to all. Rule 15 of the Board's rules of procedure stated that only urgent and important items should be added to the agenda of the Board during the session, and the work of the Special Conference was indeed extremely important. His delegation, which had had many contacts and consultations of an informal nature, in order to prepare for the possibility of differences of opinion on basic questions, was always willing to resume such contacts outside the official meetings.

22. The PRESIDENT suggested that consideration of the proposals by the Brazilian and by other delegations for the inclusion of a possible new item in the agenda in accordance with Rule 15 of the rules of procedure be postponed till later.

23. Mr. VELA (Philippines) suggested that all the previous proposals be combined in the following new agenda item:

"Item 9 - Special International Conference of UNIDO

- (a) Information on the state of preparation of the Conference;
- (b) Consideration of other matters relating to the Conference".

Section (a) of the new item would be considered by the Board at the beginning of the session, while section (b) would be discussed later.

24. Mr. UEGRIER (Federal Republic of Germany) said that the procedure suggested by the President was wise. He considered that the proposal by the representative of the Philippines might constitute a satisfactory basis for discussion. He, for his part, proposed that the Board should include in its agenda a new item 10 "Closing of the session of the Board".

25. Mr. DELGADO (Senegal) considered the formula proposed by the representative of the Philippines was sound because its flexibility would give the Board considerable latitude. He simply wished to propose that the word "Possible" be added before "Consideration" in item 9(b) in order to save time by making inter-group consultations unnecessary.

26. The PRESIDENT suggested that the new item to be added to the agenda should be worded as follows:

"Arrangements for considering questions which may arise at the Special Conference".

Assuming that the suggestions of the United States representative received the approval of the Brazilian and other delegations, the discussion could be resumed in accordance with Rule 15 of the rules of procedure when a generally acceptable formula had been reached through the informal contacts.

27. The PRESIDENT then proposed that consideration of the provisional agenda be resumed and suggested that, if there were no objections, it should be taken that the members of the Board agreed to its adoption.

28. It was so decided.

29. The PRESIDENT remarked that since it had been agreed not to open a general debate, item 4 had no further point and he proposed that it be deleted.

30. It was so decided.

INFORMATION ON THE STATE OF PREPARATION OF THE SPECIAL INTERNATIONAL CONFERENCE OF UNIDO (ID/B/92).

31. The PRESIDENT proposed that the Board should take up agenda item 9. He called upon the Chairman of the Advisory Committee to report on the work of that Committee.

32. Mr. SEDIVY (Czechoslovakia), speaking as Chairman of the Advisory Committee for the Special International Conference of UNIDO, recalled that the Advisory Committee had been set up under resolution 29 (IV) adopted by the Board at its fourth session to review the progress of the preparations for the Conference and address any recommendations

thereon to the Executive Director. When the General Assembly, in resolution 2638 (XXV), approved the convening of the Conference, it requested the Executive Director and the Advisory Committee to prepare the documentation for the Conference in a concise and comprehensive way and sufficiently in advance to enable the Industrial Development Board, at its fifth session, to undertake comprehensive consultations and preparatory work in that respect.

33. To perform its task, the Advisory Committee had to take into account, on the one hand, the very limited time given to it to prepare for the Conference, and, on the other hand, the fact that the duration of the Conference itself was very short in view of the importance and complexity of the questions on its agenda.

34. At its first session, the Advisory Committee had considered that preparations for the Conference might consist of three phases: firstly, the period preceding the General Assembly's decision regarding the Conference: in other words, before the end of 1970; secondly, the period between the General Assembly's decision and the sessions of the Working Group on Programme and Co-ordination and the Industrial Development Board; thirdly, the period during which the Working Group and the Board were in session, up to the opening of the Conference. During the first phase, the recommendation had been made that the secretariat should establish the necessary contacts with member Governments and all intergovernmental and non-governmental organizations interested in UNIDO's activities, in order to bring to their attention the theme and aims of the Conference. For its part, the Board had undertaken to invite Governments, in the light of the proposed agenda for the Conference, to take stock of their relations with UNIDO, evaluating the Organization's activities and the results achieved; to consider the action which UNIDO should take in order to give the developing countries more effective assistance in industrial development, and to submit their proposals concerning the programme of activities of UNIDO, its structure, and its resources.

35. At its second session, which had taken place almost simultaneously with the beginning of the second phase of the preparatory work, a report by the Executive Director on measures so far adopted by the secretariat had been placed before the Committee. Those measures comprised preliminary contacts with Governments for the purpose of drawing their attention to General Assembly resolution 2638 (XXV),

circulation of several aide-mémoires, especially Aide-Mémoire No. 4, containing comments by the secretariat on various questions figuring on the Conference agenda, and issue of official invitations to Governments of member States to nominate their representatives.

36. The Committee had then recommended the secretariat to invite Governments to submit their preliminary views and comments on the provisional agenda for the Conference. It had also recommended the secretariat to draw up a concise summary of UNIDO's activities since its establishment and to summarize the views expressed by the Industrial Development Board and other legislative bodies regarding UNIDO's activities and future work. The secretariat had been asked at the same time to arrange more contacts and consultations with Governments and all organizations concerned, with a view to stimulating their interest in the Conference.

37. At its third session, the Advisory Committee had taken note of the document prepared by the secretariat on the basis of written replies and other communications submitted by Governments, geographical groupings and intergovernmental and regional organizations before the time limit of 12 March 1971. That document had been approved, with certain modifications, and circulated forthwith to Governments under the symbol ID/SCU/2. Because of the small number of replies received by the time limit, the Committee had recommended the Executive Director to invite once more those Governments which had not yet replied to submit their views, and also to invite those which already had replied to submit additional or revised comments by 20 April 1971. The secretariat had been requested to prepare an updated synthesis document based on all replies received by that date. That document would supersede the original synthesis document and serve as a basic document for discussion and negotiation immediately before and during the Conference itself.

38. At the same session, the Committee had taken note of the Executive Director's report on the secretariat's activities between its second and third sessions, and had considered that the secretariat should continue its activities and remain at the disposal of Governments and geographical groupings in order to facilitate in every way intergovernmental consultations on the Conference.

39. As far as the third phase, covering the three weeks of the Working Group and Board sessions was concerned, the Committee had considered that negotiations on the Conference would by then have entered their final stage and ought to help to bring out the various attitudes and enable some positive conclusions to be drawn before the Conference opened. In order to make these negotiations easier, the Committee had recommended that all member Governments of UNIDO, including those which were not on the Industrial Development Board, should be invited to send representatives to the preliminary negotiations. Two members of the Advisory Committee, however, had expressed the opinion that the negotiations should be restricted to those Governments invited to attend the Conference, in accordance with the relevant resolutions adopted by the Industrial Development Board and the General Assembly.

40. The Committee had considered that the Working Group and the Board could greatly assist those negotiations: the Working Group by inviting Governments and geographical groupings to hold semi-official consultations on the Conference outside the normal meetings of the Working Group, and the Board by discussing the agenda item relating to the Conference at the beginning of its session. In the Committee's view, it was absolutely vital that the results of the negotiations between Governments and geographical groupings should be transmitted to the Conference immediately it opened, in the form of a document especially drawn up by the Board, by the geographical groupings or, if that were not possible, by the secretariat.

41. In conclusion, the Committee had drawn up a number of recommendations on ways of speeding up the work of the Conference. Consultations to decide on the composition of the Bureau could be held before the Conference opened, and the President could propose that the three items on the agenda of the Conference be discussed in a single debate, the proceedings being given detailed coverage in the summary records. In that connexion, the President might see fit to invite delegates to make their statements as brief as possible and to provide written texts supplementing their oral statements.

42. The Committee had also made certain recommendations designed to speed up publication of the report of the Conference, which might be presented in the form of a set of statements or conclusions on the main issues on which general agreement had been reached, or on which a majority view had emerged. Reservations and dissenting views

would be recorded in the summary records. The report would then be transmitted to the General Assembly through the Economic and Social Council. No vote would be taken by the Conference on the report, which would be published after the Conference had ended.

43. Mr. VEDA (Philippines) considered that Mr. Sedivy had presented a complete, accurate and balanced picture of the work of the Advisory Committee. His delegation was also firmly in agreement with the recommendation by the Advisory Committee that it was essential to bring negotiations, which were fraught with important consequences, to fruition during the session of the Industrial Development Board. It could not be over-emphasized that the Conference, which was to last only a few days, must be carefully prepared if it was to get off to a good start. Inter-group contacts during the Board session must therefore be the occasion for strenuous efforts to reach agreement before the Conference opened. The high quality of the documentation prepared by the secretariat with the object of easing the task of the Advisory Committee deserved high praise.

44. Mr. FAIDY (United Arab Republic) congratulated Mr. Sedivy on his outstanding statement and proposed that it be circulated in the form of an official Conference document.

45. Mr. AQUINO (Indonesia) agreed that the Aide-Mémoire prepared by the Advisory Committee provided valuable clarifications and explanations and would be very useful to the Special Conference. Inter-group negotiations should continue, since it was in everyone's interest that the Conference should be a success.

46. Mr. SZITA (Hungary), referring to the working methods adopted for the preparation of the Conference, pointed out that UNIDO, which was a young organization, was still at the stage of searching for the most effective methods, but that the method selected in the case in point, namely the utilization of an Advisory Committee, had proved very useful in practice. Although there continued to be differences of opinion and problems remained to be solved, the Advisory Committee had performed its task well and had greatly helped to clarify the situation. Perhaps the same procedure could be adopted for the periods between sessions of the Industrial Development Board.

17. Mr. CASILLI MARAGONA (Italy) said that the countries in Group B had also greatly appreciated the outstanding report by the Chairman of the Advisory Committee on the work of the Committee, which would be very helpful to the Special International Conference.
18. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that he too was pleased to be able to refer to the excellent work accomplished by the Advisory Committee, the scope of which doubtless went beyond that of the Conference. As the representative of Hungary had very wisely proposed, the Board would have every advantage in adopting a similar approach for its preparatory work in future, for, as the example of the Advisory Committee showed, that approach afforded all geographical groups the opportunity to co-operate closely both among themselves and with the Executive Director and the secretariat of UNIDO. It was precisely through that co-operation that tangible results had been achieved and that it had been possible to smooth out the differences of opinion which had, it was true, existed.
19. Consequently, he agreed with the representative of the United Arab Republic that the report of the Advisory Committee should be distributed as an official Board document and its main points reproduced in the report of the Board.
20. The PRESIDENT proposed that the report of the Advisory Committee for the Special International Conference of UNIDO should be distributed as a Board document.
21. It was so decided.
22. The PRESIDENT asked whether the members of the Board considered that examination of agenda item 9 was terminated.
23. Mr. VEDA (Philippines) said that he thought it would be preferable to suspend consideration of the item in question because the Board might wish to resume its discussions on the matter as a result of the unofficial contacts which were to take place concerning the addition of a new item to the agenda.
24. The PRESIDENT proposed that consideration of agenda item 9 should be suspended.
25. It was so decided.

ADOPTION OF THE AGENDA (ID/B/79 and ID/B/79/Add.1/Rev.1) (continued)

56. The PRESIDENT invited the Board to adopt its agenda with the reservations that, firstly, if a new item were added to the agenda, the Board should be free to discuss it when it saw fit and, secondly, that the debate at present under way should be suspended in order to resume consideration of agenda item 9.

57. It was so decided.

58. Subject to the above reservations, the provisional agenda was adopted.

REPORT OF THE WORKING GROUP ON PROGRAMME AND CO-ORDINATION (ID/B/L.91 and Add.1)

59. Mr. HARS (Hungary), Rapporteur, stated that the report had been prepared with the assistance of the "friends of the Rapporteur" and the secretariat, taking into account the observations of delegations; he therefore hoped that the final version of that document would be acceptable to all the members of the Board.

60. Mr. CASILLI d'ARAGONA (Italy) said that he thought that, since the report had been discussed at length and the various points of view of delegations had been duly reflected in it, the Board could approve it as it stood and thereby save valuable time.

61. Mr. SANTOS (Brazil) pointed out that the closing date of the twelfth session of the UNDP Governing Council, mentioned in the fifth line of paragraph 236 of the report, should be 25 June rather than 21 June.

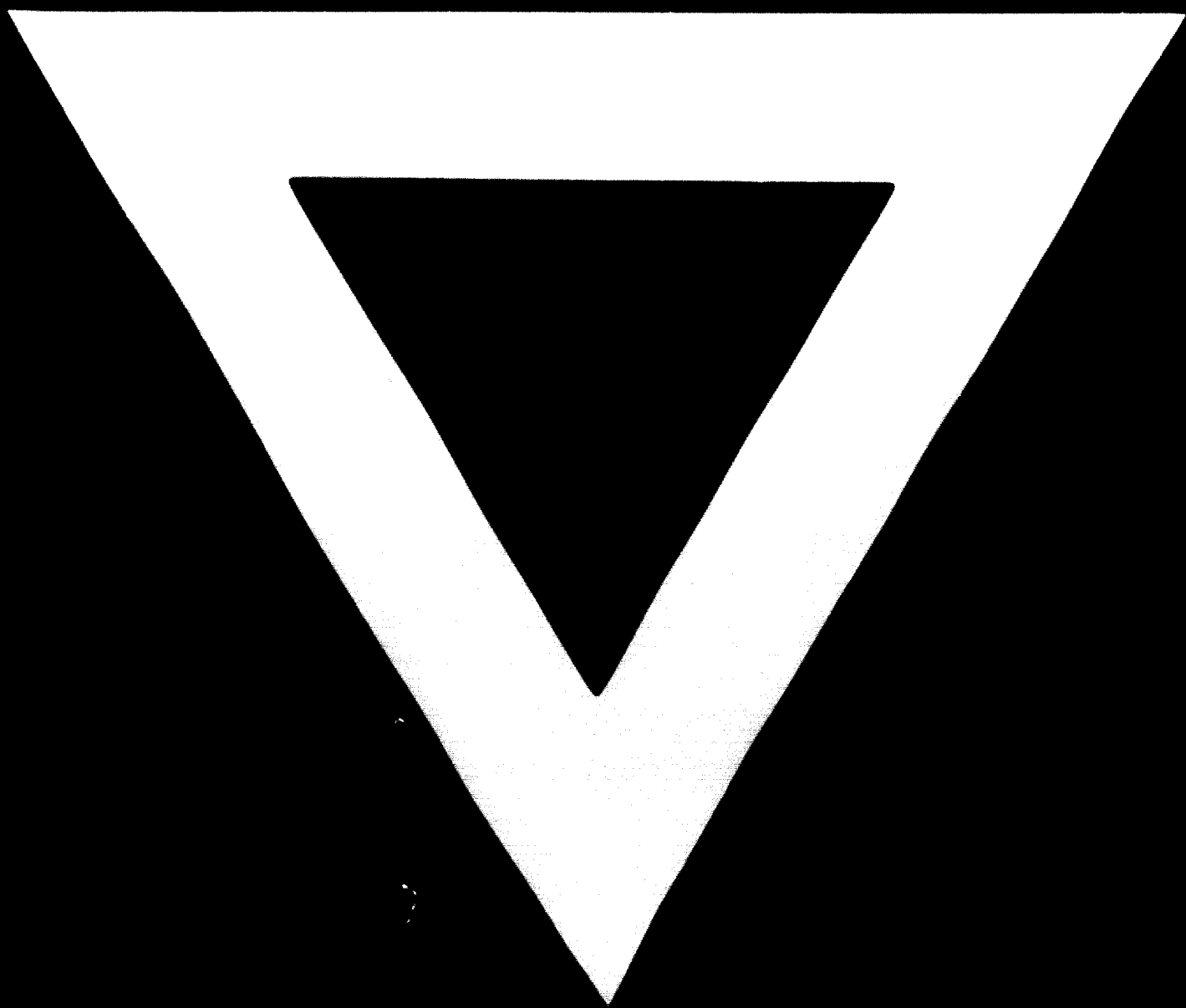
62. Mr. CASTEL (Algeria) said that he would like delegates who had just arrived for the Board session to have time to acquaint themselves with the report, which was very full and contained many important ideas; the adoption of the report should therefore be postponed until the following day.

63. Mr. ENSOR (United Kingdom) observed that there were discrepancies in figures given in the addendum to the report. He too would therefore prefer the adoption to be postponed until the following day so that the secretariat could in the mean time make the necessary corrections.

64. Mr. UNGERER (Federal Republic of Germany) supported the views of the representatives of Algeria and the United Kingdom.
65. The PRESIDENT proposed that consideration of the report should be postponed until the next meeting of the Board.
66. It was so decided.

The meeting rose at 5.30 p.m.





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