



**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION**

**REPORT OF THE
INDUSTRIAL DEVELOPMENT BOARD
ON THE WORK
OF ITS NINTH SESSION**

21 April-2 May 1975

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTIETH SESSION

SUPPLEMENT No. 16 (A/10016)

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ABBREVIATIONS

FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IBRD	International Bank for Reconstruction and Development
IDCAS	Industrial Development Centre for Arab States
ILO	International Labour Organisation
SIS	Special Industrial Services
UNCTAD	United Nations Conference on Trade and Development
UNDP/IPF	United Nations Development Programme/Indicative Planning Figure
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
WIPO	World Intellectual Property Organization

EXPLANATORY NOTE

In the present report, paragraphs that are underlined represent a consensus opinion or conclusion of the Industrial Development Board.

INTRODUCTION

The report of the Industrial Development Board of the United Nations Industrial Development Organization (UNIDO) on its ninth session is herewith submitted to the General Assembly in accordance with General Assembly resolution 2152 (XXI) of 17 November 1966.

* The ninth session of the Board was held at the Neue Hofburg, Vienna, from 21 April to 2 May 1975. The fifth session of the Permanent Committee was also held at Vienna from 3 to 13 December 1974 and from 20 to 27 January 1975. During its fifth session, the Permanent Committee also acted in its capacity as intergovernmental Preparatory Committee for the Second General Conference of UNIDO, in accordance with General Assembly resolution 2952 (XXVII) of 11 December 1972. The present report* was adopted by the Board at its 183rd meeting, on 2 May 1975.

* Previously issued under the symbol ID/B/156.

CHAPTER I. ORGANIZATION OF THE SESSION

1. The Industrial Development Board held its ninth session at the UNIDO secretariat, Vienna, on 21 April 1975.
2. The session was opened by Mr. Jorge Fernandini (Peru), President of the eighth session, who acted as President of the ninth session pending the election of the new President.
3. In his opening statement (see ID/B/SR.166, paras. 1-5), the Acting President thanked delegations and the secretariat for their co-operation and expressed his gratitude that the Second General Conference of UNIDO had been held in his country. He stressed the importance of the Lima Declaration and Plan of Action on Industrial Development and Co-operation (A/10112, annex, chap. IV) and recalled the general agreement on the need of UNIDO for a structural change. In his view, the importance that UNIDO had attained through the Second General Conference made it imperative that the Organization be transformed into a specialized agency. He expressed the conviction that UNIDO was the most decisive and important instrument for economic development within the United Nations system. In closing, he urged that, with regard to industrial development and UNIDO, the attitude of countries should be governed by technical considerations rather than the political aspects and he appealed to all delegations to act within the limits imposed by the common aim.

Membership and attendance

4. The following members of the Board were represented at the session: Algeria, Argentina, Austria, Belgium, Brazil, China, Cuba, Czechoslovakia, Finland, France, Germany (Federal Republic of), Greece, India, Indonesia, Iran, Italy, Ivory Coast, Jamaica, Japan, Kuwait, Malaysia, Mexico, Netherlands, Nigeria, Norway, Peru, Philippines, Poland, Romania, Spain, Sri Lanka, Sweden, Switzerland, Tunisia, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay and Venezuela.
5. The following States Members of the United Nations or members of specialized agencies or of the International Atomic Energy Agency sent observers: Australia, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Chile, Colombia, Costa Rica, Denmark, Ecuador, German Democratic Republic, Guatemala, Holy See, Hungary, Ireland, Israel, Kenya, Lebanon, Libyan Arab Republic, New Zealand, Oman, Pakistan, Panama, Portugal, Republic of Korea, Saudi Arabia, Senegal, Sudan, Thailand, Trinidad and Tobago, Ukrainian Soviet Socialist Republic, United Republic of Cameroon, Yugoslavia and Zaire.
6. The following United Nations bodies were represented at the session: the Economic Commission for Africa, the United Nations Conference on Trade and Development and the United Nations Development Programme.
7. The following specialized agencies sent representatives: the International

Labour Organisation, the Food and Agriculture Organization of the United Nations, the World Health Organization and the World Intellectual Property Organization. The International Atomic Energy Agency was also represented.

8. Observers from the following intergovernmental organizations attended the session: the Asian Productivity Organization, the Council for Mutual Economic Assistance, the European Economic Community, the European Investment Bank, the Intergovernmental Council of Copper Exporting Countries, the Industrial Development Centre for Arab States, the Organization of African Unity, the Organization for the Development of the Senegal River and the Organisation for Economic Co-operation and Development.

9. Observers from the following non-governmental organizations attended the session: the International Association for Cereal Chemistry, the International Association for the Protection of Industrial Property, the International Chamber of Commerce, the International Christian Union of Business Executives, the International Co-operative Alliance, the International Council for Scientific Management, the International Federation of Automatic Control, the International Organization of Consumers Unions, the International Organization of Employers, the Latin American Association of Finance Development Institutions, the Society for Chemical Industry, the World Confederation of Labour and the World Federation of Trade Unions.

Election of officers

10. At its 166th meeting, on 21 April 1975, the Board, in accordance with rule 18 of its rules of procedure, elected unanimously the following officers for the ninth session:

President: Mr. Dumitru Aninoiu (Romania)

Vice-Presidents: Mr. Hassan Ali Dabbagh (Kuwait)
Mr. Gilman Rutihinda (United Republic of Tanzania)
Mr. Karl Wolf (Austria)

Rapporteur: Mr. Juan Manuel Kirschenbaum (Argentina)

11. After his election, the President of the ninth session addressed the Board. In his statement (see ID/B/SR.166, paras. 9-13), the President stressed the urgent need for efforts to establish a new international economic and political order. In that connexion, he expressed the view that it was essential to undertake to transform the structure of the world economic system and lay the foundation for international economic relations of a new kind, based on equal rights, equity and mutual advantage. It was further necessary, he believed, to develop a special programme which would result, in the course of time, in the elimination of the economic and technological gaps between nations and in accelerated progress for the least developed countries. In that connexion, UNIDO could and must play an important role in the preparation and execution of that kind of programme.

Credentials

12. In accordance with rule 17, paragraph 2, of the rules of procedure of the

Industrial Development Board, the officers of the ninth session of the Board examined the credentials of the delegations attending the current session and found them in order. The officers so reported to the Board, which approved the report at its 181st meeting, on 30 April 1975.

Agenda

13. At its 166th meeting, the Board considered its provisional agenda (ID/B/146). Various amendments to the provisional agenda were proposed from the floor. The following agenda, as amended, was adopted:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Report of the Permanent Committee on its fifth session.
5. Report of the Executive Director and summary review of 1974 activities.
6. Follow-up of the decisions and recommendations of the Second General Conference of UNIDO.
7. Programme budget for 1976-1977.
8. Medium-term plan for 1976-1979.
9. Organizational and financial matters.
10. Matters concerning intergovernmental and non-governmental organizations.
11. Provisional agenda for the tenth session of the Industrial Development Board and for the sixth and seventh sessions of the Permanent Committee.
12. Dates and places of the tenth session of the Industrial Development Board and of the sixth and seventh sessions of the Permanent Committee.
13. Adoption of the report of the ninth session.

Address by the Secretary-General of the United Nations

14. At its 180th meeting, on 30 April 1975, the Board heard an address by the Secretary-General of the United Nations (see ID/B/SR.180, paras. 1-13). In his statement, the Secretary-General referred to the significant area of common ground that had emerged from the Second General Conference. There appeared to be no objection, in principle, to the general direction of change that the world economy had to take; the differences were about the means by which a new economic order was to be accomplished rather than about the necessity of establishing it. He also welcomed the emphasis at the Conference on the wider social and human objectives to be served by industrialization and, in this context, expressed his gratitude about the resolution, which had been adopted unanimously, on the human

aspect of industrial development. He stressed that interdependence was operative not only among individuals and nations, but also among the various problems confronting the world community. The Secretary-General also referred to the decision of the Second General Conference of UNIDO at Lima recommending that UNIDO be transformed into a specialized agency, and stated that the Legal Counsel and the Controller of the United Nations were presently in Vienna to discuss with the UNIDO secretariat both the necessary modalities to cover the transition period and the new institutional arrangements for UNIDO as an autonomous specialized agency within the United Nations system. He informed the Board that considerable progress had been made in elaborating the draft statutes for the envisaged agency.

15. The Secretary-General also referred to serious obstacles yet to be overcome by the world community such as the basic problems confronting the world economy, inflation, unemployment, and sharp drops in some commodity prices. He warned against reverting to a form of protectionism or isolation which generally tended to aggravate rather than alleviate differences. He expressed confidence that the international machinery was able to advance the common cause and, in that connexion, spoke of the particular significance of the seventh special session of the General Assembly.

CHAPTER II. REPORT OF THE PERMANENT COMMITTEE ON ITS FIFTH SESSION

16. In its deliberations on agenda item 4, the Board had before it the report of the Permanent Committee on the work of its fifth session (ID/B/147).

17. At its 167th meeting, on 21 April 1975, the Board adopted without comment the report of the Permanent Committee on the work of its fifth session.

CHAPTER III. REPORT OF THE EXECUTIVE DIRECTOR AND SUMMARY REVIEW
OF 1974 ACTIVITIES

18. In its deliberations on agenda item 5 (see ID/B/SR.167-171), the Board had before it the annual report of the Executive Director for 1974 (ID/B/150 and Corr.1 and 4). The report was introduced briefly by the Executive Director and senior members of the secretariat (see ID/B/SR.167, paras. 3-23).

19. Many delegations commended the Executive Director on the report, which was described as an excellent and exhaustive work of analysis that gave a comprehensive and clear account of the activities of UNIDO in 1974.

20. One delegation, referring to paragraphs 88 to 90 of chapter II of the report, said that the comments which the secretariat had seen fit to make regarding the impact of increased oil prices on the economic situation in Africa were inaccurate. In any case, such consideration should not be dealt with at the level of an analysis of the situation in the different regions. Moreover, if such an analysis were to be undertaken, the delegation concerned would be ready to make its comments on the incapacity of the developed countries to control inflation at home. The delegation concerned consequently requested that the passage should be deleted from the report. The secretariat announced that paragraph 88 of chapter II of the report would be deleted.

21. With regard to the format and contents of future reports, a number of suggestions were advanced. Several delegations considered that the present format and style should be retained in future reports. Some delegations recommended that future reports include a chapter containing a personal and critical evaluation by the Executive Director of the achievements and short-comings of UNIDO during the year under review, as well as his proposals for the future, in the light of available resources, together with a general appraisal of trends in the activities of the organization; such a summary chapter might well provide a basis for discussion on policy. One delegation asked that future reports include an assessment of activities relating to specific branches, with indications of past and future expenditures on such activities; another delegation requested that a greater element of evaluation be included in the report. One delegation, speaking particularly of special programmes such as that of co-operation among developing countries and that for the countries of the Sudano-Sahelian zone, said that it should be general practice for the annual report to describe every programme in quantitative as well as qualitative terms.

22. One delegation pointed out that it was essential to take the objective and basic principles of the Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted by the United Nations General Assembly at its sixth special session, as the guidelines for reviewing the activities of UNIDO.

23. In connexion with the statistical part of the report, one delegation said that it should include a table giving an over-all account of the income of UNIDO from its various sources of finance. Another delegation expressed disappointment that the appendix on expert recruitment had been deleted and requested that such statistical information be given regularly to the Board. One delegation requested

that, in future reports, information be given on the average number of established posts (financed under the regular budget as well as from other sources) that had been left unfilled during the year in question. Another delegation said that it would welcome, with respect to table 5 of the statistical annex, information on the difference between substantive support activities and managerial and administrative support.

24. Many delegations, while welcoming the fact that UNIDO had increased the level of its technical assistance deliveries in 1974 over 1973, expressed concern that the organization had not reached the 1974 target figure of delivery it had set for itself. In that connexion, a number of delegations commented on the low rate of project implementation under the UNDP/IPF country and intercountry programmes; UNIDO implementation of UNDP/IPF programmes at the end of the third year of the first country programming cycle amounted to only 34 per cent of the programmes assigned to the organization for execution, a level that was below the over-all implementation level as reported in September 1974 by the Administrator of UNDP for all executing agencies. The same delegation expressed concern that, according to the projections in the report, only another one third of the total of the estimated share of UNIDO projects under the UNDP/IPF programmes was expected to be implemented in the remaining two years of the first programming cycle, resulting in a large carry-over of unimplemented projects into the second programming cycle.

25. One delegation expressed its particular concern about the low increase of 3.5 per cent in the implementation of field activities in 1974 in the African region, in view of the fact that that region accounted for only 0.5 per cent of the world's industrial production. Another delegation noted with satisfaction that the implementation rate in Asia and the Far East had shown an increase of 42 per cent in 1974.

26. A number of delegations stressed that UNIDO should continue to increase its capacity to deliver technical assistance. In that context, several delegations pointed out that the task of accelerating project implementation called for the co-operation of all concerned. One delegation pointed out that UNIDO should renovate the substance and forms of its assistance in the light of the requirement for the establishment of a new international economic order. One delegation suggested that UNIDO should seek to identify all constraints confronting it in its delivery of technical assistance and initiate action to alleviate them or bring them to the attention of those in authority. Another delegation recommended that UNIDO streamline its procedures for project identification; a further delegation suggested that UNIDO take the necessary steps to strengthen its operational units. One delegation stressed the necessity of forward planning with regard to the recruitment of experts.

27. Speaking about the preponderance of small-scale projects financed under UNDP and entrusted to UNIDO for execution, many delegations agreed that such projects led to high overhead costs and to insufficient project support cost reimbursement from UNDP. None the less, many of those delegations stressed the importance of small-scale projects to the over-all industrial development effort, particularly for the least developed countries, for agro-based industry and for rural industry. They considered that such projects should not be curtailed simply by reason of their small scale, however, given the importance attached to such projects by some developing countries; they should be standardized or simplified to the fullest possible extent. Several delegations noted that UNIDO was given for

implementation too many small-scale industrial projects and not nearly enough large projects, which led to a scattering of its resources and efforts.

28. Among the various measures suggested by delegations to reduce headquarters support requirements for the implementation of small-scale projects were: standardization of procedures for the implementation of such projects; decentralization through the delegation of authority to the field for the formulation and execution of such projects; and an investigation of the feasibility of reducing the number of small-scale projects by eliminating those of marginal impact and increasing the average size of others when justified. In that context, one delegation said that the decisive factor was the relationship between the cost of a project and its benefit to the developing countries; if the ratio was positive, the overhead costs involved should not prevent the implementation of a project.

29. Some delegations stated that they found the share of UNIDO in the over-all UNDP programme and in the UNDP programmes relating to industry to be completely inadequate. In reply, the UNDP representative pointed out that the projects in the country programmes reflected the priorities of countries, not of international organizations; at the beginning of the current programming cycle, agriculture, education and natural resources had been the priority areas -- the rightful role of industry was now being recognized.

30. One delegation, noting that there had been a decrease in 1974 in the level of UNIDO interregional projects financed by UNDP, expressed the hope that in future UNDP would allocate more funds to UNIDO for interregional projects, particularly for training purposes. In reply, the UNDP representative stated that UNDP itself was not satisfied with the situation regarding interregional training programmes and the distribution of resources; the matter was under study, however, and it was hoped that the UNIDO component in interregional activities could be increased.

31. Several delegations noted with interest the suggestions (contained in the annual report) which had been forwarded by UNIDO to UNDP for the next cycle of country programmes and requested further clarification from both the secretariat and the representative of UNDP. Some delegations remarked on the apparent limited use that had been made by UNDP of country briefs drawn up by UNIDO. In reply, the UNDP representative observed that resident representatives and Governments had found the briefs of relatively little value in comparison with the work UNIDO and other agencies had to expend on them.

32. One delegation, in line with the view expressed by the UNDP representative in stressing the importance for the developing countries of setting up pilot and demonstration plants in different fields of industry, observed that UNIDO was not giving enough attention to that type of activity.

33. One delegation observed that there sometimes appeared to be a difference between the priority accorded, with regard to technical co-operation, to a particular programme component by the recipient countries and the priorities accorded by the secretariat to substantive support activities.

34. The secretariat explained that all activities which were not field activities were considered under the heading of support activities even though they included

such important activities as the inquiry and advisory service and the information service which were carried out in response to requests from developing countries.

35. With regard to the special programme of UNIDO for co-operation among developing countries, several delegations commended the secretariat for the activities undertaken so far and expressed the hope that the activities of that programme would be expanded; in that context, one delegation proposed that resources from the UNIDO General Trust Fund be utilized, when appropriate, for activities under the special programme for co-operation among developing countries. One delegation requested that, in future reports, financial data concerning that programme be included.

36. Several delegations, taking note of the UNIDO activities undertaken to meet the special needs of the least developed among the developing countries, expressed regret that the available resources under the Special Measures Fund and the SIS programme had not been more fully utilized. One delegation requested more detailed information on the programme in future reports.

37. In reply, the secretariat reiterated its keen awareness of the serious needs and problems of the least developed countries which were receiving special consideration. With regard to the Special Measures Fund, the secretariat recalled that the countries themselves determined the utilization of available funds.

38. Several delegations noted with regret that the SIS programme was apparently still on the decline. One delegation welcomed the increase in SIS expenditure for country projects in the developing countries of Europe. Another delegation proposed that consideration be given to increased utilization of SIS funds for fellowships for the least developed countries.

39. A number of delegations commented upon the co-operative programmes being carried out between their Governments and UNIDO (see ID/B/SR.168, paras. 23, 25, 35, 48, 57, 63; and ID/B/SR.169, paras. 5, 15). Some delegations drew attention to the need for UNIDO to stop giving assistance to the anti-democratic régime of a country participating in the activities of UNIDO.

40. One delegation regretted the fact that the inherent complexity of modern industrial development and the absence of a clearly defined co-ordinative function within the general co-ordination authority of the General Assembly and the Economic and Social Council had contributed to the lack of progress UNIDO had made in the field of co-ordination. Another delegation observed that UNIDO had fallen short in fulfilling its central co-ordinating role and had ignored the recommendation of the Group of High-Level Experts on a Long-Range Strategy for UNIDO (see ID/B/133).

41. Some delegations drew attention to the need for a more formal agreement between UNIDO and the UNCTAD/GATT International Trade Centre (ITC), as had been suggested by the Joint Advisory Group on the ITC in its report (ITC/AG(VIII)/44) earlier in the year and emphasized by the ITC representative at the Second General Conference at Lima, and urged the Executive Director to initiate the requisite steps. In reply, the secretariat said that a preliminary draft of an agreement covering joint UNIDO/UNCTAD/GATT activities had been sent to ITC and negotiations would continue.

42. One delegation expressed satisfaction that the agreements between UNIDO and

certain regional commissions with respect to the establishment of joint industry divisions were in the process of implementation.

43. A number of delegations remarked on the effective manner in which UNIDO had utilized in 1974 its resources from voluntary contributions made to UNIDO, and they spoke highly of the expanding activities in that sector. One delegation welcomed the emphasis given to the financing from the UNIDO General Trust Fund of activities directed towards the promotion of co-operation among developing countries, in particular the least developed. Another delegation pointed out that the UNIDO General Trust Fund was the second largest source of finance available to UNIDO and, in that connexion, commented upon the absence of certain rich countries from the list of Governments making pledges to the Fund.

44. Some delegations requested that consideration be given to issuing in coming years a separate report describing the activities planned under the UNIDO General Trust Fund along the lines of the document describing the regular programme of technical assistance. The secretariat replied that if the Board so desired, an appendix could be provided to future annual reports listing the titles of all UNIDO General Trust Fund projects completed in any one year. One delegation stated that that would be acceptable as a first step and expressed the hope that such information would be made available for 1974.

45. The joint UNDP/UNIDO evaluation of selected UNIDO projects financed by UNDP was welcomed by several delegations. The secretariat said that it would seek means of distributing the assessment report, subject to the agreement of both parties. One delegation reasserted its belief in the need for introducing evaluation on a greater scale and said that the Board should take into consideration the work of the planning, programming and evaluation unit that had been set up within the secretariat when examining programme delivery and identifying the reasons for delay.

46. One delegation sought an explanation for the fact that, according to the annual report, only 17 of the 30 industrial development field adviser posts had been filled. The secretariat explained that presently 22 of the 30 posts were filled and that candidates for the remaining posts had been submitted to UNDP some time ago.

47. Several delegations noted that the industrial technology programme continued to play a leading role in the technical assistance activities of UNIDO and recommended that the programme be strengthened and reinforced. One delegation noted with satisfaction the activities of UNIDO in the fields of agricultural machinery and implements, food storage facilities, maintenance and repair, and the fertilizer industry. In the opinion of that delegation, there was scope for increased action by UNIDO in the field of heavy metallurgical industries, although careful consideration was called for. Another delegation stressed the need to strengthen the UNIDO engineering staff.

48. Some delegations, commenting on the industrial services and institutions programme, stated that the growth in that programme reflected increasing awareness of the developing countries of the need to establish the necessary industrial infrastructure. One delegation stressed the importance it attached to industrial information activities. One delegation stressed the importance of small-scale industries to the developing countries and especially to the least developed among them.

49. Several delegations commended the work carried out under the industrial policies and programming programme in preparation for the Second General Conference. In that connexion, however, one delegation made a number of criticisms with regard to the special issue of the Industrial Development Survey (ID/CONF.3/2) which had been prepared for the Conference and which, in that delegation's opinion, wrongly discussed the positive role of multinational corporations and gave too little attention to the experience of countries with planned economies and to the role of the State in dealing with industrialization questions.

50. One delegation said that in the activities relating to industrial policies and programming, greater account should be taken of recommendation I of the Group of High-Level Experts (ID/B/133, paras. 24-26) and of the conclusions of the Ad Hoc Committee on a Long-Range Strategy for UNIDO (ID/B/142 and Corr.1). The same delegation expressed appreciation that the secretariat had undertaken studies at the regional and subregional levels pursuant to that recommendation. One delegation expressed the opinion that too much attention had been given to promotional activities in 1974.

51. One delegation expressed the view that economic growth would be hampered if the social aspects of industrialization were underrated and recommended that further studies be undertaken, preferably with the ILO, with regard to the social implications of industrial development in the developing countries.

52. Several delegations stressed the importance of training. In that connexion, one delegation referred to the small amount of technical assistance allotted to the field of training and to the small allocation from UNDP for training activities. It was also noted that training activities were scattered over several sections of UNIDO, which led to duplication and overlapping in the secretariat's work in that field. It was therefore recommended that all UNIDO training activities should be concentrated in one section. The secretariat explained that the competence of UNIDO in the field of training was relatively limited. UNIDO dealt with the training of highly technical and managerial personnel for industry; most training activities, especially those relating to technical education, vocational training, training of foremen and skilled labour, were the responsibility of UNESCO and the ILO.

53. Some delegations stressed that an important factor in making the work of UNIDO more effective would be to eliminate duplication of work on the same questions in different sections of the secretariat.

54. One delegation noted that UNIDO publications did not reflect the industrialization experience of the socialist countries, the methodology of state planning etc.

55. In the course of deliberations on agenda item 5, a number of queries were raised by delegations. The replies of the secretariat to the queries raised under item 5 are to be found in document ID/B/SR.170, paragraphs 3 to 34.

56. During the discussion on agenda item 5, a number of points were raised with regard to administrative, financial and organizational matters; reflections of the discussions on these matters are to be found in chapters V and VI below.

57. At its 171st meeting, on 23 April 1975, the Board, having taken note of the annual report of the Executive Director (ID/B/150 and Corr.1 and 4), decided to transmit that document, together with its own report on the work of its ninth session, to the General Assembly, through the Economic and Social Council.

CHAPTER IV. FOLLOW-UP OF THE DECISIONS AND RECOMMENDATIONS
OF THE SECOND GENERAL CONFERENCE OF UNIDO

58. In its deliberations on agenda item 6 (see ID/B/SR.169, 171-176 and 180-181), the Board had before it a note by the Executive Director on the follow-up of the decisions and recommendations of the Second General Conference of UNIDO (ID/B/155) and a note by the Rapporteur of the Second General Conference transmitting the text of the Lima Declaration and Plan of Action on Industrial Development and Co-operation (ID/B/155/Add.1). The item was introduced briefly by the Executive Director (see ID/B/SR.169, paras. 39-41).

59. Several delegations remarked favourably upon the rapidity with which the secretariat had issued document ID/B/155 and commended the proposals contained therein. One delegation, however, considered the document totally unadapted to the decisions of the Second General Conference. A number of delegations pointed out that, owing to the late receipt of the document, they had not had enough time to study it comprehensively.

60. A number of delegations regretted the fact that, owing to the pressure of time, it had proved impossible to achieve complete consensus at Lima; one delegation cited other circumstances that had contributed to that outcome. Several delegations expressed their disquiet and indignation about the manner in which certain delegations seemed to be entering new reservations in respect of the Lima Declaration and Plan of Action on Industrial Development and Co-operation. Some delegations expressed the hope that reservations could be withdrawn. Several delegations reiterated their firm intention to co-operate in making UNIDO a more effective organization. Some delegations expressed surprise at the number of delegations which were taking it upon themselves to restate the position they had adopted at Lima.

61. Some delegations stated that the decisions taken at Lima were irreversible because they were in line with the course of history and with the evolution of economic and political relations among States, as defined in the Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted by the United Nations General Assembly at its sixth special session. The Second General Conference of UNIDO had had a mandate to study the modalities for the application of the programmes in question in the field of industrial development. The international community must adopt the most logical course of action, which was to implement the decisions of the Second General Conference fully, so that UNIDO could contribute to the establishment of the new international economic order.

62. One delegation said that the positive results of the Second General Conference should constitute the basis for the activities of UNIDO. Putting the provisions of the Lima Declaration and Plan of Action into practical action would inevitably involve an arduous struggle. Its basic principles should be resolutely implemented and embodied in the activities, plans and programmes of UNIDO.

63. One delegation said that, in its opinion, the proposals in the note by the Executive Director (ID/B/155) appeared to lack an over-all time-frame and suggested that the follow-up action to the Second General Conference should be

institutionalized. Several delegations pointed out the need for greater amplification throughout the document. Some delegations expressed their support for the pragmatic approach of the document and said that, in their opinion, the financial proposals made therein were modest and merited their support.

64. With respect to the action envisaged in connexion with the introduction of a system of continuing consultations at global, regional and sectoral levels (see ID/B/155, paras. 6-9), numerous delegations commended the underlying principle and said that, in their opinion, consultations at the sectoral level seemed to offer the most practical results. One delegation said that, in its opinion, the maintenance of the consultation system should be part of the activities of the industrial technology programme of UNIDO. One delegation and the observers from FAO and IDCAS welcomed the importance attached to agro-based industries and another delegation suggested that the possibility be explored of expanding and reorienting sectoral meetings of the kind already included in the activities of UNIDO. One delegation suggested that the directions indicated in documents ID/B/35/Rev.1 and Add.1 and Corr.1 and appendix and Add.2 and 3 could be followed, and one delegation opined that the list of industries, quoted in paragraph 8 of document ID/B/155, had been cited by way of example and should remain open for further additions.

65. Another delegation stated that consultations should be directed at increasing the amount and quality of information about demand and supply for manufactured goods, the possibilities and conditions for investment in the developing countries, and appropriate equipment and technologies. A number of delegations sought further information on the exact nature of the consultations for which financial provision was being sought. Two delegations said that they found the financial implications justifiable. Some delegations said that they were unable to commit themselves on that matter at the present time and suggested that the Executive Director might submit a report on the particular activity to the Permanent Committee at its sixth session.

66. A number of delegations and the observer from WIPO welcomed the establishment of an industrial and technological information bank (see ID/B/155, paras. 10-12). Several delegations commended the secretariat for ensuring that the proposed information bank did not duplicate the work of other organizations. Some delegations requested further details on the associated promotional activities and pilot operation; a number of delegations stated that they considered the proposed pilot operation premature.

67. One delegation was of the opinion that the first objective was to assess potential demand for such an information bank and another delegation suggested that the studies on the establishment of the bank be undertaken by UNIDO. One delegation proposed that a preliminary study analysing the pros and cons of the question should be submitted by the secretariat for consideration by the Permanent Committee at its sixth session. One delegation, referring to the mandate given to UNIDO in paragraph 61 (k) of the Lima Declaration and Plan of Action, stated that wording in paragraph 11 of document ID/B/155 appeared unduly cautious and ran counter to that specific mandate. Another delegation expressed the opinion that a study of the design and management structure of the bank was untimely.

68. The observer from WIPO expressed his organization's full support and willingness to co-operate with UNIDO in the establishment of an industrial and technological information bank. In that context, he drew attention to the services offered by the International Patent Documentation Centre (INPADOC) which had been established in 1972 at Vienna by the Austrian Government in co-operation with WIPO

69. In the discussion on relationships with other organizations of the United Nations system in the field of industrial development, one delegation stressed the fact that the proposed advisory committee of international organizations active in industry would require the full support of the organizations concerned, in particular UNDP. Observers from UNDP, the ILO and FAO declared the willingness of their organizations to co-operate and requested further details as to the exact nature of the co-ordination. One delegation suggested that the question could best be discussed in the Administrative Committee on Co-ordination (ACC) and one delegation inquired whether there had been any preliminary reaction to the proposal on the part of other United Nations organizations.

70. Some delegations expressed certain reservations with regard to the establishment of new posts to staff the proposed advisory committee, and in that context, one delegation suggested making greater use of the staff of the UNIDO Liaison Office in New York.

71. The proposal to establish within UNIDO special institutional machinery to deal with the specific problems of the least developed, land-locked and island developing countries (see ID/B/155, paras. 16-17) was supported by many delegations. One delegation impressed upon the Board the need for immediate action in that field. A number of delegations commended the Executive Director for the redeployment measures he had adopted in the establishment of the unit entailed. One delegation, stressing the importance its Government attached to that unit, spoke in favour of shifting the additional staff requested from the advisory committee to that special unit. Some delegations doubted whether redeployment alone would be sufficient, in which event they suggested that the Executive Director should feel free to ask for additional posts.

72. The question of selecting appropriate industrial technology (see ID/B/155, paras. 18-20) was deemed a matter of urgency by some delegations, one of which urged that action be taken immediately and asked for further details on the specific programme of action proposed and the methodology UNIDO would adopt.

73. Another delegation, which had sponsored the original resolution at Lima, endorsed the financial appropriations proposed and, if the supplementary appropriations were subsequently approved, offered to make a substantial voluntary contribution to the co-operative programme of action to be drawn up by the Executive Director of UNIDO in co-operation with other members of the United Nations system; that offer was welcomed by another delegation. Speaking on the subject of appropriate technology, the observers from UNDP and WIPO drew attention to steps their respective bodies had taken: UNDP had recently held a meeting at which it had been proposed to establish an intensive programme leading to an international council for appropriate industrial technology, and at the second session of the WIPO Permanent Committee for the Acquisition by Developing Countries of Technology related to Industrial Property it had been decided to undertake a joint examination by UNIDO, UNCTAD and WIPO of possible co-operation in the better selection of technology in the course of the technology transfer process.

74. One delegation, supported by another delegation, noted that, in document ID/B/155, no mention had been made of paragraph 60 (k) of the Lima Declaration and Plan of Action, in which UNIDO was specifically requested to expand its programme with regard to the sharing of experience in industrialization and technology and of experience in the application of legislative machinery in the economic field. Those delegations stated that UNIDO should take that mandate into account and asked about the measures envisaged by the secretariat in that respect.

75. On the subject of the staffing requirements requested by UNIDO to implement the Lima Declaration, one delegation spoke in favour of reducing the staff of UNIDO; several delegations suggested a redeployment of staff in the interests of efficiency. Several delegations emphasized the need for increasing the human and financial resources of UNIDO, if the organization were to fulfil its tasks effectively to the benefit of the developing countries. Another delegation cautioned against making excessive demands on the Secretary-General for greater reforms and financial resources at a time when the organization was seeking its independence.

76. In discussing the terms of reference and rules of the Industrial Development Fund (see ID/B/155, paras. 23-24), some delegations urged that work on the drafting should begin immediately and one delegation suggested that a report be submitted by the secretariat to the Permanent Committee at its sixth session. Another delegation spoke in favour of including in the agenda of the tenth session of the Board an item dealing with the terms of reference and rules of the Fund.

77. During the discussion on the recommendation that UNIDO be converted into a specialized agency (see ID/B/155, paras. 25-27), several delegations stressed the unambiguity of the Lima Declaration and Plan of Action. One delegation expressed its belief that on reflection no country or group of countries would seek to frustrate the overwhelming desire of the international community for such a change. Several delegations expressed the wish to accommodate the clearly stated desire of the developing countries. One delegation stated that the question of its country's membership in the organization would depend on the statutes and on other indications of the future orientation and effectiveness of UNIDO; that delegation stated, however, that it could anticipate supporting an expanded role for UNIDO as a specialized agency assuming the existence of a co-operative climate. In that connexion, one delegation stated that, in principle, it shared the opinion of the developing countries that the conversion of UNIDO into a specialized agency would offer many advantages. Several delegations said that the support of some countries for the new agency would be contingent upon the attractiveness of the statutes to their respective legislative bodies.

78. The observer from the World Federation of Trade Unions (WFTU) stated that his organization was warmly in favour of the conversion of UNIDO into a specialized agency and looked forward to greater co-operation between trade unions and UNIDO.

79. Some delegations noted with appreciation the positive change in the attitude of some countries towards the conversion of UNIDO into a specialized agency.

80. Some delegations pointed out the conversion of UNIDO into a specialized agency did not constitute an automatic solution to the financial and operational problems of UNIDO, nor did it guarantee increased efficiency.

81. An observer from a country participating in the activities of UNIDO said that UNIDO should increase its efficiency by making full use of the mandate it had been given in General Assembly resolution 2152 (XXI) and by increasing its share of UNDP resources to 25 per cent.

82. One delegation reiterated its reservations about the conversion of UNIDO into a specialized agency and pointed out that four modifications could be achieved without any change in the organization's statutes: an increase in administrative and financial autonomy; regular general conferences; an increase in membership of

the Board; and the establishment of a series of sectoral committees. In the opinion of that delegation, such organizational measures would contribute to the strengthening of UNIDO and to the fulfilment of the organization of its central co-ordinating role within the United Nations system in the field of industrialization.

83. Another delegation explained the reasons for its reservations on the conversion of UNIDO into a specialized agency and noted that those reservations should not be interpreted as rejecting a priori the outcome of the debate on the institutional arrangements of UNIDO at the seventh special session of the General Assembly.

84. Yet another delegation said that the transformation of UNIDO into a specialized agency would enable activities to be expanded and intensified, while administrative restructuring would make the organization's tasks easier.

85. Some delegations stated that they welcomed the statement of the Executive Director that the draft statutes might be made available, if there were no objections from the Secretary-General, to the members of the Board during its present session. In that context, one delegation requested information from the secretariat about the discussions between the Secretary-General and the Executive Director on the subject of the draft statutes.

86. Several delegations expressed their readiness to participate actively and constructively in the task of preparing the draft statutes of the proposed agency and working on the necessary transitional arrangements. In that context, one delegation pointed out that the statutes should incorporate the concept of rural industrialization and other delegations said that consideration should be given to incorporating the Senegalese proposal (see ID/B/155, annex II) in the statutes of the new specialized agency.

87. Some delegations highlighted the need to increase the membership of developing countries on the Board and several delegations spoke of the need to have greater representation of those countries in the secretariat staff.

88. In the discussion on the consultations to be held with UNDP (see ID/B/155, para. 28), the observer from UNDP affirmed the willingness of the Administrator to co-operate with UNIDO and made an informal offer to elaborate a common work programme. At the request of an observer from a country participating in the activities of UNIDO, the full text of the statement of the observer from UNDP was distributed to the members of the Board.

89. An observer from a country participating in the activities of UNIDO, using its right of reply, refuted the allegations of some delegations in respect of his country and expressed the view that in so doing they had violated the basic principles of UNIDO and the Lima Declaration and Plan of Action.

90. Several delegations drew the attention of the Board to the rich experience the countries with centrally planned economies had gained in building up their industries and they stated that that experience could be placed at the disposal of the developing countries. Those delegations said that the successful economic and technico-scientific co-operation of the socialist countries within the Council for Mutual Economic Assistance (CMEA) bore witness to the fact that development problems could be solved on the basis of the principles of mutual respect and

assistance, sovereignty and equality. There were also extensive possibilities for collaboration between CMEA and UNIDO, for example, in the co-ordinating of industrial development planning. Those delegations suggested that further collaboration might involve the preparation by the CMEA secretariat of material related to the joint implementation of large-scale regional projects within the framework of CMEA, and the participation of UNIDO specialists in the preparation of such material could be envisaged.

91. In his reply, the Executive Director thanked the delegations for their kind words on document ID/B/155 and pointed out that the proposals it contained were modest by virtue of the fact that much of the follow-up action would have to be preceded by exploratory work.

92. In answer to the request for more details about the envisaged consultations, the Executive Director pointed out that the Lima Declaration and Plan of Action had defined the scope of such activities which would be supplemented by the consultative mechanisms already in action. Certain starting points had been indicated in the documents prepared for the Second General Conference (see ID/B/C.3/27, paras. 46-47; ID/B/C.3/35/Rev.1/Add.1 and 2; and ID/B/132, paras. 62-68). He pointed out that no financial implications had been quoted in document ID/B/155 in respect of consultations with regional commissions.

93. With respect to the industrial and technological information bank, he said that the study to determine what information was available within the United Nations system was necessitated by the need to avoid duplication of effort.

94. He also pointed out that with respect to the advisory committee, described in paragraph 14 of document ID/B/155, there had not yet been time to contact other agencies. He further stated that preliminary studies would constitute the first steps with respect to the implementation of the resolution on the selection of appropriate industrial technology.

95. With respect to the Industrial Development Fund, the Executive Director suggested that the draft rules be prepared for submission to the tenth session of the Board or at any other time the Board considered appropriate.

96. The Executive Director also welcomed suggestions on the possible establishment of a special unit to follow up and monitor the implementation of the Lima Declaration.

97. Some delegations pointed out in reply that the documents quoted by the Executive Director had been prepared before the adoption of the Lima Declaration and Plan of Action and therefore did not reflect the conclusions of the Conference on that subject. They suggested that further consideration by the secretariat was needed in the light of the Lima Declaration and Plan of Action, especially paragraphs 61 (d) and 66.

98. At the 176th meeting of the Board, on 28 April 1975, one delegation introduced a draft resolution on behalf of the Group of Seventy-seven and Romania on the follow-up of the decisions and recommendations of the Second General Conference of UNIDO, the main purpose of which was concerned with the procedure to be adopted in order to ensure full and prompt implementation of the decisions adopted at Lima (see ID/B/SR.176, paras. 1-4, for details of introductory statement).

99. In the course of their deliberations on that resolution and on the resolutions and proposal referred by the Second General Conference to the Board at its ninth session, the Board decided to establish an informal contact group under the aegis of the President.

100. In the discussion of the draft resolution, one delegation expressed its preparedness to acquiesce in its adoption by consensus in the desire to be as conciliatory as possible in the advancement of the work of Lima, on the understanding that the resolution was regarded as procedural and that it was without prejudice with respect to the positions which its delegation had adopted at Lima.

101. At the 181st plenary meeting of the Board, on 30 April 1975, the President submitted a draft resolution (ID/B/L.187) reflecting the outcome of the consultations of the informal contact group. The President suggested minor amendments to his draft resolution whereupon the Board adopted the resolution by consensus (see annex I, resolution 45 (IX)).

102. One delegation, speaking on behalf of the majority of the countries with centrally-planned economies that had expressed their reservation at the Lima Conference on the question of the conversion of UNIDO into a specialized agency, stated that that reservation was still valid with regard to paragraph 5 of resolution 45 (IX) of the Board.

103. An observer from a country participating in the activities of UNIDO spoke of the great significance of the resolution, not least because of the improvement it brought in the climate of relations between the various groups of countries. One delegation expressed its unreserved support for the consensus resolution which opened up new prospects for constructive dialogue and exactly reflected its country's position.

104. Owing to lack of time, the Board, at its ninth session, was unable to give full consideration to the draft resolutions and the proposal referred to it by the Second General Conference. With regard to the draft resolution on strengthening the role of UNIDO, it was generally agreed that it was no longer necessary to pursue that draft resolution, as the subject matter had already been fully covered in the Lima Declaration and Plan of Action.

105. The Board, at its 182nd meeting, on 2 May 1975, therefore decided to refer the following resolutions and the recommendation to the Permanent Committee at its sixth session for appropriate action, it being understood that their consideration would have the highest priority in the following order, and would be included under agenda item 4 (a):

(a) Draft resolution on permanent sovereignty over natural resources and industrialization of the developing countries;

(b) Draft resolution on international co-operation in the transfer of technology;

(c) Draft resolution concerning the establishment of an insurance system for guaranteeing contracts concluded by the developing countries with enterprises from the developed countries;

(d) Proposal by the Senegalese delegation concerning the establishment of a joint technical advisory group for UNIDO, to give advice and make recommendations to the Board on operational projects and programmes.

106. It was further decided that the General Assembly, at its seventh special session, should be informed of the action taken by the Board on that matter.

CHAPTER V. PROGRAMME BUDGET FOR 1976-1977 AND
MEDIUM-TERM PLAN FOR 1976-1979

107. In its deliberations on agenda items 7 and 8 (see ID/B/SR.178-181), the Board had before it document ID/B/154, the Secretary-General's programme budget 1976-1977 of the United Nations (sect. 12, UNIDO), and document ID/B/153, excerpts of concern to UNIDO from the preliminary version (E/5614) of the United Nations medium-term plan, 1976-1979.

108. In a brief introductory statement (see ID/B/SR.178, paras. 14-16), the secretariat said that, in accordance with instructions received from United Nations Headquarters with regard to the growth rate, format, and methods of calculation, UNIDO had prepared its submissions in greater detail than appeared in the two documents presently under consideration by the Board.

109. A number of delegations regretted that the documents in question had been distributed too late for thorough study. Many delegations pointed out that neither document reflected the important work accomplished at the Second General Conference and consequently requested that those documents be suitably modified to enable UNIDO to implement fully the decisions and recommendations of the Second General Conference. In reply, the secretariat recalled that both documents had been prepared well before the opening of the Conference.

110. Several delegations noted with appreciation the efforts of the secretariat to reflect clearly the recommendations of the Group of High-Level Experts on a Long-Range Strategy for UNIDO (see ID/B/133), as elaborated by the Ad Hoc Committee (see ID/B/142 and Corr.1), in the two documents. Some delegations made reference to the programme budget and the medium-term plan of IAEA, and suggested that UNIDO could well use them as models in the future.

111. Several delegations expressed criticism of the medium-term plan, particularly with regard to the section on objectives which, they stated, did not make any substantial attempt to indicate the relative importance or priority of the activities described and which failed to establish a link between objectives and activities or between activities and available resources. The weakness of the medium-term plan, in the opinion of one delegation, was that it lacked an over-all plan or structure and failed to take into account the recommendations of the Group of High-Level Experts. One delegation expressed dissatisfaction with the medium-term plan and programme budget because, in its opinion, the objectives as established were far inferior to the objectives that had to be achieved, taking into account the volume of technical assistance funded from UNDP that had to be implemented by UNIDO and paragraph 28 of the Lima Declaration and Plan of Action.

112. Some delegations also pointed out that the medium-term plan contained no projections about the amount of technical assistance to be delivered in the second biennium. In that connexion, one delegation stated that the medium-term plan should be based primarily on requests for industrial projects, as the Ad Hoc Committee had clearly emphasized that first priority had to be given to operational activities and action-oriented studies.

113. A number of suggestions were made by various delegations concerning the provision of additional information to assist the Board in its task of reviewing the programme budget and medium-term plan. Several delegations stated that it would be most desirable if the secretariat would provide a document explaining the extent and objectives of the various studies and meetings planned. One delegation suggested that the Executive Director submit to the Board a clear outline of the problems in connexion with the implementation of technical assistance as well as proposals that might enable UNIDO to carry out its programme more effectively. Another delegation said that it would have appreciated an updated and more detailed presentation, in which each programme component was taken up separately for analysis, listing first its objectives, then the activities proposed, followed by statistical information on costs, estimates etc. One delegation requested the Executive Director to provide the Board with a quantification of the requirements of UNIDO in terms of both financial resources and manpower.

114. One delegation stated that, in future, the secretariat should submit an additional report, highlighting the main lines of the programme budget, providing additional justification and, if necessary, indicating the needs for changes in priorities that had occurred since the preparation of the original draft programme budget. Some delegations said that a brief note or introduction to the programme budget by the Executive Director would have improved the document.

115. Several delegations made reference to the fact that the real growth rate for the proposed UNIDO programme budget was limited to 2.5 per cent for the biennium. Some of these delegations stated that such an increase was clearly far too small to enable UNIDO to respond adequately to the requests of the developing countries. One delegation stated that the limited growth rate underscored the urgent necessity for increased efficiency within the organization. Another delegation was of the opinion that a much more radical realignment of the activities of UNIDO was needed in the direction of higher priority areas, especially operational activities, than that proposed in the programme budget.

116. Some delegations expressed concern about the relatively small growth in programme support under the management of technical co-operation activities, despite the substantial objectives set for the programme. In view of the low rate of implementation by UNIDO, those delegations stressed that high priority should be accorded to the programmes directly responsible for implementation and therefore recommended that additional resources be allocated to those programmes. In reply, the secretariat pointed out that all programmes and, hence, all divisions of the secretariat were engaged in technical co-operation activities.

117. With reference to technical co-operation activities in general, one delegation reaffirmed its principled stand that the "Lon Nol clique had completely collapsed" and that "the aid provided by UNIDO to Cambodia could only be given to the Royal Government of National Union of Cambodia". That delegation opposed the provision of aid by UNIDO to Israel which had violated the Charter of the United Nations and committed aggression against Arab countries. The delegation further stated that "it was inappropriate for UNIDO to provide aid unilaterally to the Saigon authorities of South Viet-Nam and to the South Korean authorities". The same delegation further stated that the World Bank and the International Monetary Fund, which had established relations with UNIDO, "should implement General Assembly resolution 2758 (XXVI) and immediately expel the representatives of the Chiang Kai-shek gang from their organization".

118. Some delegations called attention to the lack, in the medium-term plan, of any reference to the central co-ordinating role of UNIDO and to a mechanism for the implementation of such co-ordination.

119. One delegation stated that the medium-term plan should be based on the evaluation of past performance; not only projects but also headquarters activities needed to be evaluated. In that connexion, some delegations welcomed the proposed strengthening of the new central evaluation unit. Some delegations requested that the findings of the task force mentioned in paragraph 12.81 of the programme budget (ID/B/154) be distributed to the members of the Board; one of those delegations also requested that the evaluation study on UNIDO, carried out by a private firm of management consultants some years previously, should be transmitted to the Board.

120. Some delegations reiterated the suggestion that a new post be established for a deputy executive director, with a view to strengthening central management of UNIDO and making it possible to relieve the Executive Director of some of his administrative tasks, thus enabling him to concentrate on policy matters, in particular the problems connected with the transformation of UNIDO into a specialized agency. Those delegations expressed the hope that the Executive Director would give that proposal his full and positive consideration and that it might be provided for in the next programme budget.

121. One delegation criticized the fact that the medium-term plan made no reference to the creation of pilot plants.

122. Several delegations expressed reservations about the projected rate of growth of the policy-making organs programme, which, according to one delegation, was higher than that of any of the main operational programmes. In that context, several delegations questioned the necessity for a special follow-up meeting to the Second General Conference, especially in view of the fact that the Conference had not decided to convene supplementary meetings.

123. Several delegations expressed concern with regard to the overhead costs of technical assistance delivery being incurred by UNIDO. One of those delegations expressed agreement with the conclusion of the secretariat that every effort had to be made to reduce overhead costs and to achieve more efficient project delivery procedures. In that connexion, another delegation, noting the programme requirements of UNIDO during the biennium 1976-1977 and the additional tasks placed on the organization by the Second General Conference, stated that it found the additional requirement of resources, indicated in the programme budget and medium-term plan, worthy of support.

124. Several delegations, commenting on the high proportion of P-4 and P-5 posts among the 20 new Professional posts requested for the biennium 1976-1977, said that the distribution, by grade, of Professional staff was not in the form of a pyramid as in most other organizations. In reply, the secretariat asked whether the Board considered it possible for UNIDO to play a leading role with regard to industrial policies, programming and conceptual studies without employing experienced staff. The secretariat said that if the proposed 10 P-5 posts were replaced by 10 P-3 posts, the financial saving would amount to \$136,000 out of \$45 million for the biennium; moreover only 29 per cent of UNIDO staff in the Professional category were P-5 or above.

125. One delegation drew attention to the parallelism and duplication in the work of the secretariat and expressed the view that stringent efforts had to be made to delimit responsibility for the planning and programming of the secretariat's own activities as well as of the delivery of technical assistance.
126. With regard to the proposed medium-term plan for the industrial technology programme, one delegation stated that it reflected the recommendations of the Group of High-Level Experts. Another delegation stated that it had noted with satisfaction the areas of emphasis listed under that programme, in particular the emphasis given to activities designed to alleviate food shortages and to improve food production. One delegation expressed surprise that, in the medium-term plan, no figures were given as to the cost of technical assistance delivery in the second biennium for the industrial technology programme.
127. Some delegations expressed doubts about the high priority accorded to the establishment of an industrial construction information service, as mentioned in paragraph 12.25 of the programme budget (ID/B/154), and requested explanations from the secretariat about the relationship of such a service to the Industrial Information Clearing-house. The secretariat explained that although the Clearing-house was an institutional mechanism, it drew on all substantive sections of UNIDO to provide information; moreover, no additional post had been requested for the industrial construction component.
128. Some delegations requested further information from the secretariat on the programme concerned with the construction of plants for the production of nitrogen fertilizer using flared natural gas.
129. Several delegations queried the references to the establishment of a World Fertilizer Fund and some of those delegations stated that they assumed UNIDO would co-operate, as appropriate, with FAO in such a project. The secretariat explained that its original formulation was in terms of assisting FAO in that activity, but the Headquarters text, no doubt as a result of time pressure, had omitted the point.
130. In respect of the programme for industrial services and institutions, one delegation stated that the objectives of that programme needed further expansion and elaboration in the light of the Second General Conference, and stressed the recommendations in the Lima Plan of Action relating to the provision of greater access for developing countries to technical know-how and advanced technology and to the establishment of an industrial and technological information bank.
131. Another delegation called attention to what it termed a number of deficiencies in the programme of industrial services and institutions; in the opinion of that delegation, excessive stress was laid on small-scale industries and insufficient attention accorded to the role of research institutions and centres for standardization, quality control, metrology etc.
132. One delegation commented on the dramatic increase in technical assistance proposed for the industrial management and consulting services and requested an explanation of the objectives of the industrial marketing centres, especially in view of its delegation's concern to avoid duplication between UNIDO and the UNCTAD/GATT International Trade Centre. The secretariat explained that it viewed

marketing as a group of activities calling for management decisions, including production scheduling, types of products to be manufactured, storage and merchandizing; all those aspects would be covered by UNIDO but, with regard to merchandizing, the activities would be limited to domestic market matters.

133. One delegation stated that the programme budget of the industrial policies and programming programme clearly reflected the recommendations of the Group of High-Level Experts and showed a positive movement towards increasing the number of large-scale projects. The same delegation welcomed the interest in planned studies and study programmes. Other delegations questioned whether UNIDO was not being too ambitious with regard to the research activities under this programme and requested the secretariat to explain its priorities and how it intended to finance such work. One of those delegations pointed to the lack of mention in the programme budget of how the proposed studies would relate to effective participation in the UNDP country programming, an objective that had been stressed by the Ad Hoc Committee. Another delegation said that headquarters activities should be oriented towards UNIDO field operations.

134. One delegation said that consideration should be given at an early stage to the content and scope of volume IX of the Industrial Development Survey.

135. With regard to the section of the industrial policies and programming programme referring to a system of international consultations, one delegation pointed out that the relevant wording in the medium-term plan (ID/B/153) went beyond the wording of the Lima Conference; another delegation stated that, according to document ID/B/155, the consultation activities were to be carried out under the component of executive direction and management.

136. One delegation expressed criticism that the projects proposed under the industrial policies and programming programme did not reflect the experience of industrialization of the countries with centrally-planned economies; the methodology of state planning had been practically ignored.

137. In connexion with the training of personnel from developing countries in the field of export-development techniques, one delegation stated that it considered that training in export development techniques might be the primary concern of the UNCTAD/GATT International Trade Centre. Another delegation expressed full support for the objectives indicated in the programme of export-oriented industries.

138. One delegation questioned the inclusion of the preparation of investment codes; such activities should only be undertaken as a result of specific requests.

139. One delegation inquired about the status of the establishment of the advisory panel on the UNIDO research and study programme recommended by the Group of High-Level Experts. In reply, the secretariat stated that in view of the short time available for the preparation of the programme budget, it would have been difficult to undertake consultations with Governments for the establishment of an advisory panel, as specified in the report of the Ad Hoc Committee on a Long-Range Strategy for UNIDO (ID/B/142 and Corr.1); however, the secretariat was now in the process of setting up such a panel.

140. Several delegations called attention to the word "transplanting" of industries from the developed to the developing countries instead of "redeployment", which was

used in the Lima Declaration. One of those delegations assumed that the activity described had been superseded by the provision for international consultations in document ID/B/155; another of those delegations stated that it did not object to the examination by UNIDO of the possibility of transplanting certain existing enterprises, subject to the agreement of the developed countries concerned. Another delegation observed that the identification of such enterprises in developed countries and assistance in transplanting them might be further expanded within the framework of the proposed consultation programme. In reply, the secretariat stated that the role envisaged for UNIDO was that of providing a forum to enable a decision to be taken by business enterprises that wished to be relocated in developing countries.

141. Some delegations noted with satisfaction the inclusion, within the programme budget, of activities on the examination of the potential for, and promotion of, the establishment of producer-processor associations. These associations, they said, could be of considerable benefit for the developing countries in the effective exploitation and utilization of their natural resources. Some other delegations, however, expressed reservations on the question of producer-processor associations, and one stated that the role of producer associations should be seen in a context of greater co-operation between producers and consumers. The secretariat stated that no funds had been specifically allocated to those activities and suggested that, in view of the Lima Declaration and Plan of Action, the reference should be to producer associations. Two delegations said that if the programme budget had referred explicitly to producer associations, they would have been obliged to reserve their position on that paragraph.

142. Several delegations expressed support for the UNIDO/IBRD co-operative programme, whereas one delegation voiced serious doubts about the value of that programme. A number of delegations requested additional information and clarification about the proposal to establish an industrial investment centre. In that context, one delegation said that it was unconvinced that such a centre was in line with the priorities established by the Ad Hoc Committee and suggested that the secretariat prepare a paper on that subject for the Permanent Committee at its next session.

143. One delegation, speaking in support of the creation of a UNIDO industry investment centre, drew attention to the growing gap between the number of feasibility studies being undertaken and the number of projects, based on such studies, that were actually being implemented. That delegation suggested that the feasibility studies undertaken by UNIDO be reviewed with a view to assessing: their usefulness as a basis for investment decisions; the need to bring these studies up to date; the possible contribution of each project to industrial development of the developing countries in the light of the Lima Declaration and Plan of Action; and the financial requirement for the implementation of such projects. That delegation suggested that the secretariat, in co-operation with other organizations within the United Nations system concerned with investment, prepare a list of priorities for investment projects in the light of the Lima Declaration and Plan of Action.

144. In reply, the secretariat stated that the proposed centre was still under consideration. Its purpose would be to assist the developing countries to find finance from sources other than the World Bank and to screen feasibility studies in order to make them bankable. The background of the project, according to the secretariat, was the decision, taken at the Second General Conference, to increase

the share of developing countries in world industrial output, a target that could not be attained through traditional technical assistance alone.

145. Several delegations inquired about the procedure for giving effect in the programme budget and medium-term plan to the views of the Board. The secretariat explained that those views, as conveyed in the report of the Board on the work of its ninth session, would be transmitted to the Secretary-General. The summary records would supplement the report in elaborating the changes which the Board considered desirable.

146. At the conclusion of its review of the programme budget and medium-term plan, at its 181st meeting, on 30 April 1975, the Board approved the following text for inclusion in its report:

The Board takes note of the programme budget, 1976-1977, contained in document ID/B/154, including the amendments suggested thereto in document ID/B/155, and the medium-term plan, 1976-1979, contained in document ID/B/153, and recommends that they be modified in an appropriate manner, taking fully into account paragraph 4 of Industrial Development Board resolution 45 (IX) on follow-up of the decisions and recommendations of the Second General Conference of the United Nations Industrial Development Organization and the statements made by members of the Board during the consideration of these two items by the Board at its ninth session.

147. At the 182nd meeting of the Board, on 2 May 1975, the Executive Director reported that, in connexion with Industrial Development Board resolution 45 (IX), the Secretary-General had agreed, in principle, to the submission of additional estimates with regard to the proposed programme budget of UNIDO for 1976-1977 and of additions to the proposed medium-term plan of UNIDO for 1976-1979. In that context, the Secretary-General had agreed to the following procedure:

(a) By the end of June 1975, he would indicate in broad lines for consideration at the fifty-ninth session of the Economic and Social Council the measures to be taken as a result of the Lima Conference;

(b) By the end of August 1975, final detailed suggestions on budgetary appropriations would be put forward to be considered at the thirtieth session of the General Assembly.

148. The Executive Director said that, as requested by many delegations, the additional documents would also be made available to interested delegations at the time of their submission.

CHAPTER VI. ORGANIZATIONAL AND FINANCIAL MATTERS

149. In its consideration of item 9 of the agenda (see ID/B/SR.176-178), the Board had before it the annual report of the Executive Director for 1974 (ID/B/150 and Corr.1 and 4), in particular the section of chapter VI entitled "Programme delivery machinery" and chapter VII, as well as the report outlining the proposals of the secretariat in the UNIDO regular programme of technical assistance for 1976 (ID/B/149/Rev.1).

150. A number of points on administrative, financial and organizational matters during the Board's deliberations on agenda item 5 are reflected in the present chapter.

151. In introducing this item (see ID/B/SR.176, paras. 17-21), the secretariat recalled General Assembly resolution 3350 (XXIX) of 18 December 1974 concerning the inclusion of Vienna in the United Nations pattern of conferences and stated that negotiations on this subject were scheduled to take place with the International Atomic Energy Agency (IAEA) and the Austrian Government. The secretariat also mentioned that the joint UNIDO/IAEA Working Group on Common Services at the Future Permanent Headquarters was now preparing its final report.

152. The secretariat informed the Board that work on administrative and financial aspects of the interim arrangements for the provision of greater autonomy for UNIDO, called for in paragraph 71 of the Lima Plan of Action, had already been started. With regard to the financial situation of UNIDO, the secretariat stated that serious difficulties had been caused by the depreciation of the United States dollar against the Austrian schilling and by the increased costs of goods and services owing to inflation. Economies were, however, possible in certain sectors, and provided these were effected carefully and consistently, there would be a reasonable expectation of reducing the otherwise sizable deficit in the regular budget to an amount limited to the results of exchange-rate fluctuations.

153. The 1975 situation in respect of the UNDP overhead account had been improved owing to several unforeseen favourable decisions of the UNDP Governing Council in January 1975 which had retroactive effect. The UNIDO accounts for 1974 had been reopened at United Nations Headquarters in March 1975 for purposes of readjustment. Consequently, instead of a deficit of \$671,000 at the end of 1974, there was a credit balance of \$120,000. Although the causative factors of that reversal were non-recurrent, there was some hope of ending 1975 with the overhead account in balance provided that the increasing impetus of technical assistance implementation was maintained and that the overhead manning table continued to be restricted to its current level. Upon the request of one delegation, the Board decided that the introductory statement by the secretariat on agenda item 9 should be circulated as an official document of the Board; the statement was subsequently issued in document ID/B/L.188.

154. On the subject of the composition of the secretariat, several delegations drew attention to the principle of geographical distribution which should also, to the largest extent possible, be applied to recruitment of experts. Those delegations underlined that that principle should also be followed for the

implementation of the decisions taken at the Second General Conference so as to ensure that a broad spectrum of experience be made available to the developing countries.

155. Particular attention was drawn by several delegations to the persisting under-representation of the developing countries in the UNIDO secretariat despite the increasing number of those countries in the United Nations, and one delegation pointed out that paragraphs 46 and 70 of the Lima Declaration and Plan of Action called for an immediate change in that situation. The same delegation, noting that the staffing representation of the two super-Powers in the secretariat exceeded that of the developing countries, called for a prompt change in that situation.

156. One delegation stated that the requests of delegations from developing countries and from countries with centrally planned economies for increased representation should not lead to discrimination against other countries. The same delegation stated that trends in secretariat and expert personnel recruitment in 1974 had not been satisfactory in the view of its delegation; the number of nationals of its country in one substantive division, in particular, had declined, and there had been an absolute and relative decrease in the number of its country's nationals appointed in 1974 as field experts. In the opinion of that delegation, due regard should be given to the criteria of qualification laid down in Article 101 of the Charter of the United Nations and all Governments and citizens should be enabled to contribute fully to the aims of UNIDO. Another delegation pointed out that despite the large contribution made by its Government to the United Nations budget, it had no representation in UNIDO at the senior level and not even a staff member at the P-5 level. The delegation said that that situation should be remedied as soon as possible.

157. One delegation said it would welcome information on the relation between resources allocated and staff and on the staffing situation in general. A number of delegations commented on the low representation of the socialist countries on the UNIDO staff.

158. A number of delegations pointed out that the proportional increase of staff in the Professional category and in the General Service category should improve in favour of the former. The increase in General Service staff was disproportionate compared to that of Professional staff.

159. Some delegations said that UNIDO could not be expected to reduce further the present staff as new assignments had been imposed on the organization by the Second General Conference.

160. Most delegations commended the Executive Director for his declared intention to redeploy staff, as well as resources, in order to alleviate the financial situation and improve the efficiency of UNIDO activities.

161. Some delegations felt that the present structure of UNIDO was not adequate to implement the decisions taken at the Second General Conference and that there was need to abolish those programme components within the secretariat whose activities had become obsolete; UNIDO should concentrate on the most important programme components which were those directly involved in the implementation of technical assistance. One delegation, speaking on behalf of most of the countries of its group, proposed a number of specific measures to improve the organizational

activity of UNIDO, the machinery of the secretariat, and also the staffing situation and to improve the efficiency of the organization's activity as a whole (see ID/B/L.186).

162. Several delegations voiced their satisfaction with the improvement of the financial situation of UNIDO as reported by the secretariat in the introduction of the item. Those delegations stated that they recognized, however, that the factors which had led to the change of the deficit on the overhead account into a small surplus at the end of 1974 were factors that were non-recurrent and that particular efforts to economize should continue to be made by the secretariat (see ID/B/SR.177, paras. 20, 21 and 42).

163. With regard to the proposed utilization of the regular programme of technical assistance for 1976, a number of delegations expressed the view that regional and interregional advisers should not be financed from the limited budget of the regular programme, but rather directly by United Nations Headquarters in New York. One delegation said that the Executive Director should carefully examine the use made of interregional advisers attached to UNIDO headquarters to ensure that they worked directly on technical assistance and were not involved in other activities such as seminars and group meetings. Some delegations said they would prefer that a larger allocation from the regular programme be given for training activities.

164. A number of delegations expressed the wish that the document on the regular programme should be presented for a period of two years to correspond to the biennial programme budget. One delegation requested that a tabular comparison be made indicating the main types of activity in the proposed 1976 regular programme against those carried out during the two previous years and that the geographical distribution of funds be altered so that more resources from the regular programme were allotted to the developing countries in the African and Asian regions.

165. One delegation suggested that more use be made of the developing countries' potential to bid for purchasing and contracting services. That should be preceded by a technical review of that potential.

166. One delegation asked whether a contribution to the UNIDO General Trust Fund could be used for projects in the donor country and referred in particular to paragraph 42 of chapter VII of the annual report of the Executive Director for 1974 (ID/B/150 and Corr.1 and 4).

167. The secretariat informed the Board that the review of the structure of the secretariat undertaken by the Executive Director would probably result in concrete ideas by mid-1975.

168. Commenting on the geographical distribution of the Professional staff, the secretariat stated that UNIDO was still subject to norms established by United Nations Headquarters and could not establish separate norms unless it became a specialized agency. Recruitment was therefore, to a large extent, subject to historical factors outside the influence of UNIDO and a number of countries which were under-represented, or not represented at all in the UNIDO secretariat, were over-represented in the United Nations Secretariat as a whole, thus preventing further recruitment from those countries. Efforts were, however, continuing to improve the representation of countries within the framework of the long-term

recruitment programme conducted by the Secretary-General. The secretariat also reported some improvement in the recruitment of women over the last two to three years. Concerning the recruitment of experts, a growing proportion of candidates from developing countries had been registered in 1974 as well as in the first months of 1975. That trend, however, would not be allowed to militate against candidates from industrialized countries. Continuous efforts were being made to increase the proportion of candidates from developing countries.

169. With regard to the ratio between Professional and General Service staff in UNIDO, the secretariat stated that the actual ratio was 1:1.7 (341 Professionals to 566 General Service staff) and not 1:10.9 as mentioned by one delegation. This ratio existed solely for staff on posts financed from the UNDP overhead account. The ratio of 1:3, mentioned by another delegation, included 121 Manual Workers in addition to the General Service staff. As regards the composition of the General Service staff, only 50 per cent worked as stenographers for Professional staff; the other 50 per cent performed clerical work, much of it in the Division of Administration. The secretariat agreed that a concentration of resources was both desirable and possible and referred to the review of General Service and Manual Workers posts and functions being undertaken to achieve a higher per capita productivity.

170. In reply to a question by one delegation, the secretariat stated that there was no objection to the use of a Government contribution to the UNIDO General Trust Fund for projects in its own country. This possibility, however, had only a few precedents and occurred infrequently.

171. In reply to queries about the UNIDO regular programme, the secretariat pointed out that the proposals submitted to the Board for 1976 were prepared with due consideration to the guiding principles and procedures for the utilization of the regular programme fund, as approved by the Board itself. Some changes that had been introduced in the programming of the regular programme fund had also been approved by the Board during its eighth session in May 1974. 1/ The secretariat was prepared to submit to the Board proposals, covering a two-year period, for the utilization of regular programme funds; however, it was advisable to maintain a certain degree of flexibility in the expenditures of the funds.

172. With regard to the regional and interregional advisers, the secretariat called attention to appreciation expressed by United Nations regional bodies and by the developing countries served by the advisers and stressed the importance of the advisers in strengthening the co-operation between UNIDO and United Nations regional bodies.

173. At the 181st meeting of the Board, on 30 April 1975, the President pointed out that the Executive Director in document ID/B/149/Rev.1, paragraph 18, had requested the Board, with regard to the regular programme of technical assistance, "to approve the programme proposals for 1976 which would be financed by the appropriation of \$2 million to be approved for 1976 by the General Assembly within the United Nations budget for 1976-1977". The President stated that if he heard no objections, he would take the request as approved.

174. It was so decided.

175. One delegation voiced its continuing objection to the use of assessed contributions for technical assistance and accordingly entered a reservation on the proposed 1976 budget for the regular programme.

1/ For the report of the Board on its eighth session, see Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 16 (A/9616).

CHAPTER VII. MATTERS CONCERNING INTERGOVERNMENTAL AND
NON-GOVERNMENTAL ORGANIZATIONS

176. In its deliberations on agenda item 10 (see ID/B/SR.176), the Board had before it the report on consideration of applications of intergovernmental and international non-governmental organizations (ID/B/152).

177. At its 176th meeting, on 28 April 1975, the Board examined the application for association with the activities of UNIDO of the Organization of Arab Petroleum Exporting Countries.

178. The Board agreed to grant to the Organization of Arab Petroleum Exporting Countries that status in virtue of rule 75 of the rules of procedure.

Consideration of applications of non-governmental organizations

179. An Ad Hoc Committee, composed of the members of the Bureau of the Board and the Executive Director, met on 25 April 1975 and examined the applications for consultative status with UNIDO contained in the report (ID/B/152). The Ad Hoc Committee recommended that the Board, in accordance with the procedure for granting consultative status to international non-governmental organizations concerned with the promotion of industrial development, 2/ should grant consultative status to the following non-governmental organizations:

European Oceanic Association (EUROCEAN)
International Measurement Confederation (IMEKO)
International Union of Leather Technologists and Chemists Societies (IULTCS)
World Packaging Organization (WPO)

180. The Board, at its 176th meeting, on 28 April 1975, approved the recommendations of the Ad Hoc Committee.

2/ Official Records of the General Assembly, Twenty-third Session, Supplement No. 15, (A/7215), annex IV.

CHAPTER VIII. INTEGRATION OF WOMEN IN DEVELOPMENT

181. At the 171st plenary meeting, on 24 April 1975, the delegation of Finland presented a draft resolution (ID/B/L.185) on integration of women in development, co-sponsored by Austria, Germany (Federal Republic of), Norway, Sweden and the United Kingdom of Great Britain and Northern Ireland (see ID/B/SR.171).

182. In introducing the draft resolution, the sponsoring delegation recalled that the General Assembly, in its resolution 3010 (XXVII) of 18 December 1972, had proclaimed the year 1975 International Women's Year; moreover, the Lima Declaration and Plan of Action, particularly paragraphs 30, 53 and 58 (k), made reference, inter alia, to the incorporation and integration of women in social and economic activities in the context of fullest possible use of available human resources. In the opinion of that delegation, emphasis should not be put on the use that could be made of women as part of available human resources, but on the need to integrate women in the process of industrialization and on the right of women to participate in economic development and to reap the full share of the reward. It was for those reasons that the Finnish delegation and the co-sponsors had submitted the draft resolution for consideration by the Board.

183. At the 174th plenary meeting, on 25 April 1975, the delegation of Finland introduced a revision of the draft resolution (ID/B/L.185/Rev.1), co-sponsored by Argentina, Austria, France, Germany (Federal Republic of), Italy, Jamaica, Kuwait, Mexico, Netherlands, Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland, the United Republic of Tanzania, and the United States of America (see ID/B/SR.174).

184. The Board, at its 174th meeting, on 25 April 1975, adopted the resolution by acclamation (see annex I, resolution 44 (IX)).

CHAPTER IX. PROVISIONAL AGENDA FOR THE TENTH SESSION OF THE
INDUSTRIAL DEVELOPMENT BOARD AND FOR THE SIXTH
AND SEVENTH SESSIONS OF THE PERMANENT COMMITTEE

185. In its deliberations on agenda item 11 (see ID/B/SR.182, paras. 11-17), the Board had before it the draft provisional agenda, as prepared by the secretariat (ID/B/L.189), for the tenth session of the Industrial Development Board and for the sixth and seventh sessions of the Permanent Committee.

186. At its 182nd meeting, on 2 May 1975, the Board adopted the provisional agenda, with the modifications suggested by the informal contact group, for the tenth session of the Industrial Development Board and for the sixth and seventh sessions of the Permanent Committee, as follows:

Provisional agenda for the tenth session of the Industrial Development Board

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General debate.
5. Reports of the Permanent Committee on its sixth and seventh sessions.
6. Follow-up of the decisions and recommendations of the Second General Conference of UNIDO including review and appraisal of progress achieved in the implementation of the Lima Declaration and Plan of Action.
7. Follow-up of the decisions and recommendations of the seventh special session of the General Assembly relevant to industrial development.
8. Organizational and financial matters.
9. Matters concerning intergovernmental and non-governmental organizations.
10. Provisional agenda for the eleventh session of the Industrial Development Board and the eighth and ninth sessions of the Permanent Committee.
11. Dates and places of the eleventh session of the Industrial Development Board and of the eighth and ninth sessions of the Permanent Committee.
12. Adoption of the report of the tenth session.

Provisional agenda for the sixth session of the Permanent Committee

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Follow-up of the decisions and recommendations of the Second General Conference of UNIDO:
 - (a) Resolutions and recommendation transmitted by the ninth session of the Industrial Development Board:
 - (i) Draft resolution on permanent sovereignty over natural resources and industrialization of the developing countries;
 - (ii) Draft resolution on international co-operation in the transfer of technology;
 - (iii) Draft resolution concerning the establishment of an insurance system for guaranteeing contracts concluded by the developing countries with enterprises from the developed countries;
 - (iv) Proposal by the Senegalese delegation concerning the establishment of a joint technical advisory group for UNIDO, to give advice and make recommendations to the Board on operational projects and programmes;
 - (b) Progress achieved in the implementation of the objectives and measures of the Lima Declaration and Plan of Action.
5. Follow-up of decisions and recommendations of the seventh special session of the General Assembly relevant to industrial development.
6. Co-ordination of activities within the United Nations system in the field of industrial development.
7. Consideration of the terms of reference and rules for the functioning and administration of the Industrial Development Fund.
8. Progress report on the discussions between the Secretary-General and the Executive Director concerning actions related to UNIDO publications programme.
9. Progress report on the discussions between the Executive Director and the Administrator of UNDP concerning the procedures for project selection, allocation and approval.
10. Progress report on the assistance to the Sudano-Sahelian zone.
11. Adoption of the report of the sixth session.

Provisional agenda for the seventh session of the Permanent Committee

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Review and appraisal of progress achieved in the implementation of the Lima Declaration and Plan of Action.
5. Activities of UNIDO:
 - (a) Summary of activities in 1975: report of the Executive Director;
 - (b) Bringing up to date of the programme budget, 1976-1977.
6. Evaluation of selected activities of the organization.
7. Adoption of the report of the seventh session.

187. One delegation stated that it had no difficulty in accepting the draft provisional agenda for the sixth session of the Permanent Committee but, in connexion with agenda item 4 (b) of the provisional agenda, reiterated the view that the Permanent Committee should be informed by the secretariat on action taken in the implementation of operative paragraphs 3 (a) and 4 of Industrial Development Board resolution 45 (IX). In the opinion of the same delegation, the Permanent Committee, at its sixth session, should also receive an analytical report by the secretariat on the comparative advantages and disadvantages of establishing an industrial and technological information bank, together with a more explicit explanation of the steps envisaged by the secretariat with regard to the organization, under the aegis of UNIDO, of consultations at the global, regional and sectoral levels.

CHAPTER X. DATES AND PLACES OF THE TENTH SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD AND OF THE SIXTH AND SEVENTH SESSIONS OF THE PERMANENT COMMITTEE

188. The Board considered, at its 182nd and 183rd meetings, on 2 May 1975, the question of the dates and places of its tenth session and of the sixth and seventh sessions of the Permanent Committee.

189. It was decided to hold the tenth session of the Board at Vienna from 20 to 30 April 1976. It was further decided to hold the sixth session of the Permanent Committee at Vienna from 1 to 10 December 1975 and the seventh session of the Permanent Committee also at Vienna from 30 March to 14 April 1976. In view of the fact that the International Atomic Energy Agency had scheduled a session of its Administrative and Budgetary Committee from 6 to 8 April 1976, the Executive Director was requested to consult with IAEA about the possibility of deferring that session until a later date.

CHAPTER XI. INCLUSION OF GRENADA IN LIST C AND GUINEA-BISSAU IN LIST A OF STATES ANNEXED TO GENERAL ASSEMBLY RESOLUTION 2152 (XXI)

190. At its twenty-ninth session, the General Assembly, in resolution 3305 (XXIX) of 14 December 1974 on the revision of the lists of States eligible for membership in the Industrial Development Board, decided to include Grenada in list C and Guinea-Bissau in list A of the annex to its resolution 2152 (XXI) of 17 November 1966.

191. The Board, at its 182nd meeting, on 2 May 1975, took note of the decision of the General Assembly referred to in the preceding paragraph, in conformity with the last sentence of section II, paragraph 4, of General Assembly resolution 2152 (XXI) establishing UNIDO.

CHAPTER XII. CONSIDERATION OF THE REPORT OF THE NINTH SESSION

192. During the consideration of the report, one delegation expressed reservations with regard to the advisability of establishing a new post for a deputy executive director at the present time and recalled that, during the present session, the need to keep down the number of director posts in the secretariat had been stressed several times.

193. Several delegations spoke of the need to reform the present system of reporting the deliberations of the Board. One delegation suggested that future reports be limited to a short, analytical review of the work accomplished during a given session, together with the decisions taken, with cross-references, as appropriate, to the summary records. Another delegation requested the competent authorities within the secretariat to undertake a study with a view to improving the reporting methods of the Board which were at present, in the view of that delegation, inefficient.

194. At its 183rd meeting, on 2 May 1975, the Board unanimously adopted the report on the work of its ninth session.

195. At the 181st meeting, on 30 April 1975, the Board heard a proposal by the President, who suggested that, in view of the fact that the Board at its ninth session was dealing with questions related to the Second General Conference of UNIDO, the Board should recommend that the report on the work of its ninth session be transmitted not only to the Economic and Social Council at its fifty-ninth session and to the General Assembly at its thirtieth session but also to the General Assembly at its seventh special session.

196. It was so decided.

CHAPTER XIII. CLOSURE OF THE NINTH SESSION OF THE BOARD

197. After statements by the President of the ninth session and representatives of various geographical groups, the Board concluded its ninth session at 8.50 p.m. on 2 May 1975.

ANNEX I

Resolutions adopted by the Industrial Development Board
at its ninth session

CONTENTS

- 44 (IX). Integration of women in development
- 45 (IX). Follow-up of the decisions and recommendations of the Second General Conference of the United Nations Industrial Development Organization

44 (IX). Integration of women in development

The Industrial Development Board,

Bearing in mind General Assembly resolution 2626 (XXV) of 24 October 1970 setting forth the International Development Strategy for the Second United Nations Development Decade, which included among its objectives the full integration of women in the total development effort,

Recalling that, in resolutions 3010 (XXVII) of 18 December 1972 and 3275 (XXIX) of 10 December 1974, the General Assembly proclaimed that International Women's Year 1975 should be devoted to intensified action, inter alia, to ensure the full integration of women in the total development effort,

Recalling also General Assembly resolution 3352 (XXIX) of 18 December 1974 on the employment of women by the secretariats of organizations within the United Nations system,

Recalling further the provisions of the Lima Declaration and Plan of Action on Industrial Development and Co-operation a/ concerning the full integration of women in social and economic activities and, in particular, in the industrialization process, on the basis of equal rights,

Noting the request of the Governing Council of the United Nations Development Programme at its nineteenth session b/ that the integration of women in development should be a continuing consideration in the formulation, design and implementation of the projects and programmes of the United Nations Development Programme,

Bearing in mind Conventions 100 (1951) c/ and 111 (1958) d/ of the International Labour Organisation on equal remuneration and on discrimination in employment and occupation,

Further bearing in mind the determination of several organs of the United Nations system to strive for the appropriate use of human potential and the improvement of the quality of life for all and to increase the participation of women in the economic, social and cultural life of their countries, particularly by ensuring equality of opportunity for women in education, training and employment,

a/ See A/10112, annex, chap. IV.

b/ See Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 2 (E/5646), para. 151.

c/ United Nations, Treaty Series, vol. 165, p. 303.

d/ Ibid., vol. 196, p. 183.

1. Invites the Executive Director of the United Nations Industrial Development Organization to seize every opportunity to join in the efforts referred to in the preambular paragraphs in respect of the organization's particular field of competence;

2. Requests the Executive Director of the United Nations Industrial Development Organization, in co-operation with the International Labour Organisation and the other relevant organizations of the United Nations system, to keep under review the programmes and priorities of the organization with a view to giving necessary attention to the integration of women into the process of industrialization and particularly with respect to:

(a) The importance of securing for women, regardless of their marital status, the same opportunities as are available to men for gainful employment, and the importance of the economic independence derived from such employment for the promotion of the status of women in society;

(b) The importance of ensuring the fullest possible use of available human resources by incorporating women into training activities linked to industrial development at all levels and for all professional specializations from management to shop floor;

(c) Equal remuneration with men and equality of treatment, in respect of work of equal value, for women in industry;

(d) The promotion in rural areas of the processing of agricultural products and manufacturing industries, particularly small-scale industries, which will provide regular employment for women in such areas;

3. Recommends that an equitable balance between men and women within the staff of the United Nations Industrial Development Organization, particularly in senior and policy-making positions, should be achieved by the end of the Second United Nations Development Decade, bearing in mind Article 101, paragraph 3 of the Charter of the United Nations;

4. Further requests the Executive Director of the United Nations Industrial Development Organization to report annually to the Industrial Development Board on the progress achieved in the implementation of the present resolution.

174th plenary meeting
25 April 1975

45 (IX). Follow-up of the decisions and recommendations of the Second General Conference of the United Nations Industrial Development Organization

The Industrial Development Board,

Recalling the Lima Declaration and Plan of Action on Industrial Development and Co-operation e/ which constitute a positive contribution to the establishment of a new international economic order,

e/ See A/10112, annex, chap. IV.

Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, adopted at its sixth special session, on the Declaration and Programme of Action on the Establishment of a New International Economic Order,

Recalling Economic and Social Council resolution 1911 (LVII) of 2 August 1974,

Recalling General Assembly resolution 3087 (XXVIII) of 6 December 1973, in which the Second General Conference of the United Nations Industrial Development Organization was entrusted with the task of establishing the principles of industrialization and of defining the means by which the international community as a whole might take action in the field of industrial development within the framework of new forms of international co-operation,

Recalling General Assembly resolution 3172 (XXVIII) of 17 December 1973, which decided to hold a special session devoted to development and international economic co-operation,

Recalling General Assembly resolution 3172 (XXVIII) of 17 December 1973, which decided to hold a special session devoted to development and international economic co-operation,

Recalling the Charter of Economic Rights and Duties of States f/ adopted by the General Assembly at its twenty-ninth session,

Underlining the need to elaborate continuously the principles of industrialization in order to achieve accelerated and full industrial development within the framework of a new international economic order while fully respecting the sovereignty of States,

Aware of the need to ensure that the recommendations and decisions of the Second General Conference of the United Nations Industrial Development Organization g/ are expeditiously implemented,

1. Requests all Governments to take individually and/or collectively necessary measures and decisions required to implement effectively their undertakings in terms of the Lima Declaration and Plan of Action on Industrial Development and Co-operation;

2. Invites all the organizations, institutions, subsidiary bodies and conferences of the United Nations system to initiate the necessary measures within their respective spheres of competence in order to implement the Lima Declaration and Plan of Action;

3. Requests the Executive Director of the United Nations Industrial Development Organization, with a view to the early implementation of the decisions and the recommendations of the Second General Conference of the United Nations Industrial Development Organization:

(a) To take immediately all measures to adapt the work programme of the United Nations Industrial Development Organization to the priorities established by the Second General Conference and to make appropriate internal structural changes in order to take fully into account the tasks assigned to the organization;

f/ General Assembly resolution 3281 (XXIX) of 12 December 1974.

g/ See A/10112.

(b) To submit a report to the General Assembly at its seventh special session, through the Economic and Social Council, on measures taken or contemplated at the ninth session of the Industrial Development Board with a view to implementing the Lima Declaration and Plan of Action;

(c) To request periodically, from Governments and international organizations concerned, information on the action taken and the progress achieved towards implementing the Lima Declaration and Plan of Action and to submit to the Industrial Development Board and the Permanent Committee reports containing the communications received together with his own comments and suggestions for fuller and speedier implementation of the Lima Declaration and Plan of Action;

4. Recommends that the medium-term plan h/ and programme budget i/ for the United Nations Industrial Development Organization be suitably modified to reflect fully the priorities established and the additional tasks assigned to the United Nations Industrial Development Organization by the Second General Conference and to ensure the provision of adequate resources to the organization to enable it to implement the relevant provisions of the Lima Declaration and Plan of Action;

5. Notes the steps taken by the Secretary-General of the United Nations and the Executive Director of the United Nations Industrial Development Organization to draft the statutes of a specialized agency for industrial development and requests that the Secretary-General and the Executive Director should ascertain the views of Governments of all States Members of the United Nations or members of specialized agencies or of the International Atomic Energy Agency on the proposed draft statutes, which may then be submitted to the General Assembly at its seventh special session together with the views expressed at the fifty-ninth session of the Economic and Social Council;

6. Decides that it will be responsible for the review and appraisal of progress achieved in the implementation of the Lima Declaration and Plan of Action and for giving appropriate directives to the secretariat while fulfilling this function;

7. Decides also that the Permanent Committee, at its sixth session, will consider the terms of reference and rules for the functioning and administration of the Industrial Development Fund;

8. Further decides that the Permanent Committee, at its sixth session, will make a preliminary assessment of the progress achieved in the implementation of the objectives and measures of the Lima Declaration and Plan of Action and will report thereon to the Industrial Development Board at its tenth session.

181st plenary meeting
30 April 1975

h/ ID/B/153.

i/ ID/B/154.

ANNEX II

List of pre-session documentation submitted to the Industrial
Development Board for consideration at its ninth session

ID/B/146	Provisional agenda for the ninth session
ID/B/147	Report of the Permanent Committee on the work of its fifth session
ID/B/148 and Corr.1	Annotated provisional agenda
ID/B/149/Rev.1	UNIDO regular programme of technical assistance for 1976
ID/B/150 and Corr.1 and Corr.4	Annual report of the Executive Director, 1974
ID/B/151	Report of the Intergovernmental Preparatory Committee on the work of its fifth session
ID/B/152	Consideration of applications of intergovernmental and international non-governmental organizations
ID/B/153	Medium-term plan for 1976-1979
ID/B/154	Programme budget for 1976-1977
ID/B/155 and Add.1	Follow-up of the decisions and recommendations of the Second General Conference of the United Nations Industrial Development Organization

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