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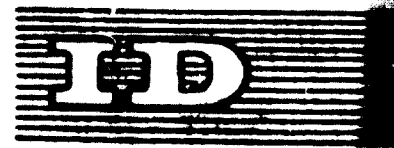
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United Nations Industrial Development Organization

Industrial Development Board

Sixth Session

Vienna, 23 May - 2 June 1972

SUMMARY RECORD OF THE ONE HUNDRED AND TWENTY-NINTH MEETING

Held at the Neue Hofburg, Vienna
on Friday, 2 June 1972, at 4.50 p.m.

President: Mr. BRILLANTES (Philippines)
Reporteurs: Mr. HAWISA (Libyan Arab Republic)

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

ADOPTION OF THE REPORT OF THE SIXTH SESSION

1. The PRESIDENT recalled that one delegation had asked if the Board should inquire of the General Assembly whether the Board was expected to include in its report a summary of UNIDO's activities in accordance with Assembly resolution 2407 (XXIII). He suggested that the Executive Director be requested to communicate on the matter with the United Nations Secretary-General and to inform the Board accordingly.
2. It was so decided.
3. Mr. HANISA (Libyan Arab Republic), Rapporteur, informed the Board that, owing to lack of time, it would not be possible to submit for the Board's consideration those parts of its report concerning the resolutions, the provisional agenda of its seventh session, the date and place of its seventh session, the consideration of the report of its sixth session and the closure of its sixth session.
4. He suggested that the Board should content itself with including a brief summary of the decisions reached with regard to the respective items, reference being made to the relevant summary records.
5. It was so decided.

DATE AND PLACE OF THE SEVENTH SESSION

6. Mr. MULLER (Austria) said that the facilities of the Neue Hofburg could be placed at the disposal of the Board from 9 April 1973 until about 7 May 1973.
7. Mr. ABDEL-RAHMAN (Executive Director) said that it would be difficult for the Secretariat to complete the preparation of the seventh session by 9 April 1973. Experience had shown that May was the most appropriate month for sessions of the Board. There was a great demand for conference facilities in Vienna, and he suggested that his negotiations with the host Government would be facilitated if he were authorized to intimate to the appropriate authorities the Board's general desire to hold its annual sessions always at the same time of the year.
8. Mr. ARKADIEV (Union of Soviet Socialist Republics) thought that a city reputed to contain three hundred palaces could surely accommodate a session of the Industrial Development Board.
9. Mr. MULLER (Austria) said he would not fail to convey the previous speaker's sentiments to those concerned.

10. The PRESIDENT suggested that the Board might invite the Executive Director to discuss with the host Government the possibility of holding the seventh session at an appropriate time between the last days of April and the middle of May 1973, and to convey to that Government the Board's desire to hold its annual sessions always at the same time of the year.

11. It was so decided.

CONSIDERATION OF DRAFT RESOLUTIONS (continued)

12. The PRESIDENT paid a tribute to the spirit of understanding, co-operation and compromise that had prevailed in the informal Contact Group, which had succeeded in drafting a number of important resolutions.

Permanent sovereignty over natural resources of developing countries and its inter-connexion with the problems of industrialization (ID/B/L.123)

13. Mr. SOMJEN (Hungary), introducing the draft resolution on behalf of the sponsors, Bulgaria, Czechoslovakia, Cuba, Hungary and the USSR, said that the delegations of the Group D countries and many other delegations had expressed their views on the matter. If the further industrial processing of natural resources were not ensured, even countries rich in such resources would become subordinated to those with further industrial processing capacity. The availability of primary materials and energy resources basically influenced the structure of a country's industrialization. Natural resources and industrialization were closely interrelated, and the greatest possible degree of integration should be ensured in the extraction and industrial processing of natural resources. Consequently, the sponsors of the draft resolution could not be satisfied that there should be completely separate treatment of the two aspects in the United Nations system. Not only should there be better co-ordination between UNIDO and the Department of Economic and Social Affairs, but questions relating to natural resources should be gradually integrated into UNIDO's activities.

14. Mr. AGUNG (Indonesia), speaking on behalf of the Group of 77, said that the Group had given careful consideration to the draft resolution. In view of the magnitude of the problems involved and the need for more time to consider them, the Group had not yet been able to reach a conclusion concerning the draft resolution. He suggested that it be referred to the first session of the permanent committee and then to the seventh session of the Board.

15. Mr. KOLBY (Norway) said that his delegation was unable to support the draft resolution. The utilization of natural resources in the developing countries involved a wide range of complicated questions with not only economic, but also environmental, social, legal and political implications. A unified approach was therefore needed and could best be provided by the United Nations itself. The Economic and Social Council had been given the main responsibility for the co-ordination of activities concerning natural resources within the United Nations system. The first two sessions of the recently formed Natural Resources Committee had clearly demonstrated the need for such a unified approach. Furthermore, a series of questions of principle, of which sovereignty over the natural resources of the developing countries was only one, would be the subject of continued discussions at that Committee's future sessions. It should also be borne in mind that UNIDO was going through a period of reorganization and reappraisal and that it was, therefore, hardly expedient for the time being to assign it new and far-reaching tasks.

16. The PRESIDENT suggested that the draft resolution should be referred for study to the permanent committee, which would take into account the statements of delegations made concerning the draft resolution during the Board's sixth session, that the permanent committee should report to the Board at its seventh session, and that the Board should consider the permanent committee's report on the matter at its seventh session.

17. It was so decided.

Assistance to the least developed among the developing countries (ID/B/L.135)

18. The PRESIDENT pointed out that he was not the author of the draft resolution, which was being submitted after consultations with the geographical groups.

19. Draft resolution ID/B/L.135 was adopted.

Terms of reference of the new permanent committee to be established by the Industrial Development Board during its sixth session (ID/B/L.128)

20. Draft resolution ID/B/L.128 was adopted.

21. Miss STEEG (Federal Republic of Germany), speaking on behalf of Group B, said that the Group had had to contend with very considerable difficulties before reaching an acceptable compromise. Group B had made extensive concessions, as could be seen by referring to its initial proposals contained in document ID/B/L.116.

The Group still had some doubts as to whether the new Permanent Committee was really the kind of permanent machinery which would enable the Board to give the Secretariat useful guidance and advice so as to make UNIDO more effective in its assistance to the developing countries. Nevertheless, Group B had agreed to the terms of reference in the light of the considered views of the other geographical groups, trying, in a spirit of co-operation, compromise and harmony, to avoid a confrontation over the issue, which was of great importance to all delegations. Given the Board's powers to review the terms of reference of its subsidiary organs at any time, Group B agreed to the draft resolution, assuming that there was general understanding that the Permanent Committee's mandate would be subject to review during the Board's eighth session in the light of the experience gained. She was sure that after a period of two years the Board would be in a better position to pass judgement on the problem.

22. The PRESIDENT recalled that four questions had been referred to the new Permanent Committee: the information clearing-house; measures for the greater autonomy of UNIDO; the Secretary-General's proposals concerning planning, programming and budgeting; consideration of the draft resolution on the permanent sovereignty over natural resources of developing countries. He asked the Executive Director for his views concerning the preparation of the agenda in the light of UNIDO's activities and programme of work for the remainder of 1972 and for 1973, and the most practical time of year for the Permanent Committee's first session.

23. Mr. ABDEL-RAHMAN (Executive Director) replied that a meeting of the Permanent Committee before the end of 1972 should be possible. The dates when the facilities for holding the session in the Hofburg were available would have to be discussed with the host Government. It was unfair to expect the host Government to provide facilities at short notice. He asked the Board to be flexible on the matter, even if that meant that the Permanent Committee would not be able to meet until early in 1973.

24. The matter of the agenda would have to be reconsidered if the Permanent Committee did not meet before the Board. If the Permanent Committee were to meet late in 1972 or early in 1973, it would leave only a short period for the preparation of documents,

But two documents which the Board might wish the Permanent Committee to consider and which had not been discussed in depth at the Board's sixth session were the fifth consolidation report and volume 4 of the Industrial Development Survey (ID/83). These two documents would appear to fit in well with the provisions of sub-paragraphs (e), (i) and (ii).

25. Mr. UNGERER (Federal Republic of Germany) asked if it would be possible for the Secretariat to prepare a brief outline of its ideas concerning an information clearing-house for UNIDO.

26. Mr. ABDEL-RAHMAN (Executive Director) thought that a reasonable amount of documentation could be prepared on that subject within the time available.

27. Mr. STIBRAVY (United States of America) said that while his delegation would have no objection to a one-week session of the Permanent Committee late in 1972, it would find it most difficult to agree to a total of four weeks' meetings of the Committee during 1973. Moreover, he wondered whether financial resources available for a session of the Permanent Committee during 1972 could be carried over into 1973.

28. Mr. ABDEL-RAHMAN (Executive Director) said that any activity conducted in 1973 must be included in the budget for that year.

29. Mr. SIAZON (Philippines) and Mr. BITENCOURT (Brazil) pointed to the amount of work which lay before the Permanent Committee and urged that its first session be held in late 1972. They felt that difficulties concerning financing and accommodation could be resolved, and noted that suitable premises were available at the International Atomic Energy Agency.

30. Mr. TRAORE (Mali), supported by Mr. ELBAHI (Libyan Arab Republic), observed that the international calendar for the end of the year was heavily charged, and that many delegations would find it most difficult to return to Vienna at that time. The tasks entrusted to the Permanent Committee were not of extreme urgency, and he believed that its first session should be held immediately before the seventh session of the Board, in accordance with the consensus resolution of the Special Conference.

31. Mr. AGUNG (Indonesia) believed that the Permanent Committee could be convened without appreciable difficulty before the end of 1972.

32. The PRESIDENT observed that a number of speakers had pointed to the difficulties of convening the Permanent Committee before the end of 1972. It would be improper for the Board to take a decision before those difficulties, particularly with regard to accommodation, had been clearly resolved. He suggested that the Board might request the Executive Director, taking account of the views expressed during the discussion, to undertake inquiries and studies, in consultation with members of the Board and the Bureau, concerning the most feasible time for convening the Permanent Committee, and to inform Governments of the results of those inquiries in the most practicable and suitable manner.
33. Mr. ABDEL-RAHMAN (Executive Director) said that while he was entirely at the disposal of the Board for any assignment, he would appreciate clearer instructions. The Board might wish to state a definite preference, subject to practical possibilities, for the dates of the Permanent Committee's session. In that connexion, he observed that the annual calendar of conferences and meetings of the United Nations must be formally approved by the General Assembly.
34. Mr. ILBUDO (Upper Volta) said that his impression of the debate was that no clear majority had emerged for holding the first meeting of the Permanent Committee in 1972. With all due respect to the President's summing up, he wished to propose that the matter be put to the vote.
35. Mr. FERNANDINI (Peru) and Mr. SANZ-PASTOR (Spain) considered that it was unnecessary to take a vote and that the President's suggestions should be accepted.
36. The PRESIDENT said that he believed the procedures he had outlined were the best available in the circumstances. It was difficult to make a clear-cut proposal when so few delegations had expressed opinions on the matter. He therefore wished to suggest once again, in accordance with his previous summing up, that the whole question be entrusted to the Executive Director, who would consult all concerned and take into account all the views that had been expressed. His conclusions would be communicated to Governments as rapidly as possible.
37. Mr. ABDEL-RAHMAN (Executive Director) asked whether the agenda for the first meeting of the Permanent Committee would consist of the four items which had been referred to during the discussion.

38. The PRESIDENT said that the task of drawing up an agenda would be entrusted to the Executive Director, acting in consultation with members of the Board and the Bureau.

39. Mr. BROWNING (United Kingdom) asked when the Executive Director would be able to provide comments on the Secretary-General's proposals concerning planning, programming and budgeting.

40. Mr. ABDEL-RAHMAN (Executive Director) pointed out that it was the Board itself which was requested to give its views on the Secretary-General's proposals. For that purpose he had submitted a note (ID/B/L.114), which the Board had decided to transmit to the Permanent Committee. It therefore seemed unlikely that the Board would be able to express its views until the matter had been considered by the Programme Committee, by which time the General Assembly would no doubt have already taken up the Secretary-General's proposals.

41. The PRESIDENT took it that the steps outlined in his summing up were acceptable to the Board.

42. It was so agreed.

Second General Conference of UNIDO (ID/B/L.130 and 134)

43. The PRESIDENT invited the Board to consider draft resolution ID/B/L.130, in conjunction with the statement on its administrative and financial implications (ID/B/L.134) submitted by the Secretariat in accordance with rule 31 of the rules of procedure.

44. Mr. STIBRAVY (United States of America) pointed out that the statement on the administrative and financial implications of the draft resolution was based on a series of assumptions regarding the preparation and organization of the conference. Those matters had not yet been examined by the Board and he wished to make it clear that his delegation did not necessarily endorse the Secretariat's assumptions, and therefore reserved its position. He felt sure that when the subject was placed before the Board, many delegations would have comments to make.

45. The PRESIDENT pointed out that document ID/B/L.134 contained indicative figures only and that the final decision would depend on the Fifth Committee of the General Assembly.

46. Mr. SEDIVY (Czechoslovakia) drew attention to an error in operative paragraph 4 of the draft resolution, where the word "meetings" should be replaced by "matters".

47. Draft resolution ID/B/L.130, as corrected, was adopted.

Ad Hoc Committee on Co-operation between UNIDO and UNDP (ID/B/L.136)

48. Mr. ABDELAZIZ (Algeria) said that while he entirely approved the contents of the draft resolution, he wished to give it more practical effect by adding the following paragraph between the present paragraphs 8 and 9: "Requests the Ad Hoc Committee on Co-operation between UNDP and UNIDO to continue its activities for two or three years, in order to examine the implementation of the agreements concluded between the two bodies, in accordance with the functions assigned to it under paragraph 11 of General Assembly resolution 2823 (XXVI)."

49. Mr. KAMALI (Iran), Mr. ELBAHI (Libyan Arab Republic) and Mr. SATTAR (Pakistan) supported the Algerian proposal.

50. Miss STEEG (Federal Republic of Germany) recalled the lengthy discussions leading up to the consensus embodied in draft resolution ID/B/L.136. The Group B countries could only regard any amendment as a challenge to the consensus.

51. Mr. FERNANDINI (Peru) and Mr. ACUNG (Indonesia) said that the consensus represented an agreement between all parties and that the original wording should be retained.

52. The PRESIDENT appealed to the representatives of Algeria, Iran, the Libyan Arab Republic and Pakistan not to press for the adoption of the amendment, which would appear in the Board's report.

53. Mr. KAMALI (Iran) said that, in order to avoid creating difficulties, he was ready to withdraw his support for the amendment.

54. Draft resolution ID/B/L.136 was adopted.

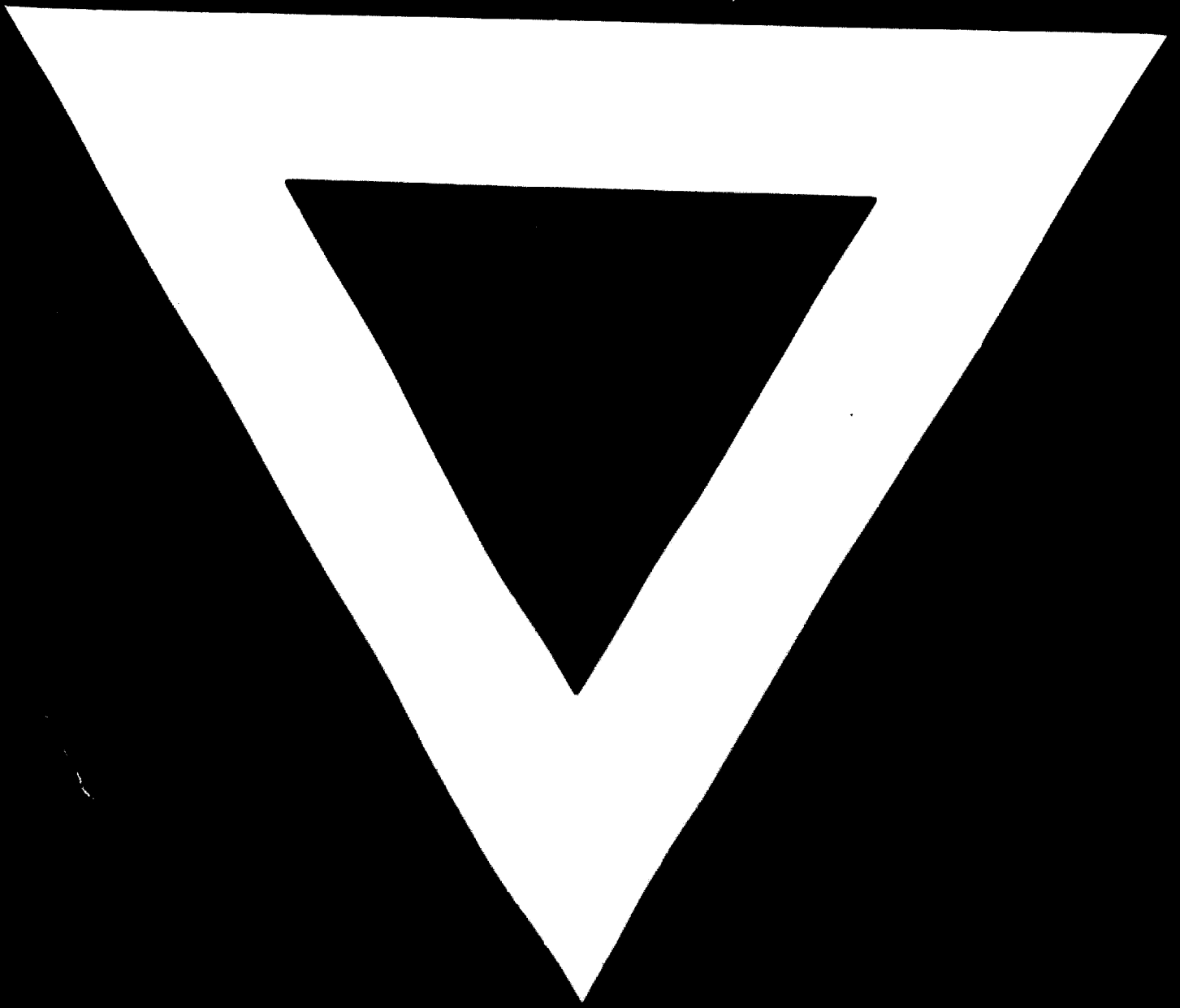
55. Mr. ABDELAZIZ (Algeria), explaining his position, denied categorically that he had broken any agreement he had entered into. It was in order to remain faithful to his own principles that he had felt obliged to propose the new paragraph.

56. Mr. STIBRAVY (United States of America) said that his delegation considered that operative paragraph 5 of the draft resolution was not completely consistent with the new country programming procedures of UNDP. Had the draft resolution been put to the vote, his delegation would have abstained on that paragraph.

57. Mr. BROWNING (United Kingdom) said that his delegation also wished to record its reservations with regard to operative paragraph 5.

The meeting rose at 6.40 p.m.





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