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**UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION**

**REPORT OF THE
INDUSTRIAL DEVELOPMENT BOARD**

on the work of its first session

10 April—5 May 1967

GENERAL ASSEMBLY
OFFICIAL RECORDS : TWENTY-SECOND SESSION
SUPPLEMENT No. 15 (A/6715/Rev.1)

UNITED NATIONS

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UNITED NATIONS
New York, 1967

NOTE

SYMBOLS

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. The documents of the Industrial Development Board of the United Nations Industrial Development Organization and its subsidiary bodies are identified as follows:

Industrial Development Board	ID/B/
Sessional committees of the Board	ID/B/C.1/
Information series of the Board	ID/B/INF.

SUMMARY RECORDS

The summary records of the meetings of the first session of the Industrial Development Board (10 April

to 5 May 1967) appear in documents ID/B/SR.1 to 39. The summary records of the meetings of the Sessional Committee, held between 11 April and 1 May 1967, appear in documents ID/B/C.1/SR.1 to 8.

RESOLUTIONS

Symbols of resolutions of the Industrial Development Board consist of an arabic numeral, indicating the serial number of the resolution, and a roman numeral in parentheses, indicating the number of the session at which the resolution was adopted.

RULES OF PROCEDURE

The rules of procedure adopted by the Board at its first session have been issued as document ID/B/18.

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ABBREVIATIONS

ECA	Economic Commission for Africa
ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECLA	Economic Commission for Latin America
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
ILO	International Labour Organisation
OECD	Organization for Economic Co-operation and Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization

INTRODUCTION

The present report, the first annual report of the Industrial Development Board of the United Nations Industrial Development Organization, is submitted to the General Assembly in accordance with Assembly resolution 2152 (XXI) of 17 November 1966.

The Board adopted the present report at its 39th meeting, on 5 May 1967. The report covers the first session of the Industrial Development Board, which was held at United Nations Headquarters from 10 April to 5 May 1967.

Chapter I

ORGANIZATION OF THE SESSION

1. The Industrial Development Board opened its first session at United Nations Headquarters, New York, on 10 April 1967.

2. Mr. I. H. Abdel-Rahman, Executive Director of the United Nations Industrial Development Organization (UNIDO), acting as President pending the election of the President of the Board, opened the session.

3. A message from the Secretary-General, who was away from Headquarters, was read by the Executive Director.¹ In his message the Secretary-General noted that the first session of the Board marked an important milestone in the development of the United Nations and expressed the conviction that the establishment of UNIDO would give a new dimension to development efforts. The Secretary-General did not regard industrialization as an aim in itself. It was primarily an instrument for spearheading economic growth, which should provide a basis for the development of the human potential in the developing countries that had remained largely dormant. By extending to all peoples the prodigious possibilities opened up by the industrial revolution, it would contribute in a powerful manner to improving conditions of political and economic equilibrium throughout the world.

MEMBERSHIP AND ATTENDANCE

4. The following members of the Board were represented at the session: Argentina, Austria, Belgium, Brazil, Bulgaria, Cameroon, Canada, Chile, Colombia, Cuba, Czechoslovakia, Federal Republic of Germany, Finland, France, Ghana, Guinea, India, Indonesia, Iran, Italy, Ivory Coast, Japan, Jordan, Kuwait, Netherlands, Nigeria, Pakistan, Peru, Philippines, Romania, Rwanda, Somalia, Spain, Sudan, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, and Zambia.

5. The following States Members of the United Nations sent observers to the first session of the Board: Algeria, Australia, Bolivia, Botswana, Burma, Byelorussian

Soviet Socialist Republic, Cambodia, Ceylon, Chad, China, Congo (Brazzaville), Congo (Democratic Republic of), Cyprus, Denmark, Dominican Republic, Ecuador, El Salvador, Gabon, Greece, Hungary, Iceland, Iraq, Israel, Jamaica, Laos, Lebanon, Liberia, Libya, Malaysia, Malta, Mauritania, Mexico, Mongolia, Morocco, Nepal, New Zealand, Niger, Norway, Panama, Poland, Portugal, Senegal, South Africa, Syria, Togo, Tunisia, Ukrainian Soviet Socialist Republic, United Republic of Tanzania, Upper Volta and Yugoslavia.

6. The Department of Economic and Social Affairs of the United Nations Secretariat, the Economic Commission for Africa (ECA), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and the World Food Programme (WFP) were represented at the session.

7. The following specialized agencies were represented at the session: the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the International Bank for Reconstruction and Development (IBRD), the International Monetary Fund (IMF) and the Inter-Governmental Maritime Consultative Organization (IMCO). The International Atomic Energy Agency (IAEA) and the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) also sent representatives.

8. The International Chamber of Commerce, the World Federation of Trade Unions and the United International Bureaux for the Protection of Intellectual Property were also represented at the session.

ELECTION OF OFFICERS

9. At its 1st meeting, on 10 April 1967, the Board elected by acclamation the following officers for its first session:

President: Mr. Moraiwid M. Tell (Jordan);

Vice-Presidents: Dr. Dan Dumitrescu (Romania); Dr. J. H. Lubbers (Netherlands); Mr. Eduardo Bradley (Argentina);

Rapporteur: Mr. Mbaye Cheik Omar (Guinea).

¹ For the full text of the Secretary-General's message, see annex V.

CREDENTIALS

10. At its 6th meeting, on 13 April, the Board, at the President's suggestion, authorized its officers to examine the credentials of delegations of Member States attending its first session. Acting under that authorization, the officers of the Board examined the credentials and, having found them in good and due form, reported accordingly to the Board, which approved their report.

AGENDA

11. A number of delegations voiced criticism because of the belated distribution of certain documents in their working languages. The Board, therefore, decided at its 1st meeting that in order to allow interested delegations adequate time for study of the questions at issue, item 5 of the provisional agenda would be subdivided as follows: "Co-ordination of activities of the United Nations system of organizations in the field of industrial development" and "Review of activities of the United Nations system of organizations in the field of industrial development". Item 7 of the provisional agenda, dealing with the programme of special industrial services, was deleted, it being decided that its subject-matter would be discussed under items 5 and 6. The Board also decided to add two new items to the agenda, one entitled "Organizational matters, including the structure and functions of the secretariat", and the other "Financial questions".

12. In accordance with recommendations made by the group of twenty-five countries elected from lists A and C, and subject to the amendments indicated above, the Board at its 2nd meeting, on 10 April, adopted the following agenda (ID/B/1/Rev.1):

1. Opening of the session.
2. Election of officers.

3. Adoption of the agenda.
4. Rules of procedure.
5. Co-ordination of activities of the United Nations system of organizations in the field of industrial development.
6. Future programme of work and activities of the United Nations Industrial Development Organization.
7. International Symposium on Industrial Development.
8. Report on the establishment of the headquarters of the United Nations Industrial Development Organization.
9. Organizational matters, including the structure and functions of the secretariat.
10. Financial questions.
11. Review of activities of the United Nations system of organizations in the field of industrial development.
12. Other business.
13. Adoption of the report of the Board to the twenty-second session of the General Assembly.

ORGANIZATION OF WORK

13. At its 2nd meeting the Board set up a Sessional Committee to study items 4, 5 and 6. Before referring item 6 to the Sessional Committee, however, the Board decided that that item would be taken up in plenary session and discussed in the general debate. The Committee unanimously elected Mr. Jan Mužík (Czechoslovakia) as Chairman and Dr. Mohamed Warsama (Somalia) as Vice-Chairman and Rapporteur. The results of the Committee's proceedings regarding the three items are reflected in chapters II, V and VII below.

Chapter II

RULES OF PROCEDURE

14. After holding five meetings, the Sessional Committee completed its review of the rules of procedure and submitted its report (ID/B/16).²

15. The Board considered this report at its 24th and 25th meetings, on 29 April 1967.

16. The Vice-Chairman and Rapporteur of the Sessional Committee introduced the report.

17. In considering rule 45 of the rules of procedure the Board agreed that it would be desirable to avoid general debates and that it should decide at the beginning of each session whether or not to have a general debate.

18. The Board, when considering rules 75 and 76, requested the secretariat to furnish a list of the inter-governmental and non-governmental organizations which had requested to participate in the activities of the Board under these rules. A representative requested that the secretariat furnish the list of intergovernmental and non-governmental organizations which participate in the work of the Trade and Development Board of UNCTAD. These lists were required as background

information in order to enable the Board to take action in this respect.

19. The Board, after having adopted all other rules of procedure as recommended by the Sessional Committee, considered rules 18 and 19 of the draft rules of procedure (ID/B/2), which had not been approved by the Sessional Committee.

20. After a procedural debate, the Board adopted rule 18 by a roll-call vote of 41 to none. The voting was as follows:

In favour: Argentina, Austria, Belgium, Brazil, Bulgaria, Cameroon, Canada, Chile, Colombia, Cuba, Czechoslovakia, Federal Republic of Germany, Finland, France, Guinea, India, Indonesia, Iran, Italy, Ivory Coast, Japan, Jordan, Kuwait, Netherlands, Nigeria, Pakistan, Peru, Romania, Rwanda, Somalia, Spain, Sudan, Sweden, Switzerland, Trinidad and Tobago, Turkey, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Against: None.

21. The Board then voted on the question whether the alternative text of rule 19 of the rules of procedure contained in the report of the Sessional Committee was

² See annex IV.

an amendment. The result of the vote was as follows: 21 in favour, 16 against and 1 abstention.

22. The Board then voted on the alternative text of rule 19. Alternative rule 19 was adopted by the Board by a roll-call vote of 22 to 17, with 1 abstention. The voting was as follows:

In favour: Brazil, Bulgaria, Cameroon, Chile, Colombia, Cuba, Czechoslovakia, Guinea, India, Indonesia, Iran, Kuwait, Nigeria, Pakistan, Peru, Romania, Rwanda, Somalia, Sudan, Trinidad and Tobago, Union of Soviet Socialist Republics, United Arab Republic.

Against: Argentina, Austria, Belgium, Canada, Federal Republic of Germany, Finland, France, Italy, Ivory Coast, Japan, Netherlands, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay.

Abstention: Turkey.

23. The Board adopted the rules of procedure, as amended, and the Sessional Committee's report with the following reservations: the representatives of Bulgaria, Cuba, Czechoslovakia, Romania and the Union of Soviet Socialist Republics reiterated their reservations based on the principle of universality with regard to rules 73 and 74; the representative of the United Kingdom expressed reservations as to the parity between groups established by rule 19 as adopted; the representative of Japan stated that he could not concur in the manner in which rule 19 had been adopted.

24. The representatives of Argentina, the Ivory Coast and Uruguay stated that they were not among the sponsors of the alternative text of rule 19 of the rules of procedure that had been adopted by the Board.

25. The rules of procedure as adopted by the Board are printed separately (ID/B/18).

Chapter III

ESTABLISHMENT OF THE HEADQUARTERS OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

26. The Industrial Development Board considered this question at its 3rd and 4th meetings, on 11 April 1967.

27. The Board had before it a progress report by the Executive Director of UNIDO concerning the establishment of the headquarters (ID/B/6), the draft agreement between the United Nations and the Republic of Austria (ID/B/6/Add.1), and a report on negotiations for an exchange of notes relating to the draft agreement (ID/B/6/Add.2 and Add.3).

28. The Under-Secretary of State for Foreign Affairs of Austria, Mr. Carl Bobleter, in his address to the Board,⁸ said that it was an honour for the Austrian Government that the General Assembly, in its resolution 2212 (XXI), had chosen Vienna as the headquarters for UNIDO. He felt that his country, as a neutral State in the heart of Europe, provided all the prerequisites of an international meeting place. He was happy to announce to the Board that, subject to their approval of the arrangements, UNIDO could be installed in temporary headquarters at Vienna during the summer of 1967.

29. Regarding the permanent headquarters for UNIDO, Mr. Bobleter stated that preliminary calculations indicated that the construction costs of the United Nations Centre in Danube Park, consisting of the headquarters buildings for UNIDO and IAEA would be roughly \$US 25 million. The cost involved was to be borne entirely by the Austrian Government. The buildings, which would remain the property of the Republic of Austria, would be leased to the United Nations for ninety-nine years for a nominal rent of one Austrian schilling per year. In addition to the headquarters buildings of UNIDO and IAEA, it was the intention of the Austrian Government to erect at the same location an international conference centre which would be at the disposal of these two organizations and spacious enough for large-scale international conferences. The UNIDO headquarters buildings would be the first to be con-

structed in the complex and would be made available to the organization as soon as technically feasible.

30. As for the provisional headquarters, Mr. Bobleter reiterated that the Republic of Austria agreed to put at the disposal of UNIDO, at its own expense, the necessary office accommodation and conference facilities. The cost of the necessary adaptation, installation of utilities and modifications which might be required, including the cost of rental, would be borne by the Austrian Government. Mr. Bobleter felt that annex II to document ID/B/6 created the erroneous impression that, for temporary accommodation, UNIDO would have to split up its operation in various buildings scattered throughout the City of Vienna. He wished to correct that impression and informed the Board that, subsequent to the publishing of the document referred to, the Austrian Government had decided to construct close to the Felderhaus, which was to be the main UNIDO office, an office building to the specifications of UNIDO which could be enlarged as the need arose. This office building would be available by autumn 1967. The Austrian Government had also provided additional space in the Imperial Palace for document services. This arrangement was considered particularly suitable in view of the fact that future meetings of the Industrial Development Board would probably be held in the same area of the Imperial Palace, at the International Conference Centre. In these circumstances the space in the Vienna Rathaus, mentioned in document ID/B/6, would only be used to provide space for archives.

31. Mr. Bobleter stated that the Austrian Government was taking steps to provide the necessary housing and schooling facilities for UNIDO staff. Satisfactory negotiations had taken place with officials of the American, British and French schools in Vienna in order to secure the acceptance of the children of UNIDO staff members. Also available in Vienna was a Russian-language school, and the Austrian school, of course, would be open to the children of UNIDO staff.

32. Referring to the draft agreement between the United Nations and the Republic of Austria, Mr. Bob-

⁸ For the full text Mr. Bobleter's address, see annex III.D.

leter informed the Board that the Government of Austria was prepared to accord privileges and immunities exceeding by far those laid down in the Convention on the Privileges and Immunities of the United Nations. He stated that the negotiations for an exchange of notes had been satisfactorily completed and that the Austrian Government would take steps for the ratification of the agreement immediately after the consideration by the Board of the item on the establishment of UNIDO headquarters,

33. The Legal Counsel of the United Nations made a statement to the Board (ID/B/15) on the draft headquarters agreement. He said that negotiations on the exchange of notes had been completed the day before, and that the full text of the notes would shortly be made available to the Board. He pointed out that the draft agreement was complementary to the Convention on the Privileges and Immunities of the United Nations adopted by the General Assembly, to which Austria was a party. It regulated questions not envisaged in the Convention arising as a result of the establishment of the UNIDO headquarters at Vienna. These included such questions as control and protection of the headquarters; radio and other facilities and public services at the headquarters; provisions to ensure the right of transit to the headquarters on the part of representatives of States, officials and experts on mission for UNIDO, and representatives of organizations and information media. The agreement, in short, defined the privileges and immunities of all such persons in Austria, as well as those of UNIDO. The Legal Counsel paid a tribute to the representatives of the Austrian Government with whom the draft agreement had been negotiated for their cordial co-operation and good will.

34. In the discussion that followed, a number of members of the Board expressed their appreciation of the Austrian Government's generous offer to put at the disposal of UNIDO, at the expense of the Austrian Government, the necessary buildings for the permanent headquarters of UNIDO at Vienna, as well as temporary facilities pending the completion of the permanent headquarters. Some of these members also ex-

pressed satisfaction at the successful conclusion of negotiations on the headquarters agreement which had been undertaken by the Secretary-General with representatives of the Government of Austria.

35. A representative welcomed the promptness with which that Government had made the necessary arrangements to speed up the transfer of UNIDO to Vienna. That transfer should be made as quickly as possible, he said, so as to keep down expenses as much as possible. Since the Government of Austria intended to establish a United Nations Centre in Vienna, the Board's sessions should, as a rule, be held at UNIDO headquarters. Sessions might, of course, in certain circumstances be held in other countries, provided that the host Government bore the additional costs involved. In view of the fact that the great majority of organizations with which UNIDO would co-operate were established outside New York, he felt that the UNIDO liaison group at New York should consist of only five or six persons.

36. At its fourth meeting, the Board decided unanimously to include in its report the following paragraph which was proposed by the representative of the Philippines: "The United Nations Industrial Development Board considered the report of the Executive Director of UNIDO on the establishment of UNIDO headquarters contained in document ID/B/6, including its annexes, and endorsed with approval the arrangements therein".

37. The Board authorized its President to address a note of appreciation to the Government of Austria for its offer of facilities enabling UNIDO to establish its headquarters at Vienna (see annex III.C.).

38. In thanking Board members for their kind remarks, the representative of Austria reiterated the determination of his Government to support every effort of UNIDO to bridge the gap between the industrially developed countries of the north and the developing countries of the south.

39. The President concluded the consideration of the item by expressing the sense of the Board that it approved the report of the Executive Director on the establishment of the headquarters of UNIDO.

Chapter IV

GENERAL DEBATE

40. The general debate opened with a statement by the Executive Director of UNIDO,⁴ who said that the first session of the Board marked a new and most encouraging beginning for the United Nations efforts to promote accelerated industrialization, and that it would be laying the groundwork and the basic guidelines for the activities of UNIDO in pursuance of the purposes set out by the General Assembly. The organization was not a goal in itself but an instrument for action, and success in creating the machinery should not obscure the goals or detract from efforts to develop it and use it effectively.

41. The Executive Director also said that UNIDO could enhance its ability to serve as a bridge between the developing countries and the industrially advanced

countries. In the industrial world, there was now considerable concern about the polarization of technology which had accompanied the rapid increase in industrial production during recent years. By promoting the technological advancement of the less developed countries, international co-operation could do much to change that picture. Similarly, because of the extent of their markets and the size of their operations, the large international corporations were in a particularly privileged position to contribute to the over-all expansion of industrial technology and production. The developing countries, for their part, were making every effort to enlarge their markets and explore the advantages of joint regional or subregional industrial undertakings. Increasing attention should be paid to multinational and regional approaches. Larger markets offered such advantages as mobility of labour and capital, the removal

⁴For the full text of the Executive Director's statement, see annex VI.

of artificial obstacles and the establishment of joint research facilities. Those factors could contribute significantly to speeding up industrial development.

42. Statements were made by members of the Board with a view to providing general policy guidelines to the secretariat. It was pointed out that UNIDO should be able to profit from the experience and the successes of other organizations. Although UNIDO resources were limited, this should not prevent it from functioning as effectively as possible.

43. One delegation felt that the three weeks' time-limit for the first session of the Board was rather inadequate and some thought that it would be a mistake to set a strict time-limit if the first session was to produce the fruitful results rightly expected of it.

44. It was mentioned that documents submitted to the Board contained large numbers of statistics, but the information in the documents did not convey easily an over-all picture of the operations of UNIDO. Many delegations expressed the view that the secretariat should prepare documents summarizing the data necessary for the Board's work in order to facilitate proper examination and evaluation. One delegation felt that the Centre for Industrial Development had been subjected to outside pressure in the process of staffing and had suffered the adverse effects of "nepotism and favouritism". Now that UNIDO had been created, such pressure must be stopped, no matter where it came from, if the organization was to achieve its objectives.

45. A broad majority agreed that UNIDO should devote the larger part of its programme to operational activities and should reduce its research to the barest minimum, keeping in mind that such research should be geared to action. At the same time, many delegations stated that research should not be overlooked by UNIDO but should be encouraged as an action-oriented tool for solving the problems and enhancing the objectives of UNIDO in operational activities. In this connexion, the secretariat was asked to prepare a detailed programme of work in the field for 1967 and 1968, at the same time indicating the cost of those activities and the sources from which they are to be financed. Furthermore, the activities should be subdivided into industrial areas.

46. The Board also requested the Executive Director to prepare appropriate documentation on the future organization and structure of the staff and a list of present staff by grades and nationality broken down into temporary and permanent staff. Some delegations, referring to the programme of work for 1967, noted that many of what were described as operational field activities were merely technical assistance projects which did not owe much to the existence of UNIDO. It was also felt that the services enumerated in chapter II of the Executive Director's report on the activities and programme of work of UNIDO (ID/B/4) were too general to have much operational meaning as far as decision-making effects in the field were concerned. The same criticism was made of the proposal to produce manuals on techniques.

47. The Executive Director pointed out that the sources of funds for industrial development services by the Centre were shown in table 1 of document ID/B/3/Add.2. Details of the 1967 industrial projects programmed under the Technical Assistance component of UNDP, broken down by region, country and category, were given in table 1 of document ID/B/4. Table 2 of the same document related to projects under the

regular programme of technical assistance, and projects undertaken by the Special Fund component of UNDP were shown in table 6 of document ID/B/3/Add.2. Those documents gave all the necessary particulars of project costs. Where the programme of special industrial services was concerned, a separate document (ID/B/7) showed contributions made and projects approved as of 1 February 1967. However, the secretariat would produce a single document containing more details in a summary presentation.

48. With respect to the projects proposed for 1968, the Executive Director stated that the programmes under the Technical Assistance component of UNDP had already been approved, and information on them could be supplied to the Board. Projects under the regular programme were under preparation by the countries, and the whole programme would be approved in June. Special Fund projects would be approved at the next sessions of the Governing Council of UNDP, in June 1967 and January 1968. No information was at present available concerning the 1968 projects under the programme of special industrial services, as the number of projects and their cost could not be determined until the requests of the countries were received.

49. The Executive Director said that programme budgeting had already been the subject of research, which would be continued. The Committee for Programme and Co-ordination would be meeting shortly and could, if the Board so desired, be requested to consider the problems which programme budgeting for UNIDO would entail. Whatever was done, the Executive Director wanted the Board to bear in mind the time factor, since the United Nations regular budget estimates were usually prepared in June and approved in December. Account must be taken of those deadlines in preparing the programme of work of UNIDO for 1968, and therefore in the calendar of meetings of the Board.

50. The Executive Director said that, although the programme of special industrial services was dealt with in a separate document, there was nothing unusual about the procedures that were followed. Requests under the Programme were considered by the secretariat and UNDP Resident Representatives and, after being approved, were processed in the same way as other requests for assistance.

51. The Executive Director explained that there was no watertight division between the activities of the technical and documents services and those of the operational services. In fact, all the permanent staff participated in operational activities in a variety of ways.

52. In regard to remarks that had been made about nepotism and favouritism, the Executive Director felt sure that there was no bad intention, but noted that such remarks had been made in the discussion.

53. Some delegations stated that documents ID/B/3 and ID/B/4 submitted by the secretariat were a commendable effort to assist the Board in its task of drawing up a programme for the future activities of UNIDO. Many delegations believed that the Board should not only approve programmes for 1967-1968 but that it should also formulate directives which would have continuing validity.

54. It was stated that the fundamental purpose of the developing countries in calling for the establishment of UNIDO had been to defend their independence, for as long as a country could not use its natural resources

and raw materials for the benefit of its own people, its independence could not be called complete. For that reason it was felt that the most urgent task of UNIDO was that set forth in General Assembly resolution 2152 (XXI), section II, paragraph 2 (a) (viii). Accordingly, it was argued that in formulating its work programme, UNIDO should give preference to activities which would promote the exploitation and efficient use of natural resources, industrial raw materials, by-products and consumer products of developing countries. The opinion was expressed that such industries, because of their greater leverage effects, were the best basis for healthy economic development since they utilized and trained a substantial part of the available manpower.

55. It was stated that the new facilities placed at the disposal of the developing countries by the more advanced countries through this new form of international co-operation meant in essence the transfer of technology from industrialized to less developed areas. The majority of the Board had visualized UNIDO as a fully fledged specialized agency enjoying complete autonomy and assured of enough resources to undertake its responsibilities efficiently, as clearly set down in General Assembly resolution 2152 (XXI) and statements made by developing countries. In this connexion, some delegations expressed concern that those hopes had been dashed as a result of the pressure applied by certain developed countries and by other specialized agencies.

56. Some delegations believed that it was essential that the capacity of other United Nations organs and agencies should continue to be fully utilized in the field of industrial development. They added that co-operation between UNIDO and those organizations was indispensable.

57. Some delegations felt that it would seem more appropriate for UNIDO to concentrate its efforts on settling a few meaningful items capable of being immediately tackled by using existing resources at the disposal of the Board in such a way as to permit their gradual expansion in the future when, hopefully, additional means would be available. They thought that by concentrating at the outset on only a few areas of the broad field of action of UNIDO, the Board would be in a much better position to draw a rigid line, as some representatives had indicated, between the past activities of the Centre for Industrial Development and the new life of the organization. The gradualistic approach rather than the comprehensive one would better serve the aims of resolution 2152 (XXI), the broad mandate of which need not necessarily be tackled from all angles at one time. Many delegations favoured concentrating on a programme of work limited in scope, but specifically and rigidly within the basic purposes of the organization. Thus, in drawing up the programme, emphasis should always be placed upon the promotion of industrial development.

58. Some delegations thought that the task of promoting agricultural development and increasing productivity in the primary sector of the economy of less developed countries was not one of the main objectives of UNIDO. They pointed out that FAO had been established for this purpose many years before UNIDO and had already achieved by 1962-1963 a total budget of approximately \$30 million, a sum which they felt all supporters of UNIDO were looking forward wistfully to attaining for its programme of work.

59. Other delegations believed that in carrying out the activities of UNIDO it should be borne in mind that industrialization was a process of economic development in which a growing part of the national resources is mobilized to develop a technically up-to-date diversified domestic economic structure characterized by a dynamic manufacturing sector having and producing means of production and consumer goods and capable of assuring a high rate of growth for the economy as a whole and of achieving economic and social progress.

60. The report on the activities and programme of work of UNIDO placed, in the view of some delegations, a most unsatisfactory emphasis on consumer industries and on small-scale industries. It was stated that generators and steel structures of all types played a similar role in the process of industrial development when, in fact, this was not the case. This problem was particularly serious since, for many countries with small domestic markets, the development of these two types of industries must be considered on a regional scale. It was suggested that in the future the reports of UNIDO should deal with basic industries such as steel in separate chapters from those dealing specifically with the development of equipment industries in developing countries.

61. Some delegations felt that efforts should be concentrated on providing direct and indirect assistance to dynamic programmes geared towards the solution of basic development problems and to the implementation of suitable planning and programming techniques using statistical data. In this connexion, several delegations stated that there should be a harmonious blending of headquarters activities with activities which could usefully be decentralized, and that a proper balance between operational and research activities should be maintained.

62. Some delegations believed that another important factor for expeditious industrialization was the active participation of the State in the economic life of a country. Hence the state sector should be promoted by UNIDO and state agencies created so that the nation as a whole would benefit through rapid industrialization, while at the same time the various branches of industry should be given equal weight. Lack of funds quite often prompted developing countries to seek additional resources in the form of foreign capital. Experience had shown, however, that foreign capital, both public and private, could speed development only if it was geared to national development plans. But it must not be tied to political conditions detrimental to the economy or the sovereignty and the national dignity of the recipient country. Other delegations maintained that state planning through United Nations bodies as a means of promoting economic development left much to be desired. They advocated that "indicative" or "recommendatory" planning rather than directive planning should be applied.

63. At the same time, another view was that while UNIDO could not be expected to provide the billions of dollars required to build the various industrial complexes needed by developing countries, it could and must help to create the conditions which would make private investment possible along with public. One delegation was opposed to private investment, believing that UNIDO assistance should be channelled solely towards the public sector.

64. Still other delegations maintained that, while UNIDO had hitherto devoted considerable attention to light industry, the emphasis should be shifted to the development of heavy industry and manufacturing industry. Currently, among the numerous industrial projects, sixty-five were concerned with light industry whereas only forty-nine were related to the manufacturing industry.

65. Some delegations stressed the idea of integrated area planning, the technique for which consists of micro-economic planning applied to a particular area or province and which is used to define a scheme based on the total resources of an area. The end result emerges as a number of carefully located industries, serviced by a network of both feeder and secondary installations which take care of raw materials, replacement items from screws to complicated components, manufactures from processed raw materials for export from the region, right down to plans catering for the increased purchasing power of those to whom the whole project will give employment. And the whole is planned with social considerations in mind.

66. Most delegations thought that in the future the work programme of UNIDO should be action-oriented and based essentially on specific requests from Governments. The programme for 1967 and 1968 should also take account of the recommendations made by the three regional symposia and should be sufficiently flexible to allow the incorporation of any recommendations made by the forthcoming International Symposium on Industrial Development. It was pointed out that UNIDO should bear in mind the degree of development between developing countries when formulating programmes and setting up priorities with appropriate attention to regional or subregional needs.

67. In view of the advantages of subregional specialization, it was suggested that UNIDO might wish to give priority to industries which would complement and support existing industries. Import substitution industries and export industries could be located in growth areas where the subsequent establishment of industrial complexes would be possible.

68. It was pointed out that during coming sessions the Board should try to formulate a long-term plan, perhaps covering four years. More resources should be devoted to missions which would result in new requests from Governments and new projects. Thorough studies must be made of each project, including its budgetary implications. There was also a need for more abstract and more basic research in the field of industrial promotion.

69. Many delegations believed that it was up to the developing countries to take the initiative in formulating specific projects for action. One of the delegations suggested that UNIDO should be able to assist developing countries in formulating priorities for their national development in the industrial field, priorities which were more than likely to achieve early results and, to this end, special attention should be given to three areas: (a) industries designed to assist in the modernization of agriculture—industries producing basic agricultural inputs such as fertilizers and pesticides, tractors and other implements, as well as other industries processing agricultural commodities, taking into account the social effects of industrialization; (b) basic consumer industries, a category which overlaps in part with agro-industries; (c) export-oriented industries which are essentially aimed at helping the developing

countries to obtain the foreign exchange necessary to pay for imports they require to sustain their own industrialization. Other delegations, however, pointed out that decisions on industrial policies had to be taken at three levels, namely, the country level, the sub-regional level and the regional level. It was stated that the Board should direct UNIDO to ascertain the priority requirements of Member States, especially developing countries, and should then draw up a short list of the most urgent projects to be included in a programme of work. The Board might request the Executive Director to make a study of the subject and report to it at its next session. Such a study should cover the establishment of regional offices for industrial planning, programming and services connected with the promotion and acceleration of regional development, along the lines of the Asian Industrial Development Council; local consulting bureaux which could draw upon the regional offices for information, advice and services, to be applied at the national or local level, could be set up later.

70. Some delegations stressed the need to maintain a balance between the industrial and agricultural sectors. Others suggested that the social aspects of industrialization should be studied and taken into account when planning and implementing programmes, especially projects of industrialization.

71. In this connexion, a number of delegations emphasized the crucial role which development banks and other industrial finance institutions played in industrial development and urged UNIDO to pay special attention to these institutions in its work programme. In this context, it was considered desirable that there should be closer co-operation between UNIDO and these finance institutions.

72. Some delegations felt that the operational activities should cover the preparation of industrial projects, including technical and economic feasibility studies; assistance in the formulation of industrial development programmes in developing countries; promotion of the regional integration of industrialization, starting from specific industrial projects in each country of the region; assisting the developing countries to obtain external financing for specific industrial projects, and providing them with information on the terms and conditions of the various financing sources; advising the financing agencies on the technical and economic soundness of the projects submitted for financing; offering advice and guidance on problems relating to the exploitation and use of natural resources, industrial raw materials and by-products; assistance in the training of managerial, technical and other qualified personnel in co-operation with the specialized agencies concerned; and assistance to development institutions and administrations of developing countries in industrial technology, production, programming and planning, as well as the transfer of technical knowledge and experience.

73. The organization should also give attention to the implementation and follow-up of industrial programmes and projects. Failure to achieve satisfactory implementation had frequently resulted in failure to achieve development targets.

74. Some delegations felt that some of the so-called operational activities listed in the Executive Director's report—(ID/B/4) assignment of experts to give advice, to produce reports or to bring older reports up to date—did not represent the kind of action envisaged

by the developing countries. Moreover, in establishing the priorities for the programme of research in the future, the Executive Director should avoid undertaking projects in those areas where UNIDO could draw on the studies in hand in other parts of the United Nations and in other international organizations.

75. In the opinion of the overwhelming majority, the programme must have a clearly defined purpose: to solve the key problems of industrialization, while maintaining a proper balance between operational and supporting research activities.

76. Many delegations stated that research should not be overlooked by UNIDO but that it should be encouraged as an action-oriented tool for solving the problems and enhancing the objectives of UNIDO in operational activities. They also differed with some delegations who tried to lay down for all developing countries a standard unified scheme of industrialization limited to certain kinds of industries. The national resources of the developing countries were vast and diversified and they should be scientifically and economically exploited, either by heavy or light industries as the case might be, for the benefit of the peoples, and according to their circumstances and demands.

77. Some delegations thought that industrial development strategies should emphasize the following: (a) the relative priorities in the establishment of capital goods and consumer goods industries; (b) the relations between industrialization determined by import substitution and industrialization determined exclusively by diversification of the economic structure on the basis of the local patterns of resources distribution; (c) the relation between centres of industrial growth which developed on the basis of external economies initially oriented to the development of exports of primary commodities and industrial centres based on external economies oriented towards integration of the development of different sectors of the economy; (d) the export of manufactures to industrialized countries and to developing countries; (e) the relation between industrialization in depth and extended industrialization; (f) the relation between service-generating industries and industries which contribute less to the increase of productive employment in the service sector.

78. Some delegations felt it important that UNIDO should conduct research in order to make explicit as many implications as possible of such different strategies in order to guide industrial development programmers and planners in the developing countries.

79. Developing countries should be made aware of the significance of strategies emphasizing import substitution. Industrialization strategies that emphasized diversification on the basis of an efficient use of the local pattern of resources by permitting lower costs could create competitive conditions for the export of such manufactures and contribute to an increase in the standard of living of the population as a whole.

80. It was stated that economies which had concentrated on the export of primary commodities tended to formulate industrialization strategies on the basis of the external economies established with reference to such exports. This practice might not necessarily contribute to the establishment of manufacturing areas which fully benefited from the pattern of human and other resources within the economy. It might be more appropriate to study resource distribution as thoroughly as possible in order to develop industrial centres capable of playing a more effective role in integrating economic

activity in the different regions and utilizing existing resources in the most productive way.

81. The export of manufactures presented for developing countries different problems of technology and structure depending on whether such exports were mainly oriented towards the markets of industrialized countries or those of other developing countries. The technologies available to developing countries favoured, in general, the production of manufactured goods for export to other developing countries. Thus, it was important to verify when and how it was preferable for developing countries to promote exports of manufactures to other developing countries and when and how countries should utilize more elaborate technologies in order to export. One delegation expressed the wish that, in concert with certain other United Nations organizations, UNIDO should contribute to the creation of regional markets which would constitute the primary natural outlets for many products of industrialization.

82. Some delegations wished to distinguish service-generating industries from industries which contributed less to productive employment in the service sector. In this particular field, UNIDO should play an important role in pointing out those industries which tended to generate indirectly higher levels of employment in the service sector.

83. Many delegations stated that the programme of special industrial services had proved valuable in providing direct and prompt assistance to Governments. They pointed to the need for revision of the philosophy of the programme in order to make it really effective and meaningful.

84. Some delegations suggested that pilot projects would be helpful in speeding up industrialization and that they constituted a useful area for action by UNIDO.

85. Some delegations felt that UNIDO should be organized like a firm of consultants, where technicians were recruited as necessary but did not figure permanently on the organizational chart.

86. Some delegations expressed the view that UNIDO should abandon hidebound methods of recruitment. What it needed was highly skilled administrators, planners and experts and a limited number of technologists and engineers at headquarters to guide its work. In the course of the debate, some delegations expressed a belief in the principle of equitable geographic distribution but others felt that this principle should not be applied at the expense of efficiency and integrity and that the Executive Director should have enough scope, flexibility and independence to discharge the heavy responsibilities which would be entrusted to UNIDO by the Board. Accordingly, having regard to the opinions stated above, the most important task at the current session would be to ensure that the structure and personnel of UNIDO were equal to all the demands that would be made of them.

87. The Executive Director, replying to the comments, said that he had noted the two suggestions on the co-ordination function of UNIDO. He added that the reason why more information had not been included in document ID/B/3 was that the Board had not then decided on the form the reports on activities should take and what additional information should be included in order to facilitate consideration of the problem of co-ordination.

88. The "tentative target establishment" had been transmitted to the Controller two months ago and it

corresponded to the aim UNIDO had set itself, namely, to be an organization devoted to operational activities. In this connexion, he drew attention to table 2 of document ID/B/L.4, which showed the number of experts employed in 1967 in the various fields of industrial development by geographical regions and sources of funds. It was intended to send 469 experts to eighty-five countries to work in the different fields of activity listed in table 3 of the same document. It should be noted, furthermore, that the final figures might be higher on account of the fact that the figures for the special industrial services programme would not be available until the end of 1967. It was intended to send twenty-five experts under the Technical Assistance component of UNDP, seven under the regular programme, fifteen under the programme of special industrial services and three under UNDP (Special Fund) projects already in progress. Who would choose those experts, determine their functions and read their reports? That would be done by the secretariat, specifically by the staff of the Chemical Industries Unit. The same was true of the other activities. Altogether the projects to be carried out required 469 experts. A total of 215 fellowships would be offered for advanced training in a very wide range of subjects. To handle all the work of organization and co-ordination, the professional staff numbered only seventy-five, as shown in annex I to document ID/B/4.

89. Again taking the Chemical Industries Unit as an example, the Executive Director noted that five professional staff members would deal with the work of fifty experts in the field, service fifteen special industrial services projects and supervise the execution of three Special Fund projects already in progress. In other respects they would also have to conduct and supervise other studies, prepare documentation relating to the agenda item on the chemical industries for the International Symposium on Industrial Development and, from time to time, participate in field missions.

90. Many delegations, basing themselves on the experience of some of the developing countries, spoke on the necessity of having an efficient, international, specialized consultative body which could render the necessary advice and technical information in the various stages of planning, programming, project evaluation, contracting, designing, marketing, standardization, etc., and which could harmonize and co-ordinate the various types of co-operation to the benefit of all concerned.

91. It was suggested that the Executive Director should draw up both a short-term and a medium-term work programme, with financial implications, and that the Board should consider this plan at a special session to be held before the twenty-second session of the General Assembly. Another proposal was that the Board should have a permanent Executive Committee, which would examine all proposals before they were decided upon by the Board at its annual sessions.

92. Many delegations suggested twofold action in mobilizing financial resources needed for UNIDO. First, ways and means must be found to ensure that a much larger proportion of the funds from the existing sources, such as the regular programme, the Technical Assistance component of UNDP and the Special Fund component of UNDP, should be allocated for the operational activities of UNIDO. Secondly, since the canalizing of funds through other organizations inevitably led to delays, and for other reasons it was suggested that the Board might consider the setting up of a Committee

to examine that important question with a view to making available, direct to UNIDO, substantial funds from which it could finance its own operational activities.

93. The majority of the members of the Board reiterated the need for a pledging conference for voluntary contributions and expressed satisfaction at the unanimity of view expressed in the debate by the developed and developing countries on the need for making UNIDO more operational. It was argued that since UNIDO could not become more operational unless it had more funds for operational purposes, developed countries should lend support to their declaration by making voluntary financial contributions to UNIDO. Some developed countries stated that when UNIDO established its works programme they would decide to which sector they should make their contribution.

94. Many developing countries were concerned that UNIDO would be able to accomplish nothing unless it had the requisite funds, and hoped that the good will expressed by the industrialized countries would be manifested in substantial contributions.

95. Some delegations suggested that UNIDO would have to play a leading role not only by providing technical assistance and assistance in pre-investment fields but also by building a bridge, as it were, to investment proper.

96. Many delegations agreed with the Executive Director that the complexity and multiplicity of sources and channels through which the operational activities had to be cleared were the real cause of the organization's difficulties. It was pointed out that as a result of the policies pursued by the developed countries, the trickle of financial resources for operational activities was unfortunately channelled through a multiplicity of pipelines and the specialized agencies were seeking jealously to retain the functions in the industrial field that they had acquired prior to the creation of the Centre for Industrial Development and UNIDO.

97. Many delegations pointed to the need for drawing up programme budgeting so that efficient use would be made of the scarce resources. Whenever UNIDO formulated its work programme it should be accompanied by financial implications and there should be a clear indication of how these would permit total integration of programmes and budgets. In this connexion, delegations recalled General Assembly resolution 1797 (XVII) and the recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies.

98. Many delegations believed that the effectiveness of UNIDO would be enhanced if provision were made for flexibility in its regular budget, so that the Executive Director could transfer funds from one activity to another as needed, or could apply to urgent projects the savings which would be realized when certain activities were discontinued and which would otherwise simply revert to the United Nations budget in general.

99. Many delegations stressed that it was important for UNIDO to establish effective contact with the Governments of developing countries and to send expert missions to the field when requested. As an example, some delegations referred to the UNIDO mission to India which had formulated several projects for implementation by UNIDO.

100. Many delegations were strongly of the opinion that the staff and resources of UNIDO should not be unduly concentrated at the headquarters in Vienna.

Therefore, as a first step, it was suggested that UNIDO should assign its staff to regional economic commissions and also to the offices of the UNDP Resident Representatives in developing countries. Some delegations attached importance to the appointment, without undue delay, of a limited number of general industrial advisers—specifically planners—to the headquarters of the regional economic commissions in Africa, Asia and Latin America. Such advisers might also be placed in the offices of the Resident Representatives in a limited number of carefully selected countries reflecting a variety of economic and industrial conditions. In this connexion it was hoped that UNDP would be able to help finance such assignments, in addition to the assignment of project managers in individual countries.

101. On the need for decentralization, many delegations stated there would naturally be a tendency among the personnel at UNIDO headquarters to become involved in studies; yet it was generally agreed that emphasis should be on operational activities. It was therefore suggested by many delegations that part of the staff should be permanently stationed in Africa, Asia and Latin America, where they could familiarize themselves with local customs and requirements, and

they should be ready to go from one country to another within those regions as their services were needed.

102. One delegation stated that "co-ordination" meant the preparation of harmonized programmes of work covering periods of one to three years, depending on the nature of the activity. A proper balance between headquarters activities and activities which could usefully be decentralized was of the greatest importance.

103. One delegation felt that the Board could not leave to the UNIDO secretariat the entire task of concluding co-ordination agreements with other members of the United Nations family, and pointed to the need for the Board to consider such agreements before finalization.

104. Several delegations thought that UNIDO should try to achieve functional co-ordination within the field of industrialization, as laid down in General Assembly resolution 2152 (XXI). In this respect, it was considered necessary to avoid conflict between the functional co-ordination to be promoted by UNIDO and the responsibilities for over-all co-ordination of the economic and social activities of the United Nations system which, under the Charter, were vested in the Economic and Social Council.

Chapter V

FUTURE PROGRAMME OF WORK AND ACTIVITIES⁵

105. The discussions on the future programme of work began with a general debate, and statements were made by delegations concerning the position of their respective countries. Many of the statements contained other points related not only to the work programme but also to matters of organization, financing and co-ordination. These views are set forth in the respective sections of the report. The Executive Director stated that no document had been prepared by the secretariat concerning the programme of work especially for 1967. For 1967 and in part for 1968, projects were taken over by UNIDO as previously approved. The programme of the Technical Assistance component of UNDP, for example, had already been formulated for 1967-1968 by the countries themselves through the customary procedures. The regular programme had also been formulated during 1966 for UNIDO operations in 1967. The Special Fund projects entrusted to UNIDO were projects for which funds and working procedures had already been determined. The only programme in which UNIDO could undertake new, significant operations in 1967 would be the special industrial services. The existing situation was explained in documents ID/B/3, ID/B/4 and ID/B/7 and other documents.

106. Some delegations felt that it was difficult to examine the subject of future work in those rather voluminous documents, which contained mainly a recapitulation of former work carried out by the Centre for Industrial Development; they therefore requested a summary of the projects of technical assistance in the industrial field and the engagements for 1967 for all programmes, as explained.

107. During the general debate on the future work, some delegations expressed the view that in 1967 UNIDO should limit its activity to improving the special industrial services programme and should not embark on new activities until 1968. The Board would have to work out a concise and realistic work programme for the rest of 1967 and for 1968, using a practical approach. It was to be considered that funds allocated under the Special Fund and Technical Assistance components of UNDP, as well as under the 1967 and 1968 United Nations regular programmes, were already earmarked. Thus, only new projects to be financed under the programme of special industrial services and those financed by extra-budgetary funds could be envisaged when setting up future short-term programmes of work. For the years following 1968 a long-term work plan, based on programme budgeting, should be proposed by the Executive Director. The plan should be based on requests for assistance formulated by the developing countries.

108. It was repeatedly stressed that in respect of industrial development, the main effort had to be made by the developing countries themselves. Those countries would have to mobilize their intellectual as well as their financial resources. Several delegations also underlined the fact that UNIDO would have to play a part in the study of the social implications of industrialization. One delegation stated that the developing countries represented two thirds of the world's population and contributed only 5 per cent to world industrial production, and that the target to be reached with UNIDO assistance should be 10 per cent.

109. As to the future programme of activities itself, delegations emphasized that the ideal programme would be one well balanced between operations and supporting industrial research, based on natural, human and

⁵ Bearing in mind the importance of the programme of work and activities of UNIDO, the Board decided that the Rapporteur should report extensively the different views expressed with regard to the formulation of guidelines at the first session of the Board.

financial resources. It was realized that a certain amount of research work of top-level quality was necessary to prepare operational work. A research programme should not, however, include academic or basic scientific research, but rather feasibility studies leading to concrete projects. Delegations agreed that the future work of UNIDO must be essentially action-oriented. The organization should assist requesting countries to define their priorities, leaving them free to decide whether their ways of industrialization should be based on private, public or mixed systems. Priority should also be given to assistance in the planning, formulation and execution of action-oriented and sound projects, concentrated not only on a specific country, but with a regional approach. Importance was attached also to integrated area planning. UNIDO assistance, it was suggested, should also concentrate on:

(a) Elaboration of agro-industrial and food-producing projects;

(b) Surveys of industrial priorities (metallurgy, petrochemicals etc.);

(c) Creation of consumer and export-oriented industries;

(d) Facilitation of the flow of "know-how" and technical knowledge;

(e) Establishment of manufacturing and small-scale industries;

(f) Creation of fertilizer, pesticide and other chemical plants;

(g) Utilization of new raw materials, liquefying gas, aluminium, paper pulp etc.;

(h) Advice with a view to increasing production and marketing;

(i) Development of heavy industries;

(j) Strengthening industrial development institutes;

(k) Encouragement of regional co-operation for pooling resources of neighbouring countries;

(l) Organization of symposia, workshops and seminars for the training of local management and other personnel;

(m) Assistance in obtaining financial help, including help to industries facing temporary financial difficulties.

110. Some delegations expressed the view that UNIDO should decentralize its activities and create regional offices which would act like consulting firms. It was also suggested that a new section for market and capital research should be created within the secretariat.

111. Regarding the staff needed to perform the tasks with which UNIDO would be entrusted, some delegations stressed that although geographical distribution should be duly taken into consideration, priority should be given to the appointment of efficient operators, outstanding for their competence and expertise, and to advisers with managerial talents. The organization's staff should be placed where there was action, and not only at headquarters. It was suggested that part of the staff should be detailed to regional or subregional offices if such should be created. Industrial development advisers would have to be attached to the United Nations regional economic commissions as well as to UNDP offices. It was hoped that "flying missions" would, whenever required, be detailed to requesting countries for emergency help. Several countries offered the assistance of their nationals to be appointed in various technical assistance capacities.

112. Beyond what was stated in the debate, no concrete decisions were reached. The Board then decided to refer the question to the Sessional Committee.

113. At its meeting of 25 April 1967, the Sessional Committee decided to discuss item 6 first. Since the papers proposed by the various groups of countries were not official documents, the Committee further decided to consider them in informal discussions without summary records, with a view to arriving at a compromise text. The Sessional Committee resumed its meetings on 1 May 1967. It informed the Board that owing to lack of time it had been unable to finalize its discussion and reach agreement on a draft resolution on agenda items 5 and 6 and had decided to transmit to the Board for further consideration the various papers on those items, formal and informal, which it had before it.

114. In his oral report to the Board, the Chairman of the Sessional Committee stated that at the second of the two meetings held by the Committee on the two agenda items, it had been decided to continue the discussion in an informal working group, because some informal proposals had been submitted and there had been a desire to avoid a general debate. It had been intended that the working group would give a first reading to all the papers submitted by groups of countries and would then refer them to a drafting group. However, since many delegations had been unable to take part in the meetings, both of the Board and of the informal working group, the latter had been unable to complete its work, particularly since a time-limit had been set for the submission of proposals. The Sessional Committee had therefore decided to inform the Board of the situation and to transmit to it the papers and proposals which had been submitted, either as originally drafted or in their revised form. The following documents had been before the Committee:

(a) Two papers submitted by the developing countries;

(b) A paper submitted by certain Western and other countries;

(c) A paper submitted by the socialist countries;

(d) A general statement which was later added to the two prepared by the developing countries;

(e) A paper containing a proposal by the Philippines. With the amalgamation into a single document of the two papers prepared by the developing countries and the general statement, the Board had before it four texts. The Chairman of the Sessional Committee stated that the first reading had not been fruitless; it had allowed some rapprochement of the views of delegations and might help to solve the problem.

115. The Board decided at its 27th meeting that the statement made by the Chairman as reflected in the summary record should be included in the Board's report (see paragraph 114 above).

116. At its 28th meeting the Board had before it the following three draft resolutions:

(a) A draft resolution submitted by the Ivory Coast and the Philippines (ID/B/L.11);

(b) A draft resolution submitted by Jordan, Nigeria and the Sudan (ID/B/L.17);

(c) A draft resolution submitted by Bulgaria, Czechoslovakia and the USSR (ID/B/L.19).

The draft resolution submitted on 28 April by the Ivory Coast and the Philippines read as follows:

The Industrial Board,

Recalling the provisions of General Assembly resolution 2152 (XXI), setting out the functions of UNIDO,

Recognising that the acceleration of industrial development is being accorded the highest priority by the developing countries in their efforts to achieve economic and social progress,

Recalling that the role of UNIDO is to encourage the mobilization of national and international resources to assist in, promote and accelerate the industrialization of the developing countries,

Bearing in mind that there is a need to formulate basic policy guidelines for effective action by UNIDO in assisting the industrial development of the developing countries,

1. *Decides* that the United Nations Industrial Development Organization shall carry out its activities, within the framework of the functions set out in General Assembly resolution 2152 (XXI), on the basis of the following principles;

(a) All activities of UNIDO shall be primarily action-oriented in a manner directly relevant to the promotion of industrial development in the developing countries and shall comprise field work, operational surveys, technical studies and promotional efforts;

(b) Direct field work will be carried out under programmes financed from voluntary contributions and through such means as the provision of specialists and experts, fellowships, operational personnel and facilities related to the establishment of industrial development centres, industrial research institutes, pilot and demonstration plants, technical training courses and seminars and other forms of assistance required in connexion with various aspects of industrialization and particularly the establishment of industrial plants and the expansion and improvement of existing production facilities;

(c) Operational surveys such as feasibility and pre-investment studies and individual surveys related to the improvement of productivity in particular industrial plants or branches; these surveys may be carried out as appropriate under the various programmes financed from voluntary contributions or other sources, including the occasional assignment of staff and consultants financed from the regular budget when their particular expertise meets the requirements of the project;

(d) Technical studies shall be undertaken primarily with the purpose of making readily available to the developing countries the information and technical knowledge which they need for direct application towards their rapid industrial development; they may also serve to provide technical guidance for the implementation of the operational programmes of UNIDO with a view to increasing their efficiency and effectiveness;

(e) The promotional efforts of UNIDO should be directed primarily to identifying the opportunities and needs of industrialization in the developing countries and the possibilities of meeting them by means available to UNIDO, other United Nations agencies, international organizations and governmental as well as non-governmental entities in the industrially advanced countries;

(f) In the carrying out of operational surveys or technical studies mentioned under (c) and (d) above, due attention should be paid to existing research and work produced by independent academic and professional bodies dealing with industrialization problems; UNIDO should make efforts to utilize such outside research work and, whenever appropriate, to encourage the production by outside bodies of research and studies required for a better understanding of the processes of industrialization;

(g) In connexion with the promotional efforts mentioned under (d) above, UNIDO shall establish appropriate machinery for the collection and dissemination of information concerning industrialization and issue the necessary publications, bulletins and periodicals aimed at keeping those dealing with industrialization in the developing and the developed countries informed of the current developments in the field in different countries and the various branches of industry;

2. *Requests* the Executive Director to organize the activities of UNIDO in accordance with the above principles and to expand further the operational action-oriented work of UNIDO through appropriate measures, including the following:

(a) The provision of assistance to the developing countries in initiating and formulating programmes and projects of practical and immediate importance for the further development of their industries, with particular attention to the areas of priority listed in the annex to this resolution;

(b) Concerted efforts to improve the effectiveness, speed and flexibility of implementation of the field activities, including the evaluation of requests, the recruitment of experts and other servicing aspects;

(c) The establishment of closer contacts with the developing countries through an increase in visits by UNIDO technical staff on specific missions related to the initiation of field projects or the identification of needs in different branches of industry;

(d) The establishment of a network of contacts with the industrially advanced countries to build up a broad support base for the implementation of technical assistance and field activities by mobilizing the technical know-how, the sources of specialized expertise, existing research and technology laboratories and facilities and, generally, the industrial experience of the advanced countries;

3. *Authorizes* the Executive Director to station in the various regions an appropriate number of technical advisers with broad experience in the various aspects of industrialization, to serve as advisers to the Governments and to the Resident Representatives in one or several developing countries. The industrial development advisers would be stationed in a particular geographic area over several years so as to gain intimate knowledge of the needs and problems of the countries concerned and help them initiate action in respect to industrial development projects;

4. *Requests* the Executive Director to continue the implementation of the current programme of work with due consideration to the basic principles set forth in paragraph 1 above and in the understanding that priority will be given in 1967 to the requirements of the International Symposium on Industrial Development;

5. *Further requests* the Executive Director to submit to the Board at its second session a programme of work formulated on the basis of the principles established in this resolution with detailed information on each project proposed including its estimated duration, cost, source of funds etc., and accompanied by adequate information on the global budgetary requirements of UNIDO as well as comprehensive data about the operations financed from voluntary funds and the United Nations regular programme of technical assistance.

ANNEX

Areas of priority

Without prejudice to the other activities of UNIDO, and particularly field work undertaken at the direct request of Governments, the Industrial Development Board considers that adequate priority should be given to the provision of assistance along the following lines:

1. Formulation of specific industrial plans and programmes based on an assessment of the country's resources, manpower and other pertinent factors;

2. Initiation of industrial development projects and assistance in carrying forward the necessary action, on a continuing and systematic basis, throughout the various stages of their implementation;

3. Development of basic sectors of industry such as iron and steel, cement, metal-working and engineering industries, textiles, building materials, pulp and paper, food processing, agricultural equipment, transport equipment etc., on a scale suitable to the country's resource endowment and requirements;

4. Preparation of technical and economic feasibility studies and the execution and evaluation of specific industrial projects;

5. Assistance in obtaining financing for specific industrial projects, including additional financing for the expansion and improvement of existing industrial plants;

6. Development of export-oriented industries and the implementation of policy measures designed to promote exports of manufactures and semi-manufactures from developing countries;

7. Assistance in the expansion and improvement of existing industrial capacity through appropriate measures designed to increase their efficiency and operations;

8. Assistance in the establishment of pilot plants, demonstration factories and other industrial facilities of an experimental character;

9. Assistance in the establishment of industrial development centres to promote and implement national programmes of industrialization;

10. Assistance in establishment of appropriate industrial research facilities and testing laboratories required for the industrialization effort;

11. Assistance in the training of technical and managerial personnel for industry.

The draft resolution submitted on 1 May by Jordan, Nigeria and the Sudan (ID/B/L.17) reads as follows:

The Industrial Development Board,

Recalling the provisions of General Assembly resolution 2152 (XXI),

Recognizing that the work programme of UNIDO has to be geared to the best possible implementation of its functions as set forth in paragraph 2 of section II of resolution 2152 (XXI),

1. *Decides* that in order to fulfil its purpose as set out in General Assembly resolution 2152 (XXI) UNIDO shall carry out its functions on the basis of meeting the urgent needs of the developing countries in accelerating their industrial development through operational activities supported by relevant research;

2. *Requests* the Executive Director to exercise his responsibilities in accordance with the following guidelines:

(a) Requests of Governments should be the primary consideration in initiating operational activities, whether financed from contributions made directly to it or undertaken through participation in UNDP or by the utilization of the appropriate resources of the United Nations regular programme of technical assistance or under the programme of special industrial services;

(b) Execution of projects already approved under UNDP, the regular programme of technical assistance and the programme of special industrial services should be expedited and such requests as may be forthcoming during 1967 and 1968 should also be dealt with expeditiously;

(c) Research activities of UNIDO as provided for in paragraph 2 (b) of section II of resolution 2152 (XXI) should be based on the following considerations:

(i) Action-oriented studies and research programmes of UNIDO should be designed especially to facilitate the undertaking of operational activities which result from requests from the developing countries in the framework of the functions of UNIDO. Research activities undertaken by UNIDO should also address themselves to achieving improved effectiveness of operational activities. It is, furthermore, recognized that certain types of studies and surveys have an important role both in analysing and evaluating the experience gained in the field and in determining the proper direction of future operational assistance activities;

(ii) Research activities which not necessarily have an immediate and direct supporting role in relation to operational activities can, nevertheless serve useful longer-range development needs such as the formulation of alternative industrial development strategies. In such cases UNIDO should, wherever possible, draw on appropriate work of other institutions, and, as necessary, encourage them to undertake such re-

search in areas which the experience of its operational activities would indicate to be fruitful. UNIDO may also undertake useful compilations and indexing of relevant information, classifications and conclusions derived from comparative studies of actual cases, and the periodic evaluation of industrial trends, especially in the developing world to measure achievements and identify important industrial development problems;

(iii) Seminars and workshops should be undertaken in response to clear needs and after adequate preparation. Documentation preparatory to, and resulting from, such seminars and workshops should consist of short and clear papers which can be used to guide similar discussions and study groups in developing countries. Such documentation should be as up-to-date as possible and made available promptly in order to be of the maximum value;

(d) A more dynamic approach should be increasingly built into the operational programmes of UNIDO. These programmes should serve as a basis for field activities which may provide the leverage for much larger undertakings within the promotional role of UNIDO;

(e) The operational activities of UNIDO as hereunder elaborated should be widely publicized and brought specifically to the attention of Governments of developing countries in order to assist them in formulating their requests under the operational programme of UNIDO in the immediate future:

(i) Assistance in carrying out comprehensive general surveys of industrial development possibilities in individual countries or in groups of countries, e.g., in regions or subregions;

(ii) Assistance in the formulation of industrial development plans and programmes and the determination of priorities and the formulation of appropriate policies, incentives and other measures in individual countries or in groups of countries;

(iii) Assistance in conducting pre-investment studies of specific industrial possibilities and the evaluation of specific projects;

(iv) Assistance in executing necessary detailed technical and economic feasibility studies to elaborate specific bankable projects and in undertaking the evaluation of specific projects;

(v) Assistance in obtaining external financing for specific industrial projects, including additional financing for expansion and improvement of existing industrial plants, by the giving of guidance in the preparation of requests, by providing information on the terms and conditions of the various financing agencies, and by advice to financing agencies on the technical and economic soundness of the projects submitted for financing;

(vi) Advising at the various stages of implementation and follow-up of industrial projects, including the preparation of detailed project reports or their evaluation, selection of processes, technologies and machinery and equipment, preparation of invitations for tenders, evaluation of tenders, supervision of construction work, and commissioning and testing of industrial plants;

(vii) Assistance in achieving the efficient utilization of new and existing industrial capacity in developing countries; in particular, help in all phases of production, including the solution of technical and technological problems, improvement and control of quality, the recruitment of competent management and its surveillance to ensure high performance;

(viii) Assistance in developing and improving marketing and distribution techniques and in providing solutions for marketing and distribution problems of specific industrial products;

(ix) Assistance in the development of export-oriented industry and in the solution of its particular problems;

- (x) Assistance in the training of technical and other appropriate categories of personnel, specifically in relation to particular existing or planned industries;
- (xi) Assistance to United Nations regional economic commissions in Africa, Asia and Latin America and United Nations Economic and Social Office in Beirut in the elaboration and/or implementation of national or multinational programmes and projects;
- (xii) Assistance in promoting co-operation among developing countries on programmes and projects of industrial development and in developing export potential;
- (xiii) Information and advice on the systems of patents, industrial property and know-how;
- (xiv) Assistance in establishing or strengthening national and multinational institutions to deal with various aspects and problems of industrial development in such fields as:
 - a. Planning and programming;
 - b. Project formulation and evaluation;
 - c. Engineering and design;
 - d. Training, management and productivity*;
 - e. Technological applied research;
 - f. Standardization, quality control, weights and measures administration;
 - g. Marketing and export promotion*;
 - h. Services to small-scale industry including industrial estates;
 - i. Investment promotion.
- (xv) Assistance on experimental projects designed:
 - a. To adapt existing technology to the very different factor endowments in the developing countries;
 - b. To investigate alternative possible new uses for local raw materials;
 - c. To devise, wherever possible, linkages between various products and stages of processing which may form the base for a viable industrial complex;
- (xvi) Assistance in establishing pilot plants and experimental factories;
- (xvii) Organization, as appropriate, of seminars and workshops on specific aspects and problems of industrial development;

(f) Assistance may be provided to Governments at their request in the preparation of their projects through appropriate means, including sending field missions or experts. To this end, the secretariat should urgently develop the requisite technical capacity;

3. *Requests* the Executive Director to present future work programmes of UNIDO on the basis of the following considerations:

(a) The work programmes should be in a form which will enable the Board to have an over-all view, in budgetary terms, of the operational and headquarters activities of UNIDO and hence to consider their budgetary implications;

(b) The same framework should be used for presenting summary reports on earlier activities of the organization and future trends, in order to enable the Board to follow, year by year, the over-all evolution of these activities;

(c) The framework for presenting the work programme should, in particular, indicate clearly the breakdown:

- (i) Between the fields of activity in broad categories in the recipient countries;
- (ii) Between the various types of activities, comprising on the one hand operational activities (technical assistance measured in man-months or in scholarships and fellowships, studies and services or other operations measured in monetary units) and on the other

hand headquarters activities, which are considered as supporting the operational activities (management and control of operational projects, dissemination of information, general studies and research and general administration);

- (iii) Between sources of finance, distinguishing between the organization's own resources and other funds and programmes of the United Nations system;
- (d) This presentation should enable the Board in particular to:
 - (i) Obtain a clear view of the relationship between the field of activities, the type of activities and financial resources;
 - (ii) See the relationship between the total amount of the operational budget and that of the administrative budget;
 - (iii) See to what extent the headquarters activities are serving more or less directly to support the operational activities;

4. *Approves* the programme of work contained in document ID/B/4, subject to such changes as are indicated in the annex to this resolution.

ANNEX

The following table sets out the conclusions of the review of the programme of work contained in document ID/B/4:

- I. *Projects which should be deleted or deferred*
6(1) (see note 1); 8(5); 10(9) (see note 2); 21(4); 21(6); 22(3) and 10 (see note 3); 22(11).

Notes:

1. Simple seminar papers may be produced instead.
 2. Should be combined with 10 (b).
 3. It would be more useful to compile a classified directory of consultants in various countries indicating type and size of projects successfully executed.
- II. *Projects to which different emphasis may be given or where duplication of effort should be avoided*
 - 4(3). Where regional economic commissions have done country studies, UNIDO need only circulate them.
 - 7(1) and (2). Data should be meaningfully analysed and as much data as possible collected from developing countries.
 - 8(1). Value doubtful and should be avoided in future.
 - 9(1). Value doubtful in view of the primacy of political factors. Studies pertaining to particular countries only may be undertaken in future on request.
 - 10(2) and (3). Should only be done for particular countries or groups of countries on request.
 - 10(4) and (5), 23(11). To be undertaken in close co-operation with UNCTAD to avoid duplication.
 - 15(4). To be altered to "Assistance in setting up pilot plants on request on any industry".
 - 22(7). It is hoped this relates to small-scale industries.
 - 22(8). Priority to be given to organizing an effective and efficient service; also should be linked with necessary organizational arrangements in individual countries to ensure utilization of the service.

The draft resolution submitted on 1 May 1967 by Bulgaria, Czechoslovakia and the USSR (ID/B/L.19) read as follows:

The Industrial Development Board,

Believing that the programme of work of UNIDO should be oriented towards the fulfilment of the purpose and tasks set out in General Assembly resolution 2152 (XXI),

Noting that the programme of work submitted to the Board for consideration, which has been prepared mostly in pursuance of the decisions of the Committee for Industrial Development, is already in the implementation stage and therefore it would be impractical to re-examine the part of the programme that relates to 1967,

* Assistance in these areas would be undertaken pursuant to the provisions for co-ordination and co-operation contained in General Assembly resolution 2152 (XXI).

Bearing in mind that in drafting the UNIDO programme of work for 1968, which is to be submitted to the next session of the Board, the Executive Director should also take into account additional measures deriving from the recommendations to be approved by the International Symposium on Industrial Development (November-December 1967) as well as from suggestions and proposals made by delegations at the first session of the Board,

Believing that UNIDO should become a genuine instrument of international co-operation in industrial development,

I

Requests the Executive Director to work out a long-term programme of work for 1969 and the subsequent years, to be re-examined annually by the Board based upon the guidelines mentioned below, accompanied by lucid budgetary estimates, and to submit it to the Board in 1968 for consideration;

II

Draws the attention of the Executive Director of UNIDO to the fact that the activity of UNIDO should be developed along the following main lines:

1. The main role of UNIDO has to be its promotional role consisting of encouraging the building up of active industrial forces of the developing countries and assisting them in making full use of their own resources and of the help that may be or become available from international sources. UNIDO should become a kind of central co-operative pool through which it is possible to draw on the reserves of experience, technical knowledge and tangible resources of all countries. Therefore, the main attention of the Executive Director, when preparing the draft programme of work for 1968, 1969 and subsequent years, should be given to developing gradually the central role of UNIDO in the field of industrial development. The growing operational activities of UNIDO will continue to be financed from UNDP funds as well as other financing institutions. The organization should have its own financial resources, which should serve above all for the development of the above-mentioned promotional role of UNIDO. A more dynamic approach should be increasingly built into the UNIDO operational programmes. These programmes should serve as seed money for the promotion of field activities which may serve as leverage for much larger undertakings within the promotional scheme of UNIDO future work.

2. UNIDO should extend practical assistance to the Governments of countries at their request in the field of industrialization, particularly in the development of basic and manufacturing industries, while concentrating on such methods and activities as may have a multiplier effect, such as:

(a) To assist in the preparation of industrial development plans based on appropriate analysis of the present state of industrialization, the human and material resources and the geographical and climatic conditions, and on an analysis of the state of the world market;

(b) To assist in identifying those branches of industry in which it is of paramount importance that the public sector of the economy should be developed in order to ensure that industrialization will really be accelerated and will serve the purposes of the nation as a whole;

(c) To formulate recommendations for the more accelerated accumulation and use of the domestic resources of the developing countries with a view to channelling them into development;

(d) To help attract aid to the developing countries from abroad, having due regard to national interests and in observance of the principle of inalienable sovereignty over natural resources, for the execution of projects covering the building of new industrial enterprises and the remodelling of existing ones;

(e) In formulating recommendations for the industrial development of individual countries, to place emphasis on the transfer, adaptation and use of new techniques and advanced technology in the light of the achievements of the advanced industrial countries;

(f) To provide advisory assistance in the planning, evaluation and practical execution of industrial projects;

(g) To give assistance in the training of national administrative, managerial and other highly qualified personnel and in such forms of training as management workshops, in-plant training of engineers and intermediate-level technicians, etc., using the services of specialists of any country and enlisting the co-operation of other interested organizations in the United Nations system;

(h) To assist in the establishment and strengthening of governmental institutions and administrative bodies responsible for the formulation and implementation of a harmonious technical policy, the expansion of production and the planned development of industry, having in mind the need to ensure the balanced development of the various branches; to give systematic assistance in the establishment of national development bureaux, planning agencies, pre-investment and investment promotion centres and other institutional facilities and in the training of specialists to meet their urgent needs; to develop the activities of project evaluation workshops, etc.

(i) To promote the study, application and dissemination in all countries, irrespective of their economic and social systems and their stage of development, of experience gained, particularly in the industrially developed countries, in the field of advanced production techniques, by carrying out investigations and surveys of conditions and situations in various sectors of industry and of industry as a whole, surveys relating to levels of technology and the development of production in individual countries, and studies of the most important technological problems of interest. In carrying out and co-ordinating such studies, UNIDO should secure the fullest possible co-operation of the United Nations specialized agencies, the regional economic commissions and the national research and educational centres of all countries desirous of participating in such activity and utilize all their relevant data and studies.

3. In the interest of efficiency, UNIDO should co-ordinate its activities, in particular as follows:

(a) By ensuring the co-ordination of the industrial development activities of all United Nations organs and specialized agencies, so as to see to it that proper use is made of the accumulated experience of the specialized agencies, the regional economic commissions etc., while at the same time avoiding any uneconomic duplication of work by different organizations and any resultant uneconomic expenditure of resources. Annual consolidated plans of measures for the industrialization of countries carried out by organizations in the United Nations system should be submitted to the Board for consideration and to the General Assembly for approval;

(b) By ensuring that activities aimed at assisting the industrialization of the developing countries are carried out in close contact with the regional economic commissions.

III

Requests the Executive Director of UNIDO to report regularly to it, at its future sessions, on the progress achieved in the co-ordination of all industrial development activities within the framework of the United Nations, its specialized agencies and UNCTAD.

117. The Board decided to consider first the draft resolution submitted by Jordan, Nigeria and the Sudan (ID/B/L.17), which incorporated many of the ideas contained in the other two draft resolutions (ID/B/L.11 and ID/B/L.19).

118. In introducing the draft resolution contained in document ID/B/L.17, the representative of Nigeria stated that even though it had officially only three sponsors, it had the support of the group of twenty-five developing countries as a whole.

119. The representative of Nigeria stated that the sponsors attached particular importance to the word "urgent" in operative paragraph 1, and were insistent

that operational activities should be undertaken primarily in response to the request of Governments, as stated in operative paragraph 2 (a). In operative paragraph 2 (c), the purpose of sub-paragraph (i) was to ensure that expenditure on research not specifically designed to improve the effectiveness of operational activities should be reduced to the minimum. The second sentence of sub-paragraph (ii) was intended to ensure that UNIDO should not waste time and resources on research activities which duplicated the work of other institutions. With regard to the third sentence of the same sub-paragraph, a number of delegations had argued that information on industrial trends was already available in the world economic surveys. In that connexion, the sponsors thought that UNIDO should prepare more detailed information and statistics for the guidance of the Board.

120. The list of operational activities in operative paragraph 2 (e) did not include any items which the Board had not considered previously. He stated that items (i) to (vii) were taken from a conference room paper prepared by the group of twenty-five developing countries, and the list as a whole was based on the relevant provisions of General Assembly resolution 2152 (XXI). It was not to be regarded as a formal statement of the UNIDO programme, but merely as an indication to Governments of the kind of assistance which UNIDO could be expected to provide with regard to items (iii) and (iv) on the list. It was explained that training, management and productivity (item (xiv) d) were partly the concern of UNCTAD, and the foot-note to that item drew attention to the need for effective co-operation between UNIDO and UNCTAD on training and management problems. UNIDO would have to co-operate with the other international organizations concerned in providing assistance under item (xiv) f.

121. The representative of Nigeria reiterated that assistance in the form of field missions should be provided only at the request of Governments, and operative paragraph 2 (f) therefore included a provision to that effect.

122. The list of projects to be deleted or deferred set out in the annex to the draft resolution, the representative of Nigeria pointed out, was somewhat shorter than that which had appeared in earlier informal papers. The sponsors had taken into account the explanation of the secretariat that some of the projects that had previously appeared to be unnecessary or of low priority were in fact relevant to the programmes as a whole. However, the sponsors were still convinced that time and resources could be saved if eight of the projects mentioned in the programme of work (ID/B/4) were deleted or deferred.

123. The representatives of Chile suggested that the foot-note to item (xiv) d in operative paragraph 2 (e) should relate also to item (viii), as UNIDO would certainly have to co-operate with UNCTAD on matters affecting marketing and distribution. He proposed that the words "paragraph 29 of" be inserted before the words "General Assembly resolution 2152 (XXI)".

124. The representative of Jordan accepted, on behalf of the sponsors, the amendment proposed by Chile.

125. The representative of the United States felt that the intention of the sponsors would be reflected more clearly if the foot-note was deleted and a new sub-paragraph was inserted at the end of operative para-

graph 2, reading as follows: "(g) As appropriate, assistance shall be undertaken pursuant to the provisions for co-ordination contained in General Assembly resolution 2152 (XXI)."

126. The representative of Jordan, on behalf of the sponsors, accepted the United States amendment.

127. The representative of Cameroon proposed that the words "and regional and subregional economic groupings" should be inserted after the word "Beirut" in paragraph 2 (e), item (xi).

128. The representative of the USSR, referring to the Cameroonian amendment, stated that the emphasis should be placed not so much on the assistance that UNIDO might give to regional economic groupings as on the use which UNIDO might make of the experience acquired by such groupings. Referring to paragraph 2 (e), item (ix), the USSR representative stated that it did not mention the development of import-substitution industry. He also pointed out that the draft resolution did not state clearly or directly that the central role of UNIDO should be promotional, and that the Executive Director in his statement to the Board (ID/B/12) had expressly endorsed the conception of the role of UNIDO which was stated plainly in the draft resolution sponsored by the socialist group (ID/B/L.19). He also stated that the draft resolution in document ID/B/L.17 did not lay sufficient stress on the role of governmental organs in dealing with the problems of industrial development—a role which was, in fact, decisive.

129. The representative of Brazil supported the amendment submitted by Cameroon.

130. The representative of Jordan, commenting on the Cameroonian amendment, pointed out that the wording of item (xi) had been taken from General Assembly resolution 2152 (XXI) and that the resolution stated that requests of Governments should be the primary consideration in initiating operational activities; the requests of economic groupings were simply the joint requests of several Governments.

131. Commenting on the observations made by the representative of the USSR, the representative of Jordan stressed that the guidelines set out in the draft resolution submitted by Jordan, Nigeria and the Sudan (ID/B/L.17) were not intended to be all-inclusive. Although the sponsors of the draft resolution had not included the Executive Director's definition of the role of UNIDO, they had full confidence in him and relied upon him to ensure the success of the work of UNIDO.

132. The representative of Canada proposed the addition to paragraph 2 (f) of a sentence reading: "The office of the Resident Representative should be utilized for the submission of national requests for assistance".

133. The representative of the USSR pointed out that if UNIDO had been intended to play the same role as other United Nations bodies, there would have been no need to establish it as an autonomous organization. He stated that the socialist group agreed with the Executive Director's definition of the role of UNIDO.

134. The representative of Colombia proposed that in paragraph 2 (e), item (xii), the words "including their co-ordination" should be inserted after the words "programmes and projects of industrial development".

135. The representative of the United States pro-

posed the addition of the following words at the end of operative paragraph 4 of the draft resolution: "and to such other changes as shall be made by the Executive Director in the light of the guidelines herein".

136. The representative of Czechoslovakia felt that the draft resolution submitted by Jordan, Nigeria and the Sudan (ID/B/L.17) must be considered in relation to the other two draft resolutions, including the one of which his delegation was a sponsor (ID/B/L.19), and he asked the Executive Director to explain what use would be made of material prepared for projects which were not to be carried to a conclusion, as proposed in the annex to the draft resolution in document ID/B/L.17.

137. The representative of Bulgaria stated that it was necessary to make a comparative evaluation of the three texts to arrive at a joint text. Commenting on draft resolution ID/B/L.17, he proposed that the words "Assistance to" in paragraph 2 (e), item (xi), should be replaced by "Co-operation with".

138. The Executive Director requested clarification of certain points in the draft resolution in document ID/B/L.17. He said he hoped that, in paragraph 1, the words "on the basis of" were not used in an exclusive sense, as General Assembly resolution 2152 (XXI) defined other functions of UNIDO which were not specifically mentioned in that paragraph. In paragraph 2 (a), the wording "requests of Governments should be the primary consideration in initiating operational activities" suggested that there might be other considerations. The word "initiating" was also rather vague. He suggested the use of a more explicit formula, such as "No operational activities... should be undertaken except on the requests of countries". He also suggested that the words "as far as possible" should be inserted after the word "expeditiously" in paragraph 2 (b), and he asked for an explanation of the exact meaning of the word "dynamic" in paragraph 2 (d). The Executive Director pointed out that the use of the words "Assistance to" in paragraph 2 (e), item (xi), was almost in contradiction with paragraph 2 (a), which indicated that assistance would be given only on the request of Governments. He suggested that the words "Co-operation with" might be used instead. With regard to the projects listed in the annex to the draft resolution, he felt that the Board should have more information from the secretariat before deciding whether to delete or defer them. He stated that in the case of one of the projects, an *ad hoc* committee had already been convened in preparation for an international conference. Under another, assistance was made available only at the request of countries, and twenty requests had already been made.

139. The representative of Somalia endorsed the suggestion of the Executive Director that the words "Assistance to" in paragraph 2 (e), item (xi), should be replaced by "Co-operation with". He felt that the Board should be provided with comprehensive observations on each of the projects proposed for deletion or deferment.

140. The representative of Switzerland supported the Canadian amendment to paragraph 2 (f).

141. The representative of Romania pointed out that paragraph 2 (e), item (xiii), of draft resolution ID/B/L.17 contained less detail than section II, paragraph 2 (a) (iv), of General Assembly resolution 2152 (XXI). He stated that the delegation of Romania fully supported draft resolution ID/B/L.19 and also

found some very interesting points in draft resolution ID/B/L.11.

142. The representative of the Philippines suggested that the Board should postpone its decision until after all the draft resolutions had been examined.

143. At its 29th meeting the Board had before it two documents (ID/B/L.21 and ID/B/L.22) which had been circulated after the deadline for the presentation of papers other than those sponsored by specific delegations. The Board decided that it should be made clear that the documents in question had been circulated for information only, had no official status, and would not be reflected in the Board's report.

144. The representative of France said he doubted whether "the recruitment of competent management and its surveillance to ensure high performance", mentioned in paragraph 2 (e) (vii) of document ID/B/L.17, ought to be counted among the operational activities of UNIDO; he therefore proposed that the phrase should be deleted. He also felt that paragraph 4 and the annex were too strong and he suggested redrafting them.

145. The representative of Nigeria said that the sponsors had decided to delete the annex and to redraft paragraph 4 as follows: "Approves the programme of work contained in document ID/B/L.4 subject to such changes as may be deemed appropriate by the Executive Director in the light of the guidelines indicated in paragraph 2 above".

146. The representative of Kuwait asked whether the sponsors of draft resolution ID/B/L.17 would consider incorporating two further provisions in the draft resolution: one giving the Board an opportunity to review the guidelines each year, and the other stating that due account would be taken of the recommendations of the International Symposium on Industrial Development.

147. The representative of Indonesia suggested that for the sake of clarity paragraph 2 (e) (xi) should be redrafted as follows: "Assistance in the elaboration and/or implementation of national or multinational programmes and projects in co-operation with the United Nations regional economic commissions in Africa, Asia and Latin America and the United Nations Economic and Social Office in Beirut".

148. The representative of the Philippines suggested that the sponsors of the three drafts should make an effort to produce a common text. The representatives of Czechoslovakia and the USSR supported the Philippine proposal and agreed to enter into consultation.

149. The representative of Somalia proposed a number of amendments (ID/B/L.24) to draft resolution ID/B/L.17, as follows:

1. In the second preambular paragraph, insert the words "purpose and" before the word "functions", and delete the words "paragraph 2 of section II of", so that the paragraph would read:

"Recognising that the work programme of UNIDO has to be geared to the best possible implementation of its purpose and functions as set forth in resolution 2152 (XXI),"

2. In operative paragraph 1, insert the word "primarily" after the word "functions".

3. In operative paragraph 1, insert the words "promotional and" before the words "operational activities".

4. In operative paragraph 2:

Sub-paragraph (a) should read as follows: "Operational activities, whether financed from... should be decided only at the request of Governments".

Sub-paragraph (b) should read as follows: "Measures will be taken to expedite the implementation of projects already approved under UNDP, the regular programme of technical assistance and the programme of special industrial services, as well as such requests as may be forthcoming during 1967 and 1968".

Add a new sub-paragraph (c), as follows: "Expand the operational activities of UNIDO through the establishment of closer and direct contacts with the developing countries and having better access to the experience and knowledge of the advanced countries".

5. In operative paragraph 2 (c):

In sub-paragraph (i), insert the words "purpose and" before the words "functions of UNIDO".

In sub-paragraph (ii), insert the words "the development of additional areas of operation and" before the words "the formulation of", in the first sentence.

In sub-paragraph (iii), substitute the words "studies and material" for the words "short and clear papers".

6. Operative paragraph 2, sub-paragraph (d), should read: "A more dynamic approach should be increasingly built into the programme of UNIDO in such a way that the field activities may provide a leverage for much larger undertakings within the promotional role of UNIDO; while promotional activities in turn may lead to the expansion and greater effectiveness of studies and field operations".

7. Delete sub-paragraph (xi) of operative paragraph 2 (e).

8. In operative paragraph 2 (e) (xiv), sub-paragraph e should read: "Technological applied research and industrial information".

9. In operative paragraph 2 (e), sub-paragraph (xvi) should read: "Assistance in establishing pilot plants, experimental factories and supply of industrial inputs otherwise unavailable to initiate industries which are likely to mature quickly".

10. Operative paragraph 4 should read: "Requests the Executive Director to continue the implementation of the current programme of work for 1967 and to prepare the programme for 1968 with due consideration to the principles set forth in this resolution".

150. The representative of Nigeria said that, following informal consultations, the sponsors of draft resolution ID/B/L.17 had been able to accept a number of the amendments suggested by various delegations, and the texts would be circulated as soon as possible.

151. The representative of Czechoslovakia noted that since the sponsors of draft resolution ID/B/L.17 had been unwilling to enter into informal consultations, his delegation had had to submit certain amendments in writing to the secretariat (ID/B/L.23). He hoped that his delegation, like other delegations, would have an opportunity to introduce those amendments orally.

152. The representative of Jordan said that since earlier efforts to reach agreement in informal consultation had failed, the sponsors had felt that no useful purpose would be served by holding further informal consultations.

153. At the 30th meeting of the Board, the representative of the USSR introduced draft resolution ID/B/L.19 on behalf of the sponsors.

154. At the 31st meeting of the Board, the representative of Nigeria, speaking on behalf of the sponsors of draft resolution ID/B/L.17, said that the sponsors had introduced a number of changes in the text of the draft resolution. These changes were based mainly on the amendments submitted by Somalia (ID/B/L.24). The sponsors had taken into account all the suggestions

made by members, including the Czechoslovak amendments (ID/B/L.23). Commenting on the Somali proposal that reference be made in the preamble to the purpose of UNIDO, the Nigerian representative stated that in view of the controversy which had already arisen on that subject in the *ad hoc* committee, the sponsors preferred to leave the preamble unchanged.

155. The Nigerian representative stated that there had been some divergence of views among the sponsors concerning the proposed amendments to operative paragraph 1, but it had been decided to leave that paragraph unchanged. The present wording should not be interpreted as being in any way restrictive. The amendment to former operative paragraph 2 (a) proposed by Somalia had been adopted with one slight change in the wording, as the sponsors felt that the former wording of the paragraph tended to be too restrictive with regard to the functions of the Executive Director. Although requests of Governments should be the primary consideration in the initiation of operational activities, it should be recognized that the Executive Director might also take the initiative in giving general advice in the early stages. Former operative paragraph 2 (a) had thus been amended to read as follows:

"Operational activities of UNIDO, whether financed from contributions made directly to it or undertaken through participation in UNDP or by the utilization of the appropriate resources of the United Nations regular programme of technical assistance or under the programme of special industrial services, should be undertaken only at the request of Governments".

156. Former operative paragraph 2 (b) had been completely reworded, as the old form had been somewhat peremptory in tone. It now read as follows:

"Measures should be taken to expedite the implementation of projects already approved under UNDP, the regular programme of technical assistance and the programme of special industrial services, as well as such requests as may be forthcoming during 1967 and 1968".

157. A new operative paragraph 2 (c) had been added, so that the subsequent sub-paragraphs had now become (d), (e), (f) and (g). The new paragraph 2 (c) read as follows:

"The operational activities of UNIDO should be expanded through the establishment of closer and direct contacts with the developing countries and of better access to the experience and knowledge of the advanced countries".

158. The Nigerian representative stated that it had not been possible to accept any of the suggested amendments to operative paragraph 2 (d) concerning the research activities of UNIDO, owing to the existence of various shades of opinion among the sponsors of the draft resolution. In accordance with the wishes of the other delegations, operative paragraph 2 (e) had been amended to read as follows:

"A more dynamic approach should be increasingly built into the programme of UNIDO in such a way that the field activities may provide a leverage for much larger undertakings within the promotional role of UNIDO; while promotional activities in turn will lead to the expansion and greater effectiveness of studies and field operations".

159. For purposes of emphasis, in operative paragraph 2 (f) (v), the words "by giving guidance in the preparation of requests, by providing information" had

been changed to read: "by giving guidance in the preparation of specific requests, including information".

160. Former operative paragraph 2 (e) (xi) had been recast as new operative paragraph 2 (h) which read as follows:

"UNIDO should co-operate with the United Nations regional economic commissions in Africa, Asia and Latin America and the United Nations Economic and Social Office in Beirut in the elaboration and/or implementation of national or multinational programmes and projects within the framework of regional and subregional economic groupings among those countries, where such groups exist".

161. The sponsors of draft resolution ID/B/L.17 had followed the suggestion made by the representative of the United States at the 28th meeting of the Board and had substituted for the two foot-notes a new operative paragraph 2 (i) worded as follows:

"As appropriate, assistance should be undertaken pursuant to the provisions for co-ordination and co-operation contained in General Assembly resolution 2152 (XI)".

162. The Nigerian representative stated that the sponsors had accepted the amplified version of former operative paragraph 2 (e) (XVI) which, as new operative paragraph 2 (f) (XV), now read as follows:

"Assistance in establishing pilot plants, experimental factories and supply of industrial inputs otherwise unavailable to initiate industries which are likely to mature quickly".

Operative paragraph 4 had been reworded as follows:

"Approves the programme of work contained in document ID/B/4, subject to such changes as may be deemed appropriate by the Executive Director in the light of the guidelines indicated in paragraph 2 above".

163. The Nigerian representative stated that the purpose of the draft resolution was to list some of the points on which the Board had reached agreement during its three weeks of work, to serve as guidelines for the Executive Director. He stated that it was not intended to be conclusive or all-embracing, and some changes could perhaps be made at the resumed session of the Board.

164. The representative of Czechoslovakia introduced the following amendments (ID/B/L.23) to draft resolution ID/B/L.17:

1. Replace the first paragraph of the preamble by the following:

"Recalling that in accordance with paragraph 1 of section II of General Assembly resolution 2152 (XXI) the purpose of UNIDO shall be to promote industrial development, in accordance with Article 1, paragraph 3, and Articles 55 and 56 of the Charter of the United Nations and by encouraging the mobilization of national and international resources to assist in, promote and accelerate the industrialization of the developing countries, with particular emphasis on the manufacturing sector".

2. Replace the second paragraph of the preamble by the following:

"Recognizing that the work programme of UNIDO has to be oriented towards the fulfilment of the purpose and tasks set out in General Assembly resolution 2152 (XXI)".

3. Insert a new third paragraph of the preamble, reading as follows:

"Believing that UNIDO should become a genuine instrument of international co-operation in industrial development".

4. In operative paragraph 1, delete the words "in order to fulfil its purpose as set out in General Assembly resolution 2152 (XXI)" and substitute the following:

"... the main role of UNIDO has to be its promotional role consisting in particular of encouraging the building up of productive industrial forces of the developing countries and assisting them, through operational activities, in making full use of their own resources and of the help that may be or become available from external resources. UNIDO should become a kind of central co-operative pool through which it is possible to draw on the reserves of experience, technical knowledge and tangible resources of all countries."

5. Insert the following words in operative paragraph 2 after the words "Executive Director":

"when preparing the draft programme of work for 1968, 1969 and subsequent years, to develop gradually the central role of UNIDO in the field of industrial development and".

6. In operative paragraph 2 (e) (ii) insert the words "of UNIDO" after the words "Research activities".

7. In paragraph 2 (d) add the following words at the end of the paragraph: "particularly in the development of basic and manufacturing industries".

8. After operative paragraph 2 (e) (ii) insert new sub-paragraph (iii) as follows:

"Assistance in identifying those branches of industry in which it is of paramount importance that the public sector of the economy should be developed in order to ensure that industrialization will really be accelerated and will serve the purposes of the nation as a whole".

Renumber subsequent sub-paragraphs.

9. Delete the end of operative paragraph 2 (e) (iii), after the word "possibilities", and substitute the following: "and in the planning, evaluation and practical execution of specific industrial projects".

10. Insert a new sub-paragraph after the old operative paragraph 2 (e) (iv) to read as follows:

"Assistance in formulating recommendations for the more accelerated accumulation and use of domestic resources of the developing countries with a view to channelling them into industrial development".

11. Insert a new sub-paragraph (vii) reading as follows: "Assistance in attracting aid to the developing countries from abroad, having due regard to national interests and in observance of the principle of inalienable sovereignty over natural resources, for the execution of projects".

12. Renumber old sub-paragraphs (v) and (vi) as (viii) and (ix), and delete the end of old sub-paragraph (vi) starting with the words "preparation of invitations".

13. Delete the end of old sub-paragraph (vii) starting with the words "the recruitment of competent management".

14. In old sub-paragraph (x), insert after the words "training of" the following: "national administrative, managerial and other highly qualified personnel and of" and add at the end of the paragraph the following words: "and in such form of training as management workshops, in-plant training of engineers and intermediate level technicians etc., using the services of specialists of any country and enlisting the co-operation of other interested organizations in the United Nations system".

15. In old sub-paragraph (xi), replace the words "to United Nations regional economic commissions in Africa, Asia and Latin America" by "in co-operation with United Nations regional economic commissions".

16. After old sub-paragraph (xii) insert the following new sub-paragraph:

"Assistance in promoting study, application and dissemination in all countries irrespective of their

economic and social systems and their stage of development, of experience gained, particularly in industrially developed countries, by carrying out investigations and surveys of conditions and situations and technological levels in various sectors of industry and of industry as a whole".

17. In old sub-paragraph (xiv) replace the word "national" by "governmental".

18. After paragraph 3 (d) (iii), add a sub-paragraph (iv) reading as follows:

"Gain a clear picture on the level achieved in the co-ordination of all industrial development activities within the framework of the United Nations, its specialized agencies and UNCTAD".

165. The representative of the Philippines said that, in view of the short time remaining for the consideration of draft resolutions, his delegation and that of the Ivory Coast intended to withdraw the draft resolution which they had submitted jointly (ID/B/L.11). He stated that the Philippine delegation would vote for draft resolution ID/B/L.17 with the amendments which the sponsors had already accepted.

166. The representative of Czechoslovakia confirmed that draft resolution ID/B/L.19 had not been withdrawn and replaced by the Czechoslovak amendments (ID/B/L.23) to draft resolution ID/B/L.17.

167. The representative of Somalia stated that, on the understanding that the sponsors of draft resolution ID/B/L.17 would reconsider their position on the first three Somali amendments (ID/B/L.24), which had not been accepted, he would be ready to withdraw document ID/B/L.24. With regard to the second amendment, he proposed that a compromise between his position and that of the sponsors could be reached by using the word "essentially" instead of "primarily".

168. The representative of Czechoslovakia said that if draft resolution ID/B/L.17 was voted on paragraph by paragraph, he would request separate votes on his amendments.

169. The representative of Cameroon proposed that in the new operative paragraph 2 (h) of draft resolution ID/B/L.17 the words "and regional and sub-regional economic groupings" should be inserted after the word "Beirut", and the words "within the framework of regional and subregional economic groupings among those countries, where such groups exist" deleted.

170. The Nigerian representative accepted the Cameroonian amendment on behalf of the sponsors.

171. The representative of Kuwait recalled that on the basis of a proposal by his delegation at the 29th meeting, the representative of Jordan had suggested that in the report the draft resolution should be introduced by a paragraph stating, *inter alia*, that the Executive Director, in exercising his responsibilities, should take due account of the recommendations of the regional symposia and the International Symposium on Industrial Development and that the Board would review periodically the guidelines contained in the resolution.

172. The representative of Belgium said that the Board was seeking to devise temporary guidelines for a relatively short period, four or five years at the most, and, as the representative of Kuwait had pointed out, they would be reviewed periodically. He stated that draft resolution ID/B/L.17 should therefore be viewed in that perspective. He also stated that some of the provisions of draft resolution ID/B/L.19 were valuable and should be taken into consideration, though

they had not been reproduced in the Czechoslovak amendments (ID/B/L.23).

173. The representative of Finland asked the sponsors of draft resolution ID/B/L.17 whether, in view of what had been said about the importance of the Economic Commission for Europe, they would agree to delete the words "of Africa, Asia and Latin America" from the new version of operative paragraph 2 (h).

174. At its 32nd meeting, the Board had before it, in addition to draft resolution ID/B/L.17, an unofficial paper indicating the amendments acceptable to the sponsors and the amendments submitted by the delegations of Czechoslovakia (ID/B/L.23) and Somalia (ID/B/L.24).

175. The representative of Czechoslovakia, considering suggestions made by several delegations, wished to revise the eighteenth Czechoslovak amendment, so that the last part would read: "... the United Nations, its specialized agencies, IAEA, UNDP, UNCTAD and GATT".

176. He also explained that the "productive industrial forces" referred to in the fourth amendment in document ID/B/L.23 meant all the factors necessary for industrial production—raw materials, machinery, manpower, financial resources and so forth.

177. At the 35th meeting of the Board, the representative of Nigeria introduced a revised text of the draft resolution (ID/B/L.17/Rev.1), which had been agreed upon by an informal group comprising the sponsors of draft resolution ID/B/L.17 and those delegations which had proposed major amendments. The revised draft resolution submitted by Jordan, Nigeria and the Sudan read as follows:

The Industrial Development Board,

Recalling the provisions of General Assembly resolution 2152 (XXI),

Recognizing that the work programme of UNIDO has to be geared to the fulfilment of its purpose and the best possible implementation of its functions as set forth in General Assembly resolution 2152 (XXI),

1. *Decides* that UNIDO shall carry out its functions primarily on the basis of meeting the urgent needs of the developing countries in accelerating their industrial development through promotional and operational activities supported by relevant research;

2. *Requests* the Executive Director to exercise his responsibilities in accordance with the following guidelines:

(a) Operational activities of UNIDO, whether financed from contributions made directly to it or undertaken through participation in UNDP or by the utilization of the appropriate resources of the United Nations regular programme of technical assistance or under the programme of special industrial services, should be undertaken only at the request of Governments;

(b) Measures should be undertaken to expedite the implementation of projects already approved under UNDP, the regular programme of technical assistance and the programme of special industrial services, as well as such requests as may be forthcoming during 1967 and 1968;

(c) Operational activities of UNIDO should be expanded through the establishment of closer and direct contacts with the developing countries and of better access to the experience and knowledge of the advanced countries;

(d) Research activities of UNIDO as provided for in paragraph 2 (b) of General Assembly resolution 2152 (XXI) should be based on the following considerations:

(i) Action-oriented studies and research programmes of UNIDO should be designed especially to facilitate the undertaking of operational activities which result from requests from the developing countries in the framework of the functions of UNIDO. Research

activities undertaken by UNIDO should also be directed to achieving improved effectiveness of operational activities. It is, furthermore, recognized that certain types of studies and surveys have an important role both in the analysis and evaluation of the experience gained in the field and in the determination of the proper direction of future operational assistance activities;

- (ii) Research activities of UNIDO which do not necessarily have an immediate and direct supporting role in relation to operational activities can, nevertheless, serve useful longer-range development needs such as the formulation of alternative industrial development strategies. In such cases UNIDO should, wherever possible, draw on appropriate work of other institutions, and, as necessary, encourage them to undertake such research in areas which the experience of its operational activities would indicate to be fruitful. UNIDO may also undertake useful compilations and indexing of relevant information, classifications of conclusions derived from comparative studies of actual cases, and the periodic evaluation of industrial trends, especially in the developing world, to measure achievements and identify important industrial development problems;
- (iii) Seminars and workshops should be undertaken in response to clear needs and after adequate preparation. Documentation preparatory to, and resulting from, such seminars and workshops should consist of short and clear papers which can be used to guide similar discussions and study groups in developing countries. Such documentation should be as up-to-date as possible and made available promptly in order to be of the maximum value;
- (e) A more dynamic approach should be increasingly built into the programme of UNIDO in such a way that the field activities may provide a leverage for much larger undertakings within the promotional role of the organization. Promotional activities in turn should lead to the expansion and greater effectiveness of studies and field operations;
- (f) The operational activities of UNIDO as hereunder elaborated should be widely publicized and brought specifically to the attention of Governments of developing countries in order to assist them in formulating their requests under the operational programme of UNIDO in the immediate future:
 - (i) Assistance in carrying out comprehensive general surveys of industrial development possibilities in individual countries or in groups of countries, e.g., in regions or subregions;
 - (ii) Assistance in the formulation of industrial development plans and programmes and the determination of priorities and the formulation of appropriate policies, incentives and other measures in individual countries or in groups of countries;
 - (iii) Assistance in identifying those branches of industry which should be developed in order to ensure accelerated industrialization and better standards of living;
 - (iv) Assistance in conducting pre-investment studies of specific industrial possibilities and the evaluation of specific projects;
 - (v) Assistance in executing necessary detailed technical and economic feasibility studies to elaborate specific bankable projects and in the economic and financial planning and evaluation of specific projects including the identification of possible domestic resources;
 - (vi) Assistance in obtaining external financing for specific industrial projects, including additional financing for expansion and improvement of existing industrial plants, by the giving of guidance in the preparation of specific requests, including information on the terms and conditions of the various financing agencies, and by advice to financing agencies on the technical and economic soundness of the projects submitted for financing;
- (vii) Advising at the various stages of implementation and follow-up of industrial projects, including the preparation of detailed project reports or their evaluation, selection of processes, technologies and machinery and equipment, preparation of invitations for tenders, evaluation of tenders, supervision of construction work, and commissioning and testing of industrial plants;
- (viii) Assistance in achieving the efficient utilization of new and existing industrial capacity in developing countries; in particular, help in all phases of production, including the solution of technical and technological problems, improvement and control of quality, the recruitment of competent management and its surveillance to ensure high performance;
- (ix) Assistance in developing and improving marketing and distribution techniques and in providing solutions for marketing and distribution problems of specific industrial products;
- (x) Assistance in the development of export-oriented industry and in the solution of its particular problems;
- (xi) Assistance in the training of technical and other appropriate categories of personnel, specifically in relation to particular existing or planned industries, including such forms of training as management workshops, in-plant training etc., using the services of specialists of both the developed and developing countries;
- (xii) Assistance in promoting co-operation among developing countries on programmes and projects of industrial development and in developing export potential;
- (xiii) Assistance in the dissemination, for the developing countries, of information on technological innovations originating in various countries, assistance in the implementation of practical measures for the application of such information, the adaptation of existing technology and the development of new technology especially suited to the particular physical, social and economic conditions of developing countries through the establishment and improvement, *inter alia*, of technological research centres in these countries;
- (xiv) Information and advice on the systems of patents, industrial property and know-how;
- (xv) Assistance in establishing or strengthening national and multinational institutions to deal with various aspects and problems of industrial development in such fields as:
 - a. Planning and programming;
 - b. Project formulation and evaluation;
 - c. Engineering and design;
 - d. Training, management and productivity;
 - e. Technological applied research;
 - f. Standardization, quality control, weights and measures administration;
 - g. Marketing and export promotion;
 - h. Services to small-scale industry, including industrial estates;
 - i. Investment promotion;
- (xvi) Assistance on experimental projects designed:
 - a. To adapt existing technology to the very different factor endowments in the developing countries;
 - b. To investigate alternative possible new uses for local raw materials; and
 - c. To devise, wherever possible, linkages between various products and stages of processing which may form the base for a viable industrial complex;
- (xvii) Assistance in establishing pilot plants and experimental factories and in obtaining the supply of industrial inputs otherwise unavailable, to initiate industries which are likely to mature quickly;

(xviii) Organization, as appropriate, of seminars and workshops on specific aspects and problems of industrial development;

(g) Assistance may be provided to Governments at their request in the preparation of their projects through appropriate means, including the sending of field missions or experts. To this end, the secretariat should urgently develop the requisite technical capacity;

(h) UNIDO should co-operate with the United Nations regional economic commissions and the United Nations Economic and Social Office in Beirut and assist the regional and subregional economic groupings at the request of the Governments concerned in the elaboration and/or implementation of national or multinational programmes and projects in the developing countries;

(i) As appropriate, assistance should be provided pursuant to the provisions for co-ordination and co-operation contained in General Assembly resolution 2152 (XXI);

3. Requests the Executive Director to present future work programmes of UNIDO on the basis of the following considerations, taking into account the need to develop gradually the central co-ordinating role of UNIDO in the field of industrial development:

(a) The work programmes should be in a form which will enable the Board to have an over-all view, in budgetary terms, of the operational and headquarters activities of UNIDO and hence to consider their budgetary implications;

(b) The same framework should be used for presenting summary reports on earlier activities of the organization and future trends, in order to enable the Board to follow, year by year, the over-all evolution of these activities;

(c) The framework for presenting the work programme should, in particular, indicate clearly the breakdown:

(i) Between the fields of activity in broad categories in the recipient countries;

(ii) Between the various types of activities, comprising on the one hand operational activities (technical assistance measured in man-months or in scholarships and fellowships, studies and services or other operations measured in monetary units) and on the other hand headquarters activities, which are considered as supporting the operational activities (management and control of operational projects, dissemination of information, general studies and research and general administration);

(iii) Between sources of finance, distinguishing between the organization's own resources and other funds and programmes of the United Nations system;

(d) This presentation should enable the Board in particular to:

(i) Obtain a clear view of the relationship between the field of activities, the type of activities and financial resources;

(ii) See the relationship between the total amount of the operational budget and that of the administrative budget;

(iii) See to what extent the headquarters activities are serving more or less directly to support the operational activities;

(iv) Gain a clear picture of the level achieved in the co-ordination of all industrial development activities within the United Nations system;

4. Approves the programme of work contained in document ID/B/4, subject to such changes as may be deemed appropriate by the Executive Director in the light of the guidelines indicated in paragraph 2 above.

178. The Nigerian representative also stated that there were a few points which some delegations would have liked to include in the draft resolution, but, in order not to upset the delicate balance achieved, it had been agreed that their views on them would be reflected in the Board's report. He had in mind particularly the Czechoslovak delegation's view that the meaning of the

word "promotional", as used in paragraph 2 (e), should be defined. Much of the wording was taken from the Executive Director's introductory statement, and the Board should not have difficulty in accepting the definition. The second sub-paragraph proposed by the Czechoslovak delegation concerned permanent sovereignty over natural resources. As it had not been possible to formulate a wording satisfactory to all the groups, the sponsors felt that the best solution would again be to include the Czechoslovak text on the subject in the Board's report.

179. The representative of Jordan stated that his delegation had not been present at the negotiations which led to the revised text. He opposed the revised text, which he considered as a sell-out of the interests of the developing countries, and wished to withdraw as a sponsor of the draft resolution. He also requested a separate roll-call vote on operative paragraph 1.

180. The representative of Argentina stated that the revised text had been the subject of broad agreement and seemed to be the best that could be produced. He was sure the representative of Jordan would agree that all the members of the Board had the interests of the developing countries at heart, and the agreement that had been reached was clearly not a sell-out, since a number of developing countries had participated in the formulation of the final text.

181. The representatives of Trinidad and Tobago and of the United Kingdom suggested that the word "primarily" in operative paragraph 1 should be deleted, as in their opinion the revised text did not make it clear that UNIDO had been established to meet the needs of developing countries.

182. The representative of Nigeria proposed the replacement of the word "primarily" by "essentially" in the first sentence of operative paragraph 1.

183. The representative of Jordan agreed to the proposal of the representative of Nigeria and withdrew his request for a roll-call vote on paragraph 1. The representative of Czechoslovakia also agreed to the word "essentially".

184. The representative of Cameroon proposed that operative paragraph 2 (h) should be redrafted to read:

"UNIDO shall co-operate with the United Nations regional economic commissions and the United Nations Economic and Social Office in Beirut, assist the regional and subregional economic groupings and co-operate with them at the request of the Governments concerned in the elaboration and/or implementation of national or multinational programmes and projects in the developing countries".

185. The representative of the Ivory Coast, referring to the Cameroonian amendment to operative paragraph 2 (h), stated that it was based on General Assembly resolution 2152 (XXI), section II, paragraph 2 (a) (vi); the clear implication was that UNIDO should concentrate on industrial development in the countries of Africa, Asia and Latin America, and his delegation could not accept any extension of its role in that regard.

186. The revised draft resolution (ID/B/L.17/Rev.1), as orally amended, was adopted unanimously by the Board at its 35th meeting, on 4 May 1967 (see annex VIII, resolution I (I)).

187. With reference to paragraph 2 (e) of this resolution, it was the understanding of the majority of the Board that the promotional role of UNIDO would consist, in particular, of encouraging the build-

ing up of the productive industrial forces of the developing countries and the mobilization of national and international resources for the promotion of their industrialization. The organization should become a kind of central co-operative pool through which it would be possible to draw on the reserves of experience, technical knowledge and tangible resources of both the developed and developing countries. Reservations were expressed by the United States, the United Kingdom and Japan, who pointed out that they had not subscribed to the agreement which had been reached in the informal group.

188. Most members agreed that, in the exercise of its functions, and in particular with respect to section II, paragraph 2 (a) (xi), of General Assembly resolution 2152 (XXI), UNIDO should pay due regard to the provisions of General Assembly resolution 2158 (XXI) on permanent sovereignty over natural resources. Reservations were expressed by the United States, the United Kingdom and Japan.

189. In explaining its vote, the delegation of the Ivory Coast stated that in its understanding paragraph 2 (h) of Board resolution 1 (I), relating to "regional and subregional economic groupings" meant those groupings existing in Africa, Asia and Latin America.

190. In explaining his vote, the representative of Switzerland stated that if a vote paragraph by paragraph had been taken, his delegation would have abstained on operative paragraphs 2 (e) and 2 (f) (vii).

191. When adopting the report, the Board decided at its 39th meeting to include in its report the following interpretation proposed by Kuwait at the 29th meeting: "The Board adopted unanimously the revised draft resolution, as amended, on the understanding that the Board would be given an opportunity to review each year the guidelines for the activities of UNIDO and that due account would be taken of the recommendations of the International Symposium on Industrial Development".

192. At the request of the representative of Bulgaria, the Board decided at its 36th meeting not to put draft resolution ID/B/L.19 to a vote but to include it in its report.

193. In reply to questions from several delegations, the representative of Jordan stated that his delegation had resumed its sponsorship of the draft resolution contained in document ID/B/L.17/Rev.1.

194. At its 35th meeting the Board had before it three proposals of the Philippine delegation relating to fertilizer, export-oriented and textile industries (ID/B/L.9, ID/B/L.10 and ID/B/L.20). The representatives of Canada, Trinidad and Tobago, Cuba, Belgium and Brazil recalled that the Board, in deciding to alter its agenda, had eliminated the sector-by-sector discussion under this item, and proposed that the Board should take no action on these drafts. It was also pointed out that any delegation which wished to do so could submit corresponding proposals at a future session. The representative of the Philippines said that she would not press the proposals and requested that they be given due consideration at the next session.

195. At the 39th meeting the Board decided that the texts of these proposals should be included in the report. The Philippine draft resolution on fertilizer industries (ID/B/L.9) read as follows:

The Industrial Development Board,

Taking into account the need for a practical work programme of UNIDO which would respond to the basic and

immediate needs of the developing countries for a more effective mobilization and utilization of the resources within their regions,

Believing that a high priority accorded to a work programme on the promotion and establishment of fertilizer industries, through regional co-operation, in the developing countries would accelerate their agricultural and industrial growth,

Considering the important role of fertilizer industries in the production and use of fertilizers in the developing countries in order to improve their low crop yields and remedy the world food shortages during the present and future decades,

Noting that the low crop yields prevalent in the developing countries have been, inter alia, due to the lack of technology in the application of fertilizers and to the insufficient quantity of fertilizers used per unit of arable land,

Realizing that the establishment of fertilizer industries in the appropriate regions of the developing countries with natural gas resources could double the world production of nitrogen fertilizers at costs considerably below present production rates in principal fertilizer-producing countries by means of the utilization of the natural gas being flared in natural gas-rich countries,

Noting with appreciation the report of the Executive Director of UNIDO on the implementation of the recommendations of the Interregional Seminar on the Production of Fertilizers, held in Kiev, and of the ad hoc expert group on fertilizer production in countries with natural gas resources, contained in document ID/B/L.9,

1. *Requests the Executive Director of UNIDO to ensure the implementation of the appropriate recommendations of the above-mentioned Interregional Seminar on the Production of Fertilizers and, in particular, the recommendations of the ad hoc expert group on fertilizer production in countries with natural gas resources;*

2. *Requests the Executive Director of UNIDO to undertake consultations with Governments of countries rich in natural gas resources regarding the feasibility of setting up pilot fertilizer projects in the appropriate regions of the developing countries, in co-operation with the Food and Agriculture Organization of the United Nations, the International Bank for Reconstruction and Development, the regional development banks, other financial institutions, the United Nations Development Programme and various United Nations bodies concerned;*

3. *Requests the Executive Director of UNIDO to accord high priority in its future work programme and activities to the promotion and establishment of the appropriate fertilizer-manufacturing industries and to the industrial sectors working on the inputs to increase agricultural production;*

4. *Requests the Executive Director of UNIDO to submit a report on the steps and measures taken pursuant to paragraphs 1, 2 and 3 at the second session of the Board.*

The Philippine proposal on UNIDO activities in export-oriented industries (ID/B/L.10) read as follows:

The Industrial Development Board noted with satisfaction the progress report by the Executive Director of UNIDO on the steps taken by developing countries to develop and establish export-oriented industries, contained in document ID/B/8. It is decided to request the Executive Director to submit to the Board at its second session a report containing practical recommendations, designed to assist Governments of developing countries in devising measures and policies for solving the main problems and obstacles experienced by them in the promotion and establishment of export-oriented industries, particularly, after taking into account the replies received from the developing and developed countries, the specialized agencies and other United Nations bodies regarding the questionnaires on these export-oriented industries, including the experience gained by UNIDO and other United Nations bodies in technical assistance activities in this field of industries.

The Philippine proposal on textile industries (ID/B/L.20) read as follows:

The following paragraphs are proposed for inclusion in the report of the first session of the Industrial Development Board under the section relating to agenda item 11 (Review of the activities of the United Nations system of organizations in the field of industrial development):

The Industrial Development Board noted with appreciation the report of the United Nations interregional workshop on textile industries in developing countries, held in Lodz, Poland, from 6 to 27 September 1967.

Considering the importance of the establishment, expansion, and productivity of the textile industries in the developing countries as an essential element of their industrialization process and as a means for meeting adequately their immediate and future basic needs of clothing and food for their population growth, the Board requested the Executive Director to draw the attention of Governments to the importance of following up and adopting the appropriate recommendations proposed by various United Nations conferences relating to assistance on the economic and technological aspects of an optimum policy for the textile industries of developing countries, and, in particular, the recommendations contained in the aforementioned report on the United Nations interregional workshop on textile industries in developing countries. The Board also requested the Executive Director of UNIDO to undertake steps for the implementation of the appropriate recommendations contained in the aforementioned report and to submit a report on the matter at the second session of the Board.

196. At the 30th meeting of the Board the representative of Trinidad and Tobago introduced a revised draft resolution (ID/B/L.7/Rev.1), sponsored by Jordan and Trinidad and Tobago, reading as follows:

The Industrial Development Board,

In furtherance of its responsibilities under paragraph 7 of General Assembly resolution 2152 (XXI),

Affirming that the future programmes and activities of UNIDO should be based on the specific requests of particular countries or regions and that the research undertaken or sponsored by UNIDO should be in direct support of such operational action,

Recognizing that meaningful priorities as between different industrial sectors can only be established by Governments themselves within the context of their own development programmes,

Recognizing that countries or regions may require assistance in evaluating specific industrial situations and potential and in establishing priorities for action, and that an effective response to requests for assistance must be prompt, flexible and multidimensional,

Recognizing the need for a predetermined process of evaluation before, during and after the implementation of each project, and the need for a continuous process of programming and reprogramming to fit the means of action to the requirements of the project as it develops and until the desired results are achieved,

1. *Decides to suspend action on the following research projects included in the 1967/1968 programme which are not based on the specific needs of particular countries or regions:...*

2. *Invites Member States, either individually or as regional or subregional groupings, to submit for the Board's consideration requests for assistance in defining or dealing with their specific problems in the field of industrialization, indicating the priority to be attached to each such request within the context of their development plans as a whole; guidelines as to the type of assistance to be offered by UNIDO are attached as annex A;*

3. *Decides to establish, until the next resumed session of the Board, a Programme and Budget Committee, as provided for under rule... of the rules of procedure, to advise the Board on matters affecting programming and budgeting and in particular to undertake the following tasks:*

(a) *To examine with the Executive Director and report to the Board on the action recommended by the secretariat*

on requests received from Governments, with a view to identifying any obstacles in the way of prompt project formulation and implementation;

(b) *To examine with the Executive Director and report to the Board on the reports of field missions and the follow-up action proposed or taken on such reports;*

(c) *To examine with the Executive Director and report to the Board on such programmes or research operations as may be proposed by the Executive Director;*

4. *Decides that the Programme and Budget Committee should comprise not more than ten experts, to be elected from among the members of the Board. Any other member of the Board may participate in the work of the Committee without the right to vote;*

5. *Requests the Programme and Budget Committee to meet four weeks before the resumed session and before the consideration and approval of the United Nations budget for 1968;*

6. *Decides to hold a resumed session of the Board in ... 1967.*

197. The representative of Trinidad and Tobago announced certain changes in this draft. The last preambular paragraph had become operative paragraph 1, and the first word would be "Recognizes". Operative paragraphs 1 and 2 had been deleted as a result of the comments made during the discussion on draft resolution ID/B/L.8/Rev.1. Operative paragraphs 3, 4, 5 and 6 had consequently become paragraphs 2, 3, 4 and 5, respectively. In the new paragraph 2, the word "resumed" between the words "next" and "session" should be deleted, and the figure "62" should be added after the word "rule". In the new paragraph 3, the phrase "not more than ten" should be deleted. In new paragraph 4, the words "before the resumed session and" between the words "four weeks" and "before the consideration" should be deleted. Lastly, new operative paragraph 5 had been redrafted to read as follows: "Requests the Committee to report to the Board at its next regular session".

198. The representative of Trinidad and Tobago also stated that the origin of the idea of establishing a committee of the Board sprang from the sponsors' concern at the fact that it was physically impossible for the Board to conclude its work in a single session.

199. At the 33rd meeting the representative of Trinidad and Tobago, on behalf of the sponsors, announced the following changes in the draft resolution: in operative paragraph 3, a blank should be left before the word "experts"; in operative paragraph 4, the word "four" should be replaced by "three", and the words "and three weeks before the next regular session" should be added at the end of the paragraph.

200. At the 34th meeting the representative of Jordan proposed that a final decision on the draft resolution should be deferred until the Board had taken a decision on a proposal of the United Kingdom that it should hold a resumed session later in 1967.

201. The representative of Peru proposed that the Board should decide not to vote on draft resolution ID/B/L.7/Rev.1, but to include it in its report.

202. The representative of Belgium moved the closure of the debate on draft resolution ID/B/L.7/Rev.1. The proposal was adopted by 42 votes to none, with 1 abstention.

203. The Jordanian proposal was put to the vote and rejected by 17 votes to 10, with 14 abstentions.

204. The representative of Trinidad and Tobago informed the Board that the sponsors of the draft resolution had accepted the proposal made by the repre-

sentative of Peru that the text of the draft resolution should be included in the report of the Board and not put to a vote at the present session.

205. The Board adopted the Peruvian proposal by 17 votes to 7, with 14 abstentions.

206. The representative of Somalia said that his delegation wished to reserve its position on draft resolution ID/B/L.7/Rev.1.

207. At the 37th meeting of the Board, on 4 May 1967, the representative of the United Kingdom withdrew his proposal for a resumed session; he proposed that the Board should ask the Executive Director to

submit to the Second Committee of the General Assembly, at its twenty-second session, the following two documents: (a) the work programme of UNIDO for 1968; and (b) particulars of the final arrangements for the International Symposium on Industrial Development.

208. After an exchange of views, during which the Executive Director asked for clarification of the United Kingdom proposal, it was understood that the latter had been accepted and that the two documents would be made available to the General Assembly for information purposes.

Chapter VI

INTERNATIONAL SYMPOSIUM ON INDUSTRIAL DEVELOPMENT

209. The Board had before it a note by the Executive Director on the preparations being made for the holding of the International Symposium on Industrial Development (ID/B/5). This document also contained the provisional agenda and the draft rules of procedure for the Symposium which had been recommended by the Economic and Social Council in resolutions 1180 (XLI) and 1185 (XLI).

210. At its twenty-first session, the General Assembly, on the recommendation of the Committee for Industrial Development and the Economic and Social Council, adopted resolution 2178 (XXI) in which it endorsed the decision of the Economic and Social Council to convene the International Symposium in Athens, Greece, in December 1967, and noted with approval the recommendations of the Council concerning the preparation and organization of the Symposium. The Assembly called upon UNIDO to devote all the necessary attention to the preparatory work for the Symposium in order to ensure its success, and requested the Industrial Development Board to study in due course the recommendation of the Symposium and to take appropriate follow-up action.

211. In introducing this item of the agenda, the Executive Director noted that the agreement between the United Nations and the Government of Greece regarding the Symposium had been signed on 14 April 1967. In view of limitations on translation and reproduction facilities, Governments were requested to submit summaries of papers presented which could be translated into the working languages of the Symposium.

212. During the discussion, representatives of the ILO, FAO, UNESCO, UNCTAD and GATT made statements. They indicated that their organizations' preparations for the Symposium had been made in close co-operation with UNIDO and gave information concerning the studies they were preparing for the meeting.

213. In the discussion that followed, the preparations that had been made for the Symposium were generally approved, and appreciation was expressed to the Government of Greece for its offer to act as host for the meeting. Two representatives suggested that the Executive Director should concurrently prepare plans for holding the Symposium at another site—for example, Geneva—should this become necessary in view of the present situation in the host country. The observer from the host country assured the Board that his Government was doing everything possible to make the

Symposium a success and that the meeting would be held under appropriate conditions. One representative stated that the assurances given by the observer from the host country had not dispelled his misgivings.

214. A number of representatives reported that their Governments had set up special national machinery to prepare for their participation in the Symposium and were preparing a number of papers on various topics for submission to the meeting. The recent visits of senior officials of UNIDO to a number of countries to discuss their preparations were considered useful.

215. Several delegations stressed the importance of the early distribution of Symposium documents, including the reports of the regional symposia. One delegation requested that documents be distributed in large numbers to meet the needs of the interested parties in the countries concerned, and another requested they be made available in the working languages of the Symposium.

216. A number of delegations supported the suggestion that the discussions and recommendations of the Symposium should provide a basis for the long-term work programme of UNIDO, and one representative said that the follow-up action to the Symposium should form a major part of the work of the organization in 1968.

217. Several representatives approved the existing provisional agenda in that it provided a forum for discussion of differing views of the problems of industrialization. It was pointed out that the provisional agenda had been approved by the Economic and Social Council and the General Assembly, and had been formulated to correspond to the agenda of the regional symposia. Several other representatives, however, considered that the discussions at the Symposium should be practical, technical and action-oriented, and that the existing provisional agenda was too vague and general and could lead to the elaboration of general propositions which would not make any significant contribution to increasing industrialization. Several Governments made suggestions for changing or limiting the agenda. One representative suggested the following:

"1. An examination of the findings of the regional symposia.

"2. A discussion of the technical and economic requirements for the establishment of a few basic industries such as iron and steel, food processing, textiles, wood products and building materials.

"3. A discussion of the co-operative efforts necessary to ensure the integration of the activities of international organizations and the national efforts of developing countries.

"4. A definition of the specific tasks of UNIDO in relation to other agencies already in the industrial field."

It was suggested by other representatives that the report of the first session of the Industrial Development Board should be considered by the Symposium, though this view was also opposed as inappropriate; that international agreements affecting trade in manufactures such as the International Cotton Agreement should be discussed; and that the discussion should cover the preparation of inventories of natural resources in developing countries and the prerequisite economic and social structural changes necessary for industrial development in developing countries. One delegation drew attention to the widening gap between the developed and developing countries in industrial technology. He therefore proposed the inclusion of a subitem 1 (a) in the agenda, entitled "Consequences of the technological competition for innovation and research among developed countries on the industrialization of developing countries". In addition, it was requested that the memorandum distributed on this subject (ID/B/L.13) should be brought to the attention of the Symposium as an official document of the Board. The recommendations of the Asian Industrial Development Council regarding items for discussion at the Symposium were recalled by one representative.

218. Several suggestions were made regarding the industrial sectors to be discussed under item 2 of the provisional agenda. One representative suggested that the countries of each region should agree on several of the industries most important to the region which could be discussed in committees of the Symposium. It was also suggested that the following industries should be included: electric power, fuel, petroleum, industries based on agricultural wastes, local minerals and jute, and that there should be a wider discussion of fertilizers of all types. Several other delegations considered that the list of sectors to be discussed should be restricted to a few basic industries. Two delegations suggested that the social aspects of industrial development should be considered.

219. Some misgivings were expressed in regard to the possible duplication of items to be discussed at the Symposium and at the second session of the United Nations Conference on Trade and Development. One delegation suggested the deletion of item 3 (g) "Promotion of industrial exports and of export-oriented and

import-substituting industries", from the Symposium provisional agenda; another, the deletion of item 4 (b), "External financing". It was also suggested that the report of the International Symposium should be transmitted to the session of the United Nations Conference on Trade and Development.

220. Regarding the draft rules of procedure for the Symposium, some representatives objected to rule 4 because it excluded the participation of certain important countries and violated the principle of universality. One representative regarded rule 8 as conferring excessive powers on the President and thought it should be exercised only after consultation with the plenary session of the Symposium. One delegation suggested that there be no general statements, but that these statements be submitted in writing and only summary statements be made.

221. Some Governments expressed the hope that the Symposium would achieve useful results through consensus, rather than through resolutions, while others hoped that the Symposium would be held at a political level and would adopt specific recommendations on all major items that would be binding on Governments.

222. Several delegations agreed on the need for the delegations to the Symposium to include specialists for the discussions of the sectors. The developing countries were requested by one representative to notify the Executive Director about the specialists they would be sending to the Symposium so that the industrial countries could arrange to send matching experts.

223. It was suggested by one delegation that the International Symposium should be followed by a ministerial conference on industrialization.

224. The Executive Director indicated that the suggestions which had been made during the Board's discussion would be transmitted to the Symposium. However, he noted that the provisional agenda and rules of procedure had already been approved by the appropriate United Nations bodies.

225. The Board recommended to the Symposium the provisional agenda and draft rules of procedure as contained in the annexes to Economic and Social Council resolutions 1180 (XLI) and 1185 (XLI), on the understanding that the reservations expressed by certain delegations would be reflected in the Board's report on its first session.

226. At the request of some delegations, the Executive Director undertook to submit to the General Assembly at its twenty-second session, for its information, an up-to-date account of the arrangements for the International Symposium on Industrial Development.

Chapter VII

CO-ORDINATION OF ACTIVITIES OF THE UNITED NATIONS SYSTEM OF ORGANIZATIONS IN THE FIELD OF INDUSTRIAL DEVELOPMENT

227. This item was considered by the Board at its 12th to 15th meetings, from 19 to 21 April 1967, and by the Sessional Committee at its 6th and 7th meetings, held on 24 and 25 April 1967.

228. The Board had before it the second consolidated report of the industrial development activities of the

United Nations system of organizations (ID/B/3 and Add.1-8).

229. The Administrator of the United Nations Development Programme made a statement (ID/B/L.5). He explained that industrial development was a complex task, with interdependent and complementary

relationships to agriculture, education and social welfare, which involved nearly every agency in the United Nations family providing assistance to developing nations. He felt that interagency co-ordination was a matter for negotiation rather than legislation. The agencies of the United Nations had years of experience in working together and each of them had acquired special competence and real expertise in the process of industrialization. UNDP had long felt the absence of a central agency with over-all responsibility for industrialization, and it looked forward to new initiatives by UNIDO in that important field, initiatives which would not replace but would hopefully augment the existing efforts of the specialized agencies. The Administrator referred in particular to pilot plants and to the suggestion that UNDP would stimulate industrial investment by joining with Governments and local authorities in contributing initial "inputs" of production prerequisites for experimental industrial units.

230. The Under-Secretary for Inter-Agency Affairs recalled with approval the statement of the Executive Director that the development of specific procedures and machinery for co-ordination among the various organizations should proceed gradually on the basis of cumulative experience derived from practical undertakings of common interest. He stated that the Administrative Committee on Co-ordination, at its recent session, had attached great importance to the working out of adequate arrangements for interagency co-ordination at the secretariat level, pursuant to paragraph 34 of General Assembly resolution 2152 (XXI). It was understood that the discussion on such arrangements, already initiated by the Executive Director of UNIDO, would be oriented in the light of the guidance which the Industrial Development Board would provide at its current session.

231. At the 12th and 13th meetings, on 19 and 20 April, the representatives of the specialized agencies and other United Nations bodies (the ILO, FAO, UNESCO, WHO, IBRD and its affiliates, IMF, GATT, UNCTAD and the World Food Programme) welcomed the establishment of UNIDO, assured the new organization of their full co-operation and spoke of the co-ordination of their activities in the field of technical assistance.

232. The representative of the World Food Programme, having explained the four types of operations undertaken by the Programme, stated that it co-operated with the United Nations agencies both in the preparation and implementation of the projects, and that there was ample room for further assistance by the Programme in the field of industrial development. The representative of UNCTAD observed that because his organization and UNIDO had been established almost simultaneously, it had been possible to delineate their respective fields of competence and to lay down guidelines for co-operation between them. UNIDO could play a valuable role in promoting the exports of the developing countries, both in terms of quantity and quality, for the more sophisticated markets of the developed countries. In that important task, the United Nations should go beyond co-ordination to create a true community of action. The representative of UNESCO said that UNIDO should legitimately assume some of the tasks directly linked with industrialization which UNESCO had previously accepted in the absence of an agency specially qualified to meet the pressing requests of Member States. UNESCO envisaged co-operation with UNIDO in the area of literacy programmes integrated with in-

dustrial development, and UNIDO could be associated in the already approved projects in order to strengthen their industrial components.

233. The representative of the ILO said that the establishment of UNIDO had filled a gap in the international machinery by providing a framework within which all agency activities could be properly filled. Under General Assembly resolution 2152 (XXI), co-ordination between UNIDO and the specialized agencies was to be carried out at intergovernmental level. The Industrial Development Board, in giving the necessary guidance to the Executive Director, would need to take into account the responsibilities of the Economic and Social Council, particularly with respect to co-ordination. For bilateral working arrangements, a formal agreement should be reached between UNIDO and the ILO to define as precisely as possible their mutual fields of competence and to work out the practical modalities of co-operation and co-ordination, as had been effected between the ILO and the Centre for Industrial Development on vocational training and management development. Having reviewed the long-standing interest of the ILO in the problems of industrial development, he observed that, in the light of past experience, a strong co-ordinated machinery at the national level was vital if the activities of the various international bodies were to be harmonized. The ILO would soon have a strongly decentralized and regionalized structure, whereby the technical field staff would be responsible for ensuring effective co-ordination with the regional, subregional and national bodies as well as with the regional economic commissions and the Resident Representatives of UNDP. It would be most desirable for UNIDO representatives at regional and national levels to work together with the ILO counterparts.

234. The representative of FAO stated that there was great scope for complementarity of efforts, based on full utilization of the experience and expertise of FAO and the specialized work undertaken by UNIDO on industrialization and manufacturing. That, however, was not so much a matter for co-ordination but of full-fledged co-operation. FAO recognized that UNIDO had a general planning function covering all industrial development, including the sector which was the direct responsibility of FAO, and it stood ready to assist and co-operate with UNIDO in the development, formulation and consideration of those plans. He recalled that the FAO Conference had recognized the interdependence of agriculture and industry and had emphasized that processing industries based on products derived from agriculture, forestry and fisheries could not be adequately dealt with independently of the various aspects of production of the raw materials and the economic and social considerations affecting the people involved. Under the applicable resolution the Conference had considered therefore that the proper management and development of renewable natural resources required that there should be no divorce between responsibility for these resources and for the industries based upon them, and it reaffirmed the responsibility of FAO for advising and assisting member nations on the sound development of industries, either based on renewable natural resources or designed to meet food and nutritional needs. FAO had also certain responsibilities for industries producing agricultural requisites, such as fertilizers, insecticides, agricultural chemicals etc., some of which had an industrial connotation primarily of interest to UNIDO. He was favourably impressed by the views expressed in the Board that the

co-ordination role of UNIDO would not involve a reduction of the industrial development activities already being carried out by FAO but would intensify what was already being done by the agency. Any other course could only result in diffusion and duplication, since one of the principal handicaps to industrial development was the scarcity of skilled technicians.

235. In the discussion that followed, there was broad agreement among the delegations that General Assembly resolution 2152 (XXI) had conferred upon UNIDO the primary responsibility for reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development. The very nature of the industrialization process, with its diversity and complexity, made it essential that effective co-ordination should be established and that UNIDO should play the central role assigned to it under the resolution. The discussion, however, centred on the interpretation of the mandate of UNIDO in relation to the responsibilities of the Economic and Social Council, the specialized agencies and other United Nations bodies.

236. Many representatives maintained that the mandate of UNIDO did not signify that the specialized agencies should be subject to regulation or co-ordination by the Industrial Development Board, since the overall responsibility for co-ordination was a matter for the Economic and Social Council. There was need for a realistic delineation of functions between UNIDO and the other United Nations organizations. On that basis, the necessary co-ordination on problems of duplication or on possibilities for joint action could be worked out primarily at the secretariat level with the aid of the Administrative Committee on Co-ordination, the meetings of the executive secretaries of the regional economic commissions, and the Inter-Agency Consultative Board of UNDP. Only when major intergovernmental decisions were required should co-ordination problems be brought before the Board.

237. Some of the latter observed that there still remained a vast area in the field of industrial development, not yet covered by international agencies, in which UNIDO could usefully concentrate during its formative years, according to the circumstances and for the benefit of the countries to be assisted. Eventually perhaps, the Board would consider possible adjustments to be made in the responsibilities of the various organizations concerned. Co-ordination with FAO, the ILO, UNCTAD, GATT and other international agencies should be solved pragmatically, as had been outlined by the Executive Director in his statement before the Board. In practice, co-ordination was primarily a question of flexible working relations between the agencies concerned, and it was a matter for negotiation and not legislation. In certain specific cases, especially in multi-agency projects and the programme of special industrial services, co-ordination could and should be achieved forthwith, to ensure that the resources of the agencies were utilized to the best advantage. One representative maintained that UNIDO should keep itself fully informed of all the industrial development activities of other United Nations agencies and ensure that its own activities were understood by them.

238. Some representatives observed that the problems of co-ordination could be more easily resolved if the national delegations took consistent positions at the various international agencies concerned with industrial development. Co-ordination was needed at both govern-

mental and intergovernmental levels with a view to harmonizing policies on industrial programmes that were already being carried out by the agencies. The developing countries themselves should review co-ordination at regional and subregional levels, and the recipient countries should take a concerted approach in the preparation of joint action projects. They spoke in favour of a gradual decentralization of UNIDO activities, in the light of accumulated experience, and of the posting of UNIDO experts to the offices of the Resident Representatives. The organization should participate at a very early stage in the planning and selection of industrial programmes and projects of other agencies, without, however, displacing the specialized agencies in the execution of their projects. The Board considered it necessary that the Executive Director should prepare a report for the second session of the Board with practical suggestions about the problem. One representative recalled that, in the discussion which had led to the adoption of General Assembly resolution 2152 (XXI), co-ordination was one of the problems on which the Member States had been most divided. Under the circumstances, the Board should not take any hasty decision on the matter. He also questioned the advisability of establishing a standing committee on co-ordination, as had been proposed by several other delegations.

239. Many delegations expressed the view that through the co-ordination of UNIDO, the recipient countries would be enabled to associate themselves more closely with policy discussions and executive decisions. They stressed that it was incumbent upon the Board to investigate the ways and means to promote and establish guidelines for co-ordination between UNIDO and other United Nations agencies and to ensure full co-operation among them on a practical basis. The organizations concerned should find appropriate formulae to define their respective spheres of competence in order to contribute to the best of their abilities towards the realization of joint projects. However, such an approach should not be unduly rigid, and in certain cases UNIDO could take charge of joint projects.

240. Some representatives maintained that the task of improving co-ordination could not be left entirely to the secretariat, since under the enabling resolution the Board itself was charged with that function. They supported the suggestion that the secretariat should prepare a document listing all international organizations and governmental bodies in the field of industrial development, with a brief description of their activities and an indication of the existing or possible areas of duplication. The report should also include a summary of the agreements on co-ordination already concluded or envisaged with UNIDO. One representative suggested that the Executive Director should be requested to submit to each regular session of the Board an analytical report on the activities of the United Nations system in industrial development, drawing attention specifically to areas of duplication. The Executive Director should examine, in consultation with the executive heads of the United Nations agencies, the possibilities for including in the annual consolidated report an account of the future programme of activities to be undertaken by the various organizations. Another representative suggested that the secretariat should submit to the second session of the Board a long-term work programme, taking into account the Board's present discussions and the conclusions to be reached

at the forthcoming International Symposium on Industrial Development. The plan should cover fields which had not heretofore received adequate attention, particularly the utilization of natural resources, the training of management personnel and the questions related to project preparation and evaluation and to location and organization of production.

241. Several delegations noted with regret the statement that co-ordination was a matter for negotiation rather than legislation. It was noted that on matters of negotiation, UNIDO, because of its present limited resources, would not be on an equal footing with the older United Nations agencies. Therefore, the Board should assume full responsibility for co-ordination, at least during the first two years of its existence.

242. Several representatives maintained that it would be inadvisable to reduce the role of UNIDO to that of a centre for collection of data and exchange of information, for mere exchange of information could not serve as a substitute for effective co-ordination.

243. There was general agreement that one of the principal aims of co-ordination with the United Nations agencies should be the promotion of field operations at regional, subregional and country levels. UNIDO should establish co-operation not only with the regional economic commissions, but also with international and regional development banks. Field operations should be further co-ordinated by the posting of UNIDO industrial advisers to the offices of the UNDP Resident Representatives.

Chapter VIII

REVIEW OF ACTIVITIES OF THE UNITED NATIONS SYSTEM OF ORGANIZATIONS IN THE FIELD OF INDUSTRIAL DEVELOPMENT

244. In its consideration of agenda item II, the Board had before it the report of the Executive Director of UNIDO on the activities of the United Nations system in the field of industrial development submitted pursuant to Economic and Social Council resolutions 1081 (XXXIX) and 1181 (XLI) (ID/B/3 and Corr.1 and 2 and Add.1-8).

245. In the general debate, the Executive Director had pointed out that in the light of the Board's over-all policy responsibilities and its central role of co-ordinating all the activities of the United Nations system in this field, it might be open to question whether patterns of reporting which had been developed in different circumstances should be retained or whether a pattern more appropriate for examination by the Board needed to be developed.

246. In particular, the Executive Director thought there might be a need for closer analysis of the activities of the individual branches of industry so as to enable the Board to deal with the specific problems of each as they affected the others and to make it possible to set up basic guidelines, not only with a view to achieving adequate co-ordination, but also as a way of harmonizing the activities of individual agencies within an integrated approach in order to increase their effectiveness and over-all impact.

247. The Board also had before it a proposal by the Philippines (ID/B/L.26) and amendments to it by India, Pakistan and the United Arab Republic (ID/B/L.28) for inclusion in the Board's report on this item.

248. The proposal of the Philippines (ID/B/L.26) read as follows:

The Industrial Development Board noted with appreciation the consolidated report of the industrial development activities of the United Nations system contained in document ID/B/3 and Corr.1 and 2 and Add.1 to 6. It decided to request the Executive Director of UNIDO to submit an updating of that report to the Board at its next session in a suitable form and, in consultation with the organizations contributing materials to the report, to improve the contents of the latter with

particular regard to the need for: (a) reducing to a minimum the descriptive text of each project in the most concise manner possible; (b) revising the classification of the materials so as to give adequate weight to the various industrial branches by establishing a separate chapter in the report for each branch of industry grouped under chapter VI and an additional chapter containing a list of projects for each country; (c) presenting all the information fully classified under the various headings covering each particular area of activity; and (d) ensuring that the report is made available to the members of the Board as early as possible, as provided in the rules of procedure.

The Board also invited the United Nations specialized agencies, the International Atomic Energy Agency, the United Nations Development Programme, the United Nations Conference on Trade and Development, the regional economic commissions and the United Nations Economic and Social Office in Beirut, as well as other United Nations bodies and contributing organizations concerned, to make available the necessary information to UNIDO sufficiently in advance to permit timely preparation and distribution of a consolidated report of the industrial development activities of the United Nations to the Governments of Member States.

249. Amendments submitted by India, Pakistan and the United Arab Republic (ID/B/L.28) would add the following paragraphs to the Philippine proposal:

To enable the Board to discharge its responsibility for the co-ordination of the activities of the United Nations system in the field of industrial development, the Board decided to request the Executive Director:

(a) To submit to the Board at each regular session an analytical report on the activities of the United Nations system in the field of industrial development, drawing attention specifically to gaps of action and areas of duplication, if any;

(b) To examine, in consultation with the executive heads of other organizations in the United Nations system, the possibility of including in the annual consolidated report an account of the future programmes of activities which these organizations propose to undertake in the field of industrial development and to submit a report to the Board at its next regular session.

250. The Philippine proposal and the amendments submitted by India, Pakistan and the United Arab Republic were adopted unanimously.

ORGANIZATIONAL MATTERS, INCLUDING THE STRUCTURE AND FUNCTIONS OF THE SECRETARIAT

251. The Board had before it two notes by the Executive Director concerning the secretariat of UNIDO (ID/B/L.1 and ID/B/L.3) submitted at the request of several delegations. A draft resolution submitted by Cameroon, Peru and the Philippines (ID/B/L.8) called, *inter alia*, for decentralization of the structure of UNIDO, establishment in due course of regional, and subregional centres and a UNIDO liaison office to be maintained at United Nations Headquarters in New York for the purpose of continuing close contact with related organs of the United Nations family and the international financial institutions.

252. Several delegations were critical of the present structure of the secretariat which, they felt, put too much weight on the side of administration and research and too little on staffing in the field for action-oriented programmes. Administrative costs should be reduced in order to provide greater resources for the industrial development projects. Criticism was also levelled at duplication in staffing, and the need for greater co-ordination with the specialized and affiliated agencies of the United Nations was stressed. Greater attention should be given to equitable geographical distribution of posts in the secretariat. One delegate objected to the imbalance with respect to the languages spoken by officials of the organization; he found it intolerable that experts should be sent to regions whose language they did not speak. The view was expressed that more senior posts should be filled by recruitment from the developing countries. One delegation requested the Executive Director to provide details of consultants and experts utilized by UNIDO so that the staff establishment could be viewed in context.

253. The members of the Board generally agreed that one of the most important organizational problems facing UNIDO was the need for a secretariat soundly constructed both as to structure and to recruitment of personnel. The functions of the staff should reflect the priority needs of developing countries. Account should be taken of the technical expertise available in the United Nations specialized and affiliated agencies and in the regional economic commissions. There must be a rational balance between technical and administrative personnel and among headquarters, regional and local staff. Staff members must be highly qualified in their respective fields, although the view was also expressed that the organization would need "generalists" as industrial advisers. Pending the determination of the work programme, the structure would have to remain flexible.

254. One member observed that in its present formative stage UNIDO could not be expected to realize its full potential as an action-oriented organization. The present structure would have to be maintained until after the International Symposium on Industrial Development, and a choice must be made between doing a few things well or undertaking a large number of activities to which the organization could not at present do justice. Another delegation thought that organizational expansion should not take place until it was clear to what extent such expansion would be directly related to the specific requests of Governments.

255. It was stated that the operational activities of UNIDO had progressed so slowly as to raise the question whether existing projects being executed by other United Nations organizations should be transferred to UNIDO. Every effort should be made to develop good industrial projects and to speed their implementation.

256. Some delegations, noting the absence of a European unit in the Technical Co-operation Division, stressed that European countries, like those of other regions, were interested in sharing their experiences in the field of industrialization and in furthering international co-operation to assist the developing countries.

257. A number of delegations emphasized the desirability of decentralizing the structure of UNIDO to make advisory services and assistance in development of projects available at the regional and local level. Industrial advisers should be stationed in the offices of the Resident Representatives of UNDP and in the regional economic commissions to assist in developing projects, expedite the execution of existing projects, maintain liaison with and implement policies established at UNIDO headquarters, advise Governments, and promote co-ordination with other United Nations agencies in the field. An alternative suggestion was made that UNIDO should have its own regional and subregional offices, maintaining a nucleus of staff in the various regions. As far as possible, the advocates of decentralization proposed that UNIDO resources should be devoted to field activities. The headquarters staff should be kept small and reliance should be placed on consultants and other outside help for specialized expertise. This would give flexibility to the organization so that it could tailor its assistance to the specific needs of the developing countries and draw on technical knowledge of industry around the world.

258. While some delegations made statements in favour of decentralization, some other delegations believed that UNIDO should have a strong central structure at this stage of its activities. UNIDO must respond to the needs and demands of the developing countries, and the only scientific way to do this was to become familiar with the industrial development plans and long-term needs of those countries. For this purpose the secretariat must be, at one and the same time, both sectoral and territorial in its structure. One delegation found that the creation of the Industrial Technology Division and the Industrial Policies and Programming Division—which had been criticized by several delegations—was entirely justified but expressed some reservations about the variety of functions entrusted to the Industrial Services and Institutions Division.

259. The Assistant Administrator of UNDP made a statement (ID/B/L.29), in which he described to the Board the relationship of UNDP to UNIDO in the development of industrial development projects, particularly as it involved the work UNIDO would have to assume. UNDP would render every assistance in the execution of these projects. He welcomed the suggestion that industrial advisers of UNIDO should be stationed at UNDP offices and said that the Adminis-

trator was prepared to recommend that a number of posts of that kind be financed jointly. He assured the Board that UNDP would continue to work in the closest possible co-operation with UNIDO.

260. Regarding the move to Vienna, concern was expressed that it might disrupt, or at least interrupt, the continuity of the programme. Close collaboration with the United Nations and with the International Atomic Energy Agency was urged for the purpose of speedy establishment of the new headquarters. Optimum use should be made of existing services, though the move would inevitably cause difficulties; UNIDO must continue to provide adequate administrative and programme support to personnel in the field. There was general agreement that a liaison office of UNIDO should be established in New York to ensure continuing close relations with UNDP and other branches of the United Nations family. A staff of not more than five or six was proposed for this office.

261. At the conclusion of the general debate on this subject, several delegations acknowledged that in the long run the work programme, now under discussion by the Board, would determine the structure of the secretariat. Until then emphasis should be placed on recruitment for work in the field. Personnel should be recruited to meet the needs of the programme, and not vice versa. When the work programme had been shaped, the structure of services and the assignment of responsibilities would be linked to the programme, which would in turn derive from the requests of Governments rather than from fixed priorities. Final responsibility for organizing the secretariat would rest with the Executive Director, and it was hoped that suggestions made by members of the Board in the debate would be followed up in a constructive way in order to provide guidelines for the future organization of UNIDO.

262. The Executive Director, commenting on points made in the general debate,⁶ expressed appreciation for constructive ideas and observations put forward by members of the Board. He confirmed the understanding of certain members as expressed in the debate that it was the responsibility of the Secretary-General to organize and supervise the work of the secretariat within the general rules established for that purpose. In his view, UNIDO was not an action-oriented but a "promotional organization", a kind of central co-operative pool through which it would be possible to draw on the experience, technical knowledge and tangible resources of all participating countries. The role of UNIDO included field operations, whether in the form of technical assistance or otherwise, but field activities were not the only functions of the organization, though they were the most important ones. It would not be possible to industrialize the developing countries with a mere \$10 or \$20 million a year. He felt, however, that the "leverage effect" of those funds, the leverage effect of the Board and the effectiveness of the functions of UNIDO in all aspects would help to create the understanding and abilities necessary to draw on all resources available for the industrialization of the developing countries. This was what he meant by "promotion". UNIDO would not be a mere employment office for staff or technical assistance experts. The organization would not be permitted to be a large body with no mind. The developing countries would look

to UNIDO as an organization which identified the potential and existing reserves of experience, knowledge and resources and stimulated the full mobilization of those reserves in an intelligent way. He pointed out that the secretariat of UNIDO would have to serve the General Assembly, the Economic and Social Council, the Industrial Development Board, the regional economic commissions and many other bodies in the United Nations family with documents and studies as part of the United Nations system; these were duties which UNIDO would have to fulfil. The organization would also have the important function of co-ordinating the work of the United Nations family of organizations in the field of industrialization. However, it would require staff and organization to carry out those functions.

263. The most important task of UNIDO was in the field of technical co-operation—to receive requests from Governments and to examine them substantively, financially and operationally. For these purposes the secretariat must be able to cover the main fields of industry. Most of the troubles of the organization, he commented, were due to the fact that with a limited secretariat it was impossible to cover adequately the main fields of industry. It was necessary to meet requests from many countries at different stages of industrialization, requests in about thirty areas, and these were the areas which formed the basis of the target manning table. The programme was dynamic and changing, it required generalists as well as specialists; and it called for staff qualified and acquainted with the developments in each field.

264. The Executive Director welcomed the suggestions put forward in the debate for a field service; such a service would be a very important arm for the operational activities of UNIDO and would work closely with the regional economic commissions, the regional development banks and the UNDP Resident Representatives.

265. The Executive Director acknowledged the need for improvement in the recruitment system in order to assure a flow of experts and experience, particularly from the industrial countries. He could not claim that any administration was or should be immutable, but it would be necessary to have some planning a little ahead of time. Recruitment would continue and would not stop as long as it was needed for the organization and functions that UNIDO should fulfil by its mandate and authority; he would not stop building the minimum viable machine needed for UNIDO. Perhaps the crisis of UNIDO today had arisen from the high hopes and expectations held for the organization when it was created, which had given it a broad area of competence and responsibility not yet matched by resources.

266. Some delegations, in commenting on the Executive Director's statement expressed concern at certain aspects of his approach, in particular his statement that he did not see UNIDO as an action-oriented organization. Other delegations, however, supported the interpretation put forth by the Executive Director.

267. The representative of Peru, on behalf of the sponsors, introduced a draft resolution submitted by Cameroon, Peru and the Philippines (ID/B/L.8/Rev.1) which read as follows:

The Industrial Development Board,

Recalling General Assembly resolution 2212 (XXI) concerning the location of the United Nations Industrial Development Organization (UNIDO) headquarters in Vienna, Austria,

⁶ For the full text of the Executive Director's statement, see annex VII.

Bearing in mind the purposes and functions of UNIDO as envisaged in General Assembly resolution 2152 (XXI),

Considering the need for maintaining close co-ordination and co-operation between the UNIDO secretariat and other organs and agencies of the United Nations in carrying out its industrial development activities and in keeping close contact with governmental and non-governmental institutions concerned with industrial development, particularly in the developing countries,

1. Requests the Executive Director to submit an outline of a decentralized structure on the distribution of the staff of UNIDO, particularly the assignment of industrial advisers and other field personnel in the developing countries, with a view to increasing the efficiency of its work towards the accelerated industrialization of the developing countries;

2. Decides that in pursuance of the objectives of decentralization of its activities and staff, UNIDO shall establish at an opportune time regional and subregional centres in Asia, Africa and Latin America;

3. Requests the Executive Director to undertake consultations with the member Governments of UNIDO in Africa, Asia and Latin America regarding the establishment of the regional and subregional centres of UNIDO and to report to the Board at its next session on the result of these consultations;

4. Takes note with appreciation of the efforts made by the Executive Director in co-operation with the Administrator of UNDP to send UNIDO industrial advisers to the offices of the UNDP Resident Representatives and requests that efforts should be continued and expanded to assist the Governments of the developing countries in the preparation of requests for technical assistance in the industrial field;

5. Requests the Secretary-General to provide to the Executive Director the necessary facilities for maintaining offices of UNIDO at the United Nations Headquarters in New York with a view to ensuring the continuous contact of UNIDO with the organs of the United Nations and the international financial institutions.

268. In the view of the sponsors, there was general agreement that decentralization of the staff would assure greater efficiency. The structure of the secretariat could not yet be definitely organized, since it would depend on the work programme, but it could be assumed from the outset that the headquarters staff should be as small as possible. Regional centres staffed by UNIDO personnel should be established in Asia, Africa and Latin America; this would greatly facilitate co-ordination of industrial development activities. The ideas embodied in the draft resolution were also intended to maintain the autonomous character of the organization as laid down in General Assembly resolution 2152 (XXI); if the organization was to function efficiently it must eventually have representatives in all countries. Service in the developing countries would provide an opportunity for UNIDO staff to familiarize themselves with local conditions and improve the effectiveness of their work.

269. The delegation of Brazil, supported by the delegation of Colombia, proposed that in operative paragraph 2, the word "*Decides*" should be replaced by

"*Recognizes*" and the words "shall establish" by "should establish".

270. The delegation of Somalia proposed that in operative paragraph 1, the words "to the Board at its next regular session" should be inserted after "*Requests* the Executive Director to submit" and the word "practical" should be inserted before "decentralized structure". Those changes would allow the deletion of operative paragraphs 2 and 3, since the immediate creation of regional and subregional centres appeared inadvisable, and the Executive Director could usefully submit an outline which might enable the Board to decide at the next session whether or not such centres should be established.

271. At the 33rd meeting the representative of Peru, speaking on behalf of the sponsors, felt that there was a majority which regarded the draft resolution as a sound one. However, in a spirit of compromise, the sponsors had decided to make certain additional changes to take into account the constructive suggestions put forward by certain delegations. The preamble and operative paragraph 1 would remain unchanged. Operative paragraph 2 would read: "*Recognizes* the need to establish at an opportune time regional and subregional centres in Asia, Africa and Latin America in order to achieve the objective of decentralizing activities and staff". Thus, no formal decision would be taken, but the advisability of decentralizing at an opportune time would be acknowledged. In operative paragraph 3, the words "and also with the regional economic commissions, the United Nations Economic and Social Office in Beirut, and other United Nations agencies interested in industrial development, with a view to ensuring co-ordination and co-operation" would be added after the words "in Africa, Asia and Latin America". In paragraph 5, the word "liaison" should be added before the word "offices". All that the sponsors wanted was acceptance of the principle that decentralization was advisable.

272. A number of delegations felt that it might be premature to take a decision in this matter. They suggested that the proposals contained in the draft resolution could be incorporated in the Board's report.

273. The representative of Peru stated that the sponsors of the draft resolution had no intention of forcing it to a vote. In the interest of reaching a unanimous decision they had undertaken informal consultations with those delegations which had expressed reservations and they had been prepared to make concessions with regard to changes in their text. However, it had not been possible to reach a final agreement because of lack of time. While they were convinced that the draft resolution would have had the support of a large majority in the Board, they would not press for a vote but would ask that the text should be included in the Board's report. The sponsors reserved the right to revert to the original text of their draft.

Chapter X

FINANCIAL QUESTIONS

274. Financial questions were considered by the Industrial Development Board at its 18th, 20th, and 22nd meetings, on 26, 27 and 28 April 1967.

275. The Board noted that in accordance with General Assembly resolution 2152 (XXI), section II,

paragraph 20, the expenditure of the organization was classified under (a) expenses for administrative and research activities and (b) expenses for operational activities. The expenses for administrative and research activities were to be financed from the regular United

Nations budget, and the General Assembly had approved for these purposes an appropriation of \$5,729,500 in the 1967 budget.

276. The operational activities of UNIDO were financed from several sources, including assessed and voluntary contributions. Funds allocated from the Technical Assistance component of UNDP for industrial development projects in 1967 amounted to \$2,832,000, and a sum of \$1,049,000 was assigned to industrial development projects in 1967 from the United Nations regular programme of technical assistance. Under the programme of special industrial services, voluntary contributions had been pledged in the amount of \$7,006,666 of which \$4,062,221 had been paid by 31 December 1966. A similar cumulative comparison for the year 1967 of the corresponding data regarding allocations for industrial development projects under the Special Fund component of UNDP was not possible because of the differences in patterns of allocation and expenditure and the varying duration of the projects. However, it was noted that executing responsibility had been assigned to UNIDO for eighteen active projects in the field of industrial development, with total project costs amounting to \$36,163,000, representing Governing Council earmarkings of \$16,549,100 and government contributions in kind of \$19,614,000. The assistance to industrial development projects from voluntary contributions under the funds-in-trust programme was estimated at about \$330,000 for 1967.

277. In the general debate on financial questions a broad majority of delegations pointed out the importance of devoting as large a share as possible of the resources of UNIDO to operational activities. Several delegations observed that some of the difficulties experienced by UNIDO in preparing and implementing operational programmes were traceable to the fact that it had no funds of its own. That lack was due, in particular, to the fact that UNIDO, being a new organization, was at a disadvantage in competing with the specialized agencies for UNDP funds.

278. Many delegations expressed the view that the difficulties would be alleviated only if funds were placed under the direct control of the organization. The Board recalled that the General Assembly, in resolution 2152 (XXI), had decreed that UNIDO should be an autonomous organization within the United Nations. Certain delegations felt that no organization could be autonomous unless it had financial resources under its direct control, as was the case with specialized agencies.

279. The view was expressed that the Executive Director should be allowed some discretion in budgetary matters, and should in particular be authorized to transfer funds from one section of the budget to another.

280. The fundamental problem was to define the relations between UNIDO and UNDP. The relevant provisions of resolution 2152 (XXI) must be strictly applied; UNIDO must participate in the programme on the same basis as other participating organizations. Hence, UNDP must make available to UNIDO the resources it needed for the execution of industrial projects in the developing countries.

281. The importance of the programme of special industrial services, which enabled requests for assistance to be met more quickly, was emphasized. A majority of delegations expressed the view that contributions should be paid to it directly and should not be placed in the care of any other organization. It was

important also to avoid any prior earmarking of the funds for a specific field of action.

282. A number of delegations suggested that assistance should be distributed equitably among countries and should no longer be based on random requests, for such a method opened the door to certain influences.

283. Concern was expressed by some delegations about the tendency to make UNIDO a subsidiary organ of UNDP. It had been restated earlier that the greater the UNDP resources were, the greater would be the amounts devoted to activities in the field of industrialization. Yet this year there were only three UNDP projects involving UNIDO—a situation which was partly attributed to the lack of requests for assistance. It was necessary for UNDP to publicize the availability of assistance for industries, for the needs were enormous. With regard to resources under the regular programme of technical assistance, some delegations felt that it would be desirable for the Board to recommend that the budgetary appropriation granted to UNIDO should be separate and that the Board should be allowed to administer it.

284. Some delegations felt that the procedures for the approval of projects by the Governing Council of UNDP were cumbersome. They noted that the special industrial services programme, designed for "troubleshooting" purposes, had not met the expectations of the developing countries, because of the delays that the procedure of joint approval by the Executive Director of UNIDO and the Governing Council of UNDP entailed.

285. Other delegations noted that, in connexion with financial problems, the first question was whether UNIDO activities in 1967 and 1968 would really be hampered by lack of resources. As far as expenditure relating to administrative and research activities was concerned, an allocation of approximately \$7 million had already been approved. With regard to operational activities, the appropriations under UNDP, the regular programme of technical assistance and the programme of special industrial services amounted to about \$15 million. Furthermore, as the secretariat was engaged in preparations for the International Symposium on Industrial Development, and the transfer of UNIDO to Vienna was imminent, there would inevitably be a slackening of activities.

286. It was also pointed out that, unless the Board held a resumed session, consideration of those expenses of the organization which were to be borne by the regular budget of the United Nations for 1968 would have to be left to the Fifth Committee of the General Assembly. It was important, therefore, to set the date of the Board's next session in such a way that its deliberations would serve some purpose as far as the 1969 budget was concerned.

287. The Board should lay the foundations for an expanded programme of industrial development, in so far as it was helping to solve the most important current problems, namely, the formulation of economically viable requests. It would be idle to consider the different procedures for financing operational activities without having a comprehensive picture of the situation with regard to requests, from the point of view of both quality and quantity.

288. Another opinion expressed was that it had not yet been demonstrated that UNIDO either needed or could put to worth-while use for operational purposes

funds over and above those at present made available to it under UNDP and the programme of special industrial services. To make the most effective use of available resources, UNDP and UNIDO must be able to reply promptly and flexibly to requests from Governments, but both organizations were certainly capable of making the necessary adjustments themselves.

289. UNDP presented a statement relating to industrial projects submitted by Governments which were currently under review and informed the Board that of the acceptable projects under consideration, three were being submitted to the Governing Council of UNDP for approval at its next session.

290. While there was general agreement that the resources of the United Nations for industrial development assistance should be steadily increased, different views were expressed on the manner in which contributions to UNIDO should be made for the financing of operational activities. It was recalled that under General Assembly resolution 2152 (XXI), section II, paragraph 23, voluntary contributions to UNIDO for its operational activities may be made at the option of Governments through a pledging conference convened by the Secretary-General of the United Nations on the recommendations of the Board.

291. A number of delegations were in favour of holding such a conference and based their position on the need for UNIDO, as an autonomous organization, to have increased resources under its direct control and its own independent source of financing. It was observed that although some of the larger donor countries might not wish to contribute to UNIDO through a pledging conference, contributions pledged by smaller contributors through this channel would indicate support for UNIDO. Other delegations suggested that UNIDO should be provided with more direct control over the present funds at its disposal for industrial projects.

292. Statements were made, on the other hand, by other Board members, principally from the larger donor countries, opposing the holdings of a pledging conference. The view was expressed by these members that the holding of a pledging conference at this time was definitely premature and would not achieve the desired results; existing arrangements for securing funds required to meet requests for assistance were considered adequate, and until a clear picture of further acceptable projects was presented, it was difficult to discuss additional financing; if a pledging conference was convened, they would not attend but would continue to contribute to UNIDO through the existing channels.

293. In this connexion, Ghana, Guinea, India, Jordan, Nigeria, Pakistan, Rwanda, Somalia, the Sudan and the United Arab Republic submitted a proposal (ID/B/L.15) by which the Board would invite the Secretary-General to convene a pledging conference for the year 1968, during the twenty-third session of the General Assembly, and request the Secretary-General to make a detailed report to the Board at its third session on the result achieved during the pledging conference. Rather than have a vote on the issue, one delegation stated that it would be better to describe the situation in the report, making clear that there was agreement that increased resources were needed for industrial development, that UNIDO must be administratively autonomous and that adequate resources must be placed at the disposal of the organiza-

tion in a manner that was acceptable, as far as possible, to the major donors.

294. Some delegations expressed a desire that the Executive Director should consider the possibility of obtaining finances for UNIDO from private sources.

295. One delegation suggested that the financial structure and regulations of UNIDO should be clarified and elaborated; he suggested that the Executive Director give priority to this matter and report on it at the next session of the Board.

296. At the 36th meeting, the representative of Pakistan introduced a draft resolution (ID/B/L.15/Rev.2) submitted by Ghana, Guinea, India, Nigeria, Pakistan, Rwanda, Somalia, the Sudan and the United Arab Republic. It read as follows:

The Board,

Recalling the provisions of General Assembly resolution 2152 (XXI) of 17 November 1966,

Convinced that the autonomy and effectiveness of UNIDO can be better ensured if it also has its own independent financial resources,

Desirous of making available to the organization all such means as may enable it to make an effective and efficient beginning, especially in its operational activities,

Conscious of the important role of the United Nations regular programme of technical assistance as a promotional instrument in broadening the direct assistance provided to the developing countries in the field of industrial development,

Recognizing that it is necessary to revise the provisions governing the United Nations regular programme of technical assistance with a view to:

(a) Increasing the level of the allocations to industrial development projects within the total appropriations under part V of the regular budget;

(b) Providing for separate programming and approval of these allocations,

1. *Invites* the Secretary-General of the United Nations to convene an annual pledging conference in accordance with section II, paragraph 23 (a), of General Assembly resolution 2152 (XXI), the first such conference to be convened during the twenty-third session of the General Assembly;

2. *Recommends* to the General Assembly at its twenty-second session to take appropriate action:

(a) To establish a separate appropriation in the United Nations budget to provide for the programme of technical assistance in industrial development at an appropriate level commensurate with the expanding requirements of the developing countries;

(b) To amend General Assembly resolution 2029 (XX) to enable the Industrial Development Board to consider and approve the projects and programmes in the field of industrial development undertaken through the utilization of the resources thus appropriated, and to provide general policy guidance and direction with reference to the utilization of these resources.

297. The representative of the USSR proposed an amendment whereby the words "*Conscious of*" at the beginning of the fourth preambular paragraph would be replaced by the word "*Noting*".

298. The representative of the United States proposed an amendment whereby the words "separate appropriation" in operative paragraph 2 (a) would be replaced by the words "separate section in part V".

299. The representative of Pakistan, on behalf of the sponsors, accepted the amendments proposed by the USSR and the United States.

300. The representative of France requested a roll-call vote on the fourth and fifth preambular paragraphs and on operative paragraph 2 of the draft resolution.

301. The fourth preambular paragraph of draft resolution ID/B/L.15/Rev.2, as amended, was adopted by 30 votes to 6, with 8 abstentions. The voting was as follows:

In favour: Argentina, Austria, Brazil, Cameroon, Canada, Chile, Colombia, Cuba, Ghana, Guinea, India, Indonesia, Iran, Ivory Coast, Jordan, Kuwait, Nigeria, Pakistan, Philippines, Rwanda, Somalia, Sudan, Thailand, Trinidad and Tobago, Turkey, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Zambia.

Against: Bulgaria, Czechoslovakia, France, Japan, Netherlands, Union of Soviet Socialist Republics.

Abstaining: Belgium, Federal Republic of Germany, Finland, Italy, Romania, Spain, Sweden, Switzerland.

302. The fifth preambular paragraph of draft resolution ID/B/L.15/Rev.2 was adopted by 21 votes to 13, with 10 abstentions. The voting was as follows:

In favour: Brazil, Cameroon, Chile, Ghana, Guinea, India, Indonesia, Iran, Ivory Coast, Jordan, Kuwait, Nigeria, Pakistan, Philippines, Rwanda, Somalia, Sudan, Thailand, Turkey, United Arab Republic, Zambia.

Against: Belgium, Bulgaria, Canada, Czechoslovakia, Finland, France, Italy, Japan, Netherlands, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Argentina, Austria, Colombia, Cuba, Federal Republic of Germany, Romania, Spain, Switzerland, Trinidad and Tobago, Uruguay.

303. Operative paragraph 2 of draft resolution ID/B/L.15/Rev.2, as amended, was adopted by 19 votes to 13, with 12 abstentions. The voting was as follows:

In favour: Cameroon, Chile, Ghana, Guinea, India, Indonesia, Iran, Ivory Coast, Jordan, Kuwait, Nigeria, Pakistan, Philippines, Rwanda, Somalia, Sudan, Thailand, United Arab Republic, Zambia.

Against: Belgium, Bulgaria, Canada, Czechoslovakia, Finland, France, Italy, Japan, Netherlands, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Argentina, Austria, Brazil, Colombia, Cuba, Federal Republic of Germany, Romania, Spain, Switzerland, Trinidad and Tobago, Turkey, Uruguay.

304. Draft resolution ID/B/L.15/Rev.2, as amended was adopted by 24 votes to 10, with 10 abstentions. The voting was as follows:

In favour: Argentina, Brazil, Cameroon, Chile, Cuba, Ghana, Guinea, India, Indonesia, Iran, Ivory Coast, Jordan, Kuwait, Nigeria, Pakistan, Philippines, Rwanda, Somalia, Sudan, Thailand, Trinidad and Tobago, United Arab Republic, Uruguay, Zambia.

Against: Belgium, Canada, Federal Republic of Germany, France, Japan, Netherlands, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Austria, Bulgaria, Colombia, Czechoslovakia, Finland, Italy, Romania, Spain, Turkey, Union of Soviet Socialist Republics.

305. The representative of Romania explained that his delegation had abstained from voting on draft resolution ID/B/L.15/Rev.2 because the Government of Romania had not yet decided how it would make its voluntary financial contribution to UNIDO. Nevertheless it also shared the concern felt that UNIDO should have the necessary means to be able fully to develop its activities.

306. The full text of the resolution adopted by the Board at its 36th meeting on 4 May 1967 is reproduced in annex VIII below (resolution 2 (I)).

307. At the 37th meeting the representative of India introduced a draft proposal (ID/B/L.18/Rev.1) sponsored by Argentina, Austria, India and the United Arab Republic which read as follows:

"The Board requests the Executive Director to examine and report to the second regular session on the procedures and guidelines for the utilization of funds for operational activities to be derived from voluntary contributions to UNIDO under section II, paragraph 23, of General Assembly resolution 2152 (XXI)."

308. The representative of the United States observed that the proposal seemed somewhat pointless, for the general guidelines already adopted covered all aspects of the work of UNIDO. His Government did not intend to make a voluntary contribution directly to UNIDO and he would therefore abstain if the proposal was put to the vote. The representative of the USSR said that he would vote for the proposal.

309. At its 37th meeting, on 4 May 1967, the Board adopted the Indian proposal by 22 votes to none, with 4 abstentions.

Chapter XI

RELATIONS WITH INTERGOVERNMENTAL AND NON-GOVERNMENTAL ORGANIZATIONS

Designation of intergovernmental organizations under rule 75 of the rules of procedure

310. The Board at its 27th meeting considered the applications submitted by the following intergovernmental organizations:

(a) Office africain et malgache de la propriété industrielle (OAMPI);

(b) Organization of American States (OAS);

(c) United International Bureaux for the Protection of Intellectual Property (BIRPI).

The representative of Belgium stated that since his country was the chairman of the European Economic Community he was formally informing the Board of the wishes of EEC to be associated with the activities of UNIDO. The Board agreed to associate with UNIDO all the above-mentioned intergovernmental organizations, including EEC. Reservations were made by Cuba regarding the application of OAS. It was also stated by one delegation that there was no point in extending invitations to bodies which might be concerned with trade but not with industrial development.

Designation of non-governmental organizations under rule 76 of the rules of procedure

311. The Board had before it the applications of the following non-governmental bodies for representation:

- (a) Afro-Asian Organization for Economic Co-operation (AFRASEC);
- (b) International Council for Scientific Management (CIOS);
- (c) International Association for the Promotion and Protection of Private Foreign Investments (APPI);
- (d) International Organization of Employers (IOE);
- (e) World Federation of Trade Unions (WFTU);
- (f) International Chamber of Commerce (ICC);
- (g) International Confederation of Free Trade Unions (ICFTU);
- (h) European Centre for Industrial and Overseas Development (CEDIMOM).

312. At the request of the Board, the Executive Director circulated information on the aims and activities of each organization. Reservations were expressed by the representatives of Cuba, the Soviet Union, Czechoslovakia, Romania and Bulgaria regarding the application of the International Association for the Promotion and Protection of Private Foreign Investments. Subject to these reservations, the following non-governmental

organizations were authorized to participate as observers in the deliberations of the Board and its subsidiary organs:

- (a) Afro-Asian Organization for Economic Co-operation (AFRASEC);
- (b) International Council for Scientific Management (CIOS);
- (c) International Association for the Promotion and Protection of Private Foreign Investments (APPI);
- (d) International Organization of Employers (IOE);
- (e) World Federation of Trade Unions (WFTU);
- (f) International Chamber of Commerce (ICC).

313. The application of the International Confederation of Free Trade Unions was approved by 21 votes to 5, with 2 abstentions. The representative of the USSR expressed his Government's reservations.

314. Regarding the application of the European Centre for Industrial and Overseas Development (CEDIMOM), it was proposed at the 37th meeting of the Board that the secretariat should be asked to obtain more information about this organization and that the Board should defer its decision until the second session. The proposal was adopted by 19 votes to 2, with 8 abstentions.

Chapter XII

PLANNING OF THE SECOND SESSION OF THE INDUSTRIAL DEVELOPMENT BOARD

315. The Board had before it a draft provisional agenda for the second session (ID/B/L.27) drawn up by the Executive Director in accordance with rule 9 of the rules of procedure.

316. One delegation proposed the convening of a resumed session of the Board, in New York, in late September or early October. The Board heard a statement by the Under-Secretary for Conference Services to the effect that such a resumed session could be held in the last week of September or the first week of October. However, the proposal for a resumed session received little support and was eventually withdrawn by the sponsor.

317. The representative of the United Arab Republic proposed that a new item, "Establishment of procedure for the admission of non-governmental organizations as observers", should be included in the provisional agenda. The representative of the United States proposed that it should read: "Non-governmental organization questions: (a) Consideration of procedures for application; (b) Consideration of applications".

318. The representative of Trinidad and Tobago proposed the inclusion of a new item, "Staff organization". The representative of Brazil suggested "Organizational matters in general".

319. The representative of the Netherlands proposed that item 10 should be revised to read "Budget execution for 1968 and draft budget estimates for 1969".

320. The representative of Pakistan proposed the addition of an item entitled "Provisional agenda for the third session".

321. The representative of the USSR proposed that items 9 and 10 should be merged to read "Draft budget estimates for 1969 and financial questions".

322. The provisional agenda for the second session of the Board, as amended in accordance with the above proposals, reads as follows:

1. Opening of the session.
2. Election of officers of the Board (rules 18 and 19 of the rules of procedure).
3. Adoption of the agenda.
4. Report on activities of the secretariat of UNIDO.
5. Review of the results of the International Symposium on Industrial Development.
6. Review of activities of the United Nations system of organizations in the field of industrial development.
7. Programme of work of UNIDO (1968-1969).
8. Co-ordination of activities of the United Nations system of organizations in the field of industrial development.
9. Draft budget estimates for 1969 and other financial questions.
10. Organizational matters.
11. Non-governmental organization questions:
 - (a) Consideration of procedures for application;
 - (b) Consideration of applications.
12. Provisional agenda for the third session.
13. Date and place of third session of the Industrial Development Board.
14. Other business.
15. Adoption of the report to the twenty-third session of the General Assembly.

323. The Board decided on 8 April to 3 May 1968 as provisional dates for the second session, and considered mid-April to mid-May 1969 acceptable as provisional dates for the third session.

Chapter XIII

ADOPTION OF THE REPORT OF THE BOARD TO THE GENERAL ASSEMBLY AT ITS TWENTY-SECOND SESSION

324. At its 39th meeting, on 5 May 1967, the Board adopted the report on its first session, and the President declared the first session of the Industrial Development Board closed.

Annex I

LIST OF PARTICIPANTS

Members of the Board

ARGENTINA

Representative

Mr. Eduardo Bradley, Economic Counsellor, Permanent Mission

Alternate Representative

Mr. Carlos Raul Vidal Etcheverry, Secretary of Embassy, Permanent Mission

AUSTRIA

Representative

Mr. Carl Bobleter, Under-Secretary of State for Foreign Affairs

Alternate Representatives

Mr. Kurt Waldheim, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Miss Erna Sailer, Head of Department, Ministry of Foreign Affairs

Mr. Erik Nettel, Ministry of Foreign Affairs

Mr. Georg Reisch, Secretary of Embassy, Permanent Mission

BELGIUM

Representative

Mr. P. A. Forthomme, Ambassador, Permanent Representative to International Economic Conferences

Alternate Representatives

Mr. A. Delvaux, Counsellor of Embassy, Permanent Mission to International Economic Conferences

Mr. J. Woulbroun, Economic Counsellor, Permanent Mission

Mr. A. Onkelinx, Secretary of Embassy, Permanent Mission

BRAZIL

Representative

Mr. Geraldo de Carvalho Silos, Ambassador Extraordinary and Plenipotentiary, Deputy Permanent Representative to the United Nations

Alternate Representatives

Mr. Antonio Patriota, First Secretary of Embassy, Permanent Mission

Mr. Marcio Rego Monteiro, First Secretary of Embassy, Consulate, Boston

Mr. Enaldo Camaz Magalhães, Second Secretary of Embassy, Permanent Mission

Adviser

Mr. Clodoaldo Hugueneu Filho, Third Secretary of Embassy, Ministry of Foreign Relations

BULGARIA

Representative

Mr. Christo Vladov, Counsellor, Permanent Mission

Alternate Representative

Mr. Dimiter Julev, First Secretary, Permanent Mission

CAMEROON

Representative

Mr. Joseph N. Owono, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. Jean-Baptiste Beleoken, Counsellor, Permanent Mission

Advisers

Mr. Emmanuel Zoa, Deputy Director of Planning

Mr. Johnson Ndimbie, First Secretary, Permanent Mission

Mr. Elias Bah Chamfor, Commercial Attaché, Permanent Mission

CANADA

Representative

Mr. A. S. Abell, Economic Adviser, Department of Industry

Alternate Representative

Mr. R. W. MacLaren, First Secretary, Permanent Mission

Advisers

Mr. P. F. Brady, Economic Division, Department of External Affairs

Mr. G. S. Shortliffe, United Nations Division, Department of External Affairs

CHILE

Representative

Mr. José Pinera, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. Angel Meschi, Corporación de Fomento de la Producción, New York

Mr. Uldaricio Figueroa, Second Secretary, Permanent Mission

COLOMBIA

Representative

Mr. Julio César Turbay Ayala, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. Alvaro Herrán Medina, Ambassador Extraordinary and Plenipotentiary, Alternate Representative to the United Nations

Mr. Pedro Olarte, Minister Plenipotentiary, Permanent Mission

CUBA

Representative

Mr. Mario García Incháustegui, Ambassador, Director of International Organizations, Ministry for Foreign Trade

Alternate Representatives

Mr. Humberto Lastra Alvarez, Director of Economic Organizations, Committee of the Council of Ministers on Economic Co-operation and Science and Technology

Mr. Juan Sánchez Lameran, Director of the Technical Assistance Centre, Committee of the Council of Ministers on Economic Co-operation and Science and Technology

Mr. Francisco Iglesias Iglesias, Technical Adviser, Division of International Organizations of the Ministry for Foreign Trade

Mr. Nicolás Rodríguez Astiazaraín, Counsellor, Permanent Mission

CZECHOSLOVAKIA

Representative

Mr. Drahoš Schejbal, Head of Department, State Planning Commission

Alternate Representative

Mr. Jan Mužík, Counsellor, Deputy Permanent Representative to the United Nations

Advisers

Mr. Joseph Adámek, Chief Economist, State Planning Commission

Mr. Jindřich Gabriel, Second Secretary, Department for International Economic Organizations, Ministry of Foreign Affairs

FEDERAL REPUBLIC OF GERMANY

Representative

Mr. Schmidt-Horix, Ambassador, Federal Foreign Office

Alternate Representatives

Mr. Heinrich Sartorius, Federal Foreign Office

Mr. Hinrichs, Federal Ministry of Economics (from 17 April 1967)

Mr. Kurth, Federal Ministry of Economics

Adviser

Mr. Schulz, Federal Ministry of Economic Co-operation

FINLAND

Representative

Mr. Erik Törnqvist, Director General, Ministry of Finance

Alternate Representatives

Mr. Matti Kahiluoto, First Secretary of Embassy, Permanent Mission

Mr. Kurt Uggeldahl, Second Secretary of Embassy, Permanent Mission

Mr. Wilhelm Breitenstein, Secretary of Bureau, Ministry for Foreign Affairs

Mr. Heikki Koskela, Federation of Finnish Industries

FRANCE

Representative

Mr. M. Viaud, Minister Plenipotentiary, Permanent Mission

Advisers

Mr. Ph. Bernard, Chargé de Mission au Commissariat général du plan

Mr. Ernst, Ingénieur du Génie maritime, Secretariat of State for Foreign Affairs in charge of co-operation

Mr. R. Cesaire, Secretary, Ministry of Foreign Affairs

Mr. D. George, Commercial Attaché, Permanent Mission

Miss A. M. Hysmann, Attaché, Permanent Mission

GHANA

Representative

Mr. F. S. Arkhurst, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. J. Therson-Coffie, Chief Industrial Promotion Officer, Ministry of Industries

Mr. J. B. Wilmot, Counsellor (Economic Affairs), Permanent Mission

Advisers

Mr. J. E. K. Aggrey-Orleans, First Secretary, Permanent Mission

Mrs. A. Y. Aggrey-Orleans, Second Secretary (Economic Affairs), Permanent Mission

GUINEA

Representatives

Mr. M'Baye Cheik Omar, Counsellor, Permanent Mission

Mr. Dlabate Boubacar, Chief of International Organizations Division, Ministry of Foreign Affairs

Representative

Mr. N. N. Wanchoo, Secretary, Ministry of Industrial Development

Alternate Representative

Mr. S. Gupta, Consul General of India, New York

Adviser

Mr. I. S. Chadha, First Secretary, Permanent Mission

Technical Adviser

Mr. M. Gopala Menon, Resident Director, Indian Investment Centre, New York

Adviser

Mr. I. C. Gulati, Permanent Mission

INDONESIA

Representative

Mr. Abdullah Kamil, Acting Permanent Representative to the United Nations

Alternate Representatives

Mr. Sudarmo Martonegoro, Consul, Consulate General, New York

Mr. Cyrus Taihutu, Second Secretary, Permanent Mission

IRAN

Representative

Mr. Mohammad Yeganeh, Under-Secretary, Ministry of Economy

Alternate Representatives

Mr. Abbas Ordoobadi, Ministry of Economy

Mr. Assadolah Nasr, Ministry of Economy

Adviser

Mr. Darioush Bayandor, Attaché, Permanent Mission

ITALY

Representative

Mr. Mario Franzi, Minister Plenipotentiary, Deputy Permanent Representative to the United Nations

Alternate Representative

Mr. Michelangelo Pisani Massamormile, First Secretary, Permanent Mission

Advisers

Miss Fernanda Forcignano, Ministry of Treasury

Mr. Sergio Passeggeri, Southern Italy Fund

Mr. Francesco Fidora, A.G.I.P., USA, Inc.

IVORY COAST

Representative

Mr. Siméon Ake, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. N'Guessan Koffi, Ministry of Economic and Financial Affairs

Mr. Sibi Gbeho, Ministry of Planning

JAPAN

Representative

Mr. Isao Abe, Ambassador Extraordinary and Plenipotentiary, Deputy Permanent Representative to the United Nations

Alternate Representatives

Mr. Eiichi Yamaguchi, Chief, Economic Co-operation Policy Section, Economic Co-operation Division, Trade and Development Bureau, Ministry of International Trade and Industry

Mr. Itasu Sakura, Senior Planning Officer, Planning Bureau, Economic Planning Agency

Advisers

Mr. Kunio Muraoka, Second Secretary, Permanent Mission

Mr. Michihiko Ikeda, Second Secretary, Permanent Mission

JORDAN

Representative

Mr. Moraiwid M. Tell, Minister Plenipotentiary, Ministry of Foreign Affairs

Alternate Representatives

Mr. Mohammad Ali Khurma, First Secretary of Embassy, Permanent Mission

Mr. Yasin Istambuli, Second Secretary of Embassy, Permanent Mission

Mr. Walid M. Saad, Second Secretary of Embassy, Permanent Mission

KUWAIT

Representative

Mr. Soubhi J. Khanachet, Envoy Extraordinary and Minister Plenipotentiary

Alternate Representatives

Mr. Sulaiman Majid Al-Shaheen, First Secretary, Permanent Mission

Mr. Sami Yacoub Shammass, First Secretary, Permanent Mission

Mr. Faisal Sayid Abdulwahab Al-Rifae, Second Secretary, Permanent Mission

Adviser

Mr. Bourhan Al Shatti

NETHERLANDS

Representative

Mr. J. H. Lubbers, Minister Plenipotentiary, Permanent Mission

Alternate Representative

Mr. J. F. Boddens Hosang, First Secretary of Embassy, Permanent Mission

NIGERIA

Representative

Mr. P. C. Asiodu, Permanent Secretary, Federal Ministry of Industry

Alternate Representative

Mr. B. A. Clark, Counsellor, Permanent Mission

Adviser

Mr. A. A. Olumide, Second Secretary, Permanent Mission

PAKISTAN

Representative

Mr. S. M. Sulaiman, Economic Minister, Embassy, Washington, D.C.

Alternate Representatives

Mr. M. G. Dastgir, Director, Pakistan Investment Centre, New York

Mr. Rafee uddin Ahmed, First Secretary, Permanent Mission

Mr. Ashraf-uz-Zaman, Economic Secretary, Embassy, Washington, D.C.

PERU

Representative

Mr. Jorge Pablo Fernandini, Minister Counsellor, Permanent Mission

Alternate Representative

Mr. D. Jaime Cáceres, First Secretary, Permanent Mission

PHILIPPINES

Representative

Mr. Salvador P. Lopez, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. Alejandro D. Yango, Minister, Permanent Mission

Mrs. Ernestina E. Kodikara, Attaché, Permanent Mission

Mr. Francisco M. Rodriguez, Attaché, Permanent Mission

ROMANIA

Representative

Mr. Dan Dumitrescu, Executive Office of the National Council of Scientific Research

Alternate Representatives

Mr. Ion Moraru, Counsellor, Permanent Mission

Mr. Ion Desmireanu, Assistant Director of the Institute for Economic Research of the Romanian Academy

Advisers

Mr. Gheorghe Popa, Second Secretary, Permanent Mission

Mr. Ion Barac, Third Secretary, Ministry for Foreign Affairs

Mr. Nita Constantin, Attaché, Permanent Mission

RWANDA

Representative

Mr. Célestin Kabanda, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. Claver Ryabonyende, First Secretary, Permanent Mission

Mr. Léonidas Munyanshongore, First Secretary, Permanent Mission

SOMALIA

Representative

Mr. Abdulrahim A. Farah, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representative

Mr. Mohamed Warsama, Counsellor, Permanent Mission

SPAIN

Representative

Mr. Manuel Aznar, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. Tomás Galan, General Technical Secretary of the Ministry of Industry

Mr. Francisco J. Vallaure, Minister Plenipotentiary, Director of Economic Co-operation Organizations

Mr. Luis Guereca, General Sub-Director, Chief of Studies Service, Ministry of Industry

Mr. Pedro Temboury, First Secretary of Embassy, Permanent Mission

Mr. Juan Moro López, General Technical Secretary of the Ministry of Finance

Mr. Francisco Arana, Commercial Attaché, Trade Office, New York

Adviser

Mr. Angel Ojeda, Doctor of Naval Engineering, Tecniberia

SUDAN

Representative

Mr. Ali A. Sahloul, Deputy Permanent Representative to the United Nations

Alternate Representative

Mr. Mamoun I. Hassan, Second Secretary, Permanent Mission

SWEDEN

Representatives

Mr. Börje Billner, Head of Division, Ministry for Foreign Affairs

Mr. Lars Kalderén, Head of Department, Swedish International Development Authority

Alternate Representatives

Mr. Lennart Klackenbergh, Head of Department, Ministry of Finance

Mr. Helge Berg, Director, Federation of Swedish Industries

Mr. Bertil Bolin, Director for International Affairs, Swedish Confederation of Trade Unions

Advisers

Mr. Lars Wettergren, Adviser, Economic Affairs, Permanent Mission

Mr. Gunnar Hultner, First Secretary, Ministry for Foreign Affairs

Mr. Mats Bergquist, Second Secretary, Permanent Mission

SWITZERLAND

Representative

Mr. Bernard Turrettini, Ambassador, Permanent Observer to the United Nations

Alternate Representative

Mr. Max Dahinden, Second Secretary, Office of the Permanent Observer

THAILAND

Representative

Mr. Anand Panyarachun, Counsellor, Chargé d'affaires a.i., Permanent Mission

Alternate Representatives

Mr. Padhna Barpuyawart, Inspector General and Acting Director of Industrial and Economic Planning Division, Ministry of Industry

Adviser

Mr. Klos Visessurakarn, First Secretary, Permanent Mission

TRINIDAD AND TOBAGO

Representative

Mr. P. V. J. Solomon, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Alternate Representatives

Mr. C. A. Archibald, Minister-Counsellor, Deputy Permanent Representative to the United Nations

Mrs. Sheilah Solomon, First Secretary, Permanent Mission

Mr. Frank Thompson, Economist, Ministry of Planning and Development

TURKEY

Representative

Mr. Nazif Çuhruk, Minister Plenipotentiary, Deputy Permanent Representative to the United Nations

Alternate Representative

Mr. Fikret Altinel, Deputy Under-Secretary of the Ministry of Industry

Advisers

Mr. Mustafa Aksin, First Secretary of Embassy, Permanent Mission

Mr. Faruk Kirmizioglu, Industrial Expert, State Planning Organization

Mr. Turhan Firat, Second Secretary, Permanent Mission

UNION OF SOVIET SOCIALIST REPUBLICS

Representative

Mr. K. V. Ananichev, Chief, Department of International Economic, Scientific and Technical Organizations, State Committee of the Council of Ministers on Science and Technology

Alternate Representatives

Mr. L. S. Lobanov, Counsellor, Permanent Mission

Mr. V. P. Kasatkin, Assistant Head of Department of International Economic Organizations, Ministry of Foreign Affairs

Mr. O. A. Mikhailov, Chief Specialist, State Committee of the Council of Ministers on Science and Technology

Mr. V. A. Zaitsev, Academy of Sciences

Advisers

Mr. M. M. Tarasov, Counsellor, Permanent Mission

Mr. N. S. Novikov, Counsellor, Adviser, Economic Affairs, Permanent Mission

Mr. V. A. Yulin, Second Secretary, Permanent Mission

Mr. I. N. Mosin, Third Secretary, Permanent Mission

Mr. V. I. Pirogov, Third Secretary, Permanent Mission

Mr. N. I. Filimonov, Attaché, Permanent Mission

Mrs. N. G. Kulebyakina, Permanent Mission

Mr. S. A. Boldyrev, USSR State Committee for Science and Technology

Mr. V. A. Burmistrov, USSR State Committee for Science and Technology

Mr. D. A. Manasov, Moscow Statistical Office

Mr. V. A. Meshcherin, State Planning Committee of the Russian Soviet Federative Socialist Republic

Mr. T. F. Fedorov, USSR Academy of Sciences

UNITED ARAB REPUBLIC

Representative

Mr. Mahmoud Mohamed Salama, Under-Secretary of the Ministry of Industry

Alternate Representatives

Mr. Abdel Halim Badawi, Counsellor, Permanent Mission

Mr. Nabil El Araby, Second Secretary, Permanent Mission

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Representative

Sir Edward Warner, K.C.M.G., O.B.E., Minister, Permanent Mission

Alternate Representative

Mr. S. Fryer, Assistant Secretary, Ministry of Overseas Development

Advisers

Mr. John Leech, Commonwealth Development Corporation

Miss Lucy Deas, Second Secretary, Permanent Mission

UNITED STATES OF AMERICA

Representatives

Mr. Arthur E. Goldschmidt, Ambassador, Representative on the Economic and Social Council (for the period 17-28 April)

Mr. Walter M. Kotschnig, Minister, Deputy Representative on the Economic and Social Council, Deputy Assistant Secretary of State for International Organization Affairs (for the period 10-16 April)

Alternate Representatives

Mr. Clarence I. Blau, Senior Adviser, Economic and Social Affairs, Permanent Mission

Mr. William J. Stibravy, Director, Office of International Economic and Social Affairs, Department of State

Advisers

Mr. Robert B. Bangs, Business Defense Services Administration, Department of Commerce

Mr. Frederick G. Draper, Office of Technical Cooperation and Research, Agency for International Development

Mr. John C. Griffith, Office of International Economic and Social Affairs, Department of State

Mr. Robert W. Kitchen, Jr., Special Adviser on Economic Development Programmes, Permanent Mission

URUGUAY

Representative

Mr. Manuel Mendiola

Alternate Representative

Mr. Felipe Montero, Counsellor, Permanent Mission

ZAMBIA

Representative

Mr. W. K. Sikalumbi, Trade Commissioner for Western Europe

Alternate Representatives

Mr. I. R. B. Manda, First Secretary

Miss M. C. Campbell, Second Secretary, Permanent Mission

Observers from member States

ALGERIA

Mr. Hocine Djoudi, Counsellor, Permanent Mission

Mr. Daho Rahmani, Attaché, Permanent Mission

AUSTRALIA

Mr. J. A. Benson, Third Secretary, Permanent Mission

BOLIVIA

Mr. Fernando Ortiz Sanz, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Mr. Guillermo Scott Murga, Minister Counsellor, Permanent Mission

BOTSWANA

Mr. P. P. Makepe, First Secretary, Permanent Mission

BURMA

U Maung Maung Gale, Counsellor, Deputy Permanent Representative to the United Nations

U Ba Yin, Second Secretary, Permanent Mission

BYELORUSSIAN SOVIET SOCIALIST REPUBLIC

Mr. G. G. Chernushchenko, Envoy Extraordinary and Minister Plenipotentiary, Permanent Representative to the United Nations

Mr. I. F. Sidash, Second Secretary, Permanent Mission

CAMBODIA

Mrs. Sam Sidareth, Second Secretary, Permanent Mission

CEYLON

Mr. B. P. Tilakaratna, Counsellor, Chargé d'affaires a.i., Permanent Mission

Mr. S. Gautamadasa, Second Secretary, Permanent Mission

CHAD

Mr. Boukar Abdoul, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

CHINA

Mr. P. Y. Tsao, Adviser, Permanent Mission

Mr. David T. Fu, Third Secretary, Permanent Mission

CONGO (BRAZZAVILLE)

Mr. Jean Mombouli, Senior Counsellor, Permanent Mission

CONGO (DEMOCRATIC REPUBLIC OF)

Mr. S. Mulongo, First Secretary, Permanent Mission

Mr. Bernard Louya, First Secretary, Permanent Mission

CYPRUS

Mr. Nicos Agathocleous, First Secretary, Permanent Mission

DENMARK

Mr. Bjørn Olsen, Counsellor of Embassy, Permanent Mission

DOMINICAN REPUBLIC

Mr. Francisco Subero, Minister Counsellor, Permanent Mission

ECUADOR

Mr. Hugo Játiva, Counsellor, Permanent Mission

EL SALVADOR

Mr. Roberto Trigueros Larraondo, Consul General, New York

Mr. José Martino Siguí, Third Secretary, Permanent Mission

GABON

Mr. Polycarpe Makaya-Castanoul, First Secretary, Permanent Mission

GREECE

Mr. Ion K. Collas, First Secretary, Permanent Mission

HUNGARY

Mr. Miklós Endreffy, Attaché, Permanent Mission

ICELAND

Mr. Haraldur Kröyer, Deputy Permanent Representative

IRAQ

Mr. Burhan M. Nouri, First Secretary, Permanent Mission

Mr. Riyadh T. Ali, Second Secretary, Permanent Mission

ISRAEL

Mr. Uzi I. Nedivi, Counsellor, Permanent Mission

Mr. A. Shai, Member, Consulate General, New York

JAMAICA

Mr. William G. Whiting, United States Director, Jamaica Industrial Development Corporation

Mr. Probyn W. Aitken, Counsellor, Permanent Mission

Mr. Donald Craig, Second Secretary, Permanent Mission

LAOS

Mr. Somboun Somphanh, Second Secretary, Permanent Mission

LEBANON

Mr. Walid Naja

LIBERIA

Mr. David M. Thomas, Consul General, New York

LIBYA

Mr. Isa Babaa, Second Secretary, Permanent Mission

Mr. Ali Attiga

MALAYSIA

Mr. P. S. Lai, Counsellor, Permanent Mission

MALTA

Mr. Alexander Agius Cesareo, Second Secretary, Permanent Mission

MAURITANIA

Mr. Yahia Cheikh Abdallahi, Second Secretary, Permanent Mission

MEXICO

Mr. Alvaro Carranco Avila, First Secretary, Permanent Mission

MONGOLIA

Mr. Lutyn Chuluunbaatar, Counsellor, Permanent Mission

MOROCCO

Mr. Ahmed Taibi Benhima, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

NEPAL

Mr. Devendra Raj Upadhyia, Counsellor, Permanent Mission

NEW ZEALAND

Mr. B. J. Lynch, Second Secretary, Permanent Mission

NIGER

Mr. Soumana Ousseini, First Secretary, Permanent Mission

NORWAY

Mr. Petter Svennevig, First Secretary, Permanent Mission

Mr. Bernt Stangholm, First Secretary, Permanent Mission

PANAMA

Mr. Manuel Varela, Jr., Ambassador Extraordinary and Plenipotentiary, Alternate Permanent Representative to the United Nations

POLAND

Mr. Wladyslaw Neneman, First Secretary, Permanent Mission

PORTUGAL

Mr. Duarte Vaz Pinto, First Secretary, Permanent Mission

SENEGAL

Mr. Charles Delgado, First Secretary of Embassy, Economic Affairs, Permanent Mission

SOUTH AFRICA

Mr. A. E. van Niekerk, Third Secretary, Permanent Mission

SYRIA

Mr. Abdullah El-Attrash, Second Secretary, Permanent Mission

TOGO

Mr. Raphaël Klu, First Secretary, Permanent Mission

TUNISIA

Mr. Hamdane Ben Aissa, First Secretary, Permanent Mission

UKRAINIAN SOVIET SOCIALIST REPUBLIC

Mr. Y. N. Kochubei, First Secretary, Permanent Mission

UNITED REPUBLIC OF TANZANIA

Mr. W. E. Waldron-Ramsey, Counsellor, Permanent Mission

UPPER VOLTA

Mr. Paul T. Rouamba, Ambassador Extraordinary and Plenipotentiary, Permanent Representative to the United Nations

Mr. Pierre J. Sanon, First Secretary, Permanent Mission

YUGOSLAVIA

Mr. Grga Lavčević, Counsellor of State for Foreign Affairs
Mr. Ante Skataretiko, Counsellor, Permanent Mission

United Nations

United Nations Secretariat

Department of Economic and Social Affairs

Mr. Martin Hill, Under-Secretary for Inter-Agency Affairs
Mr. Karl E. Lachmann, Chief, Fiscal and Financial Branch

Economic Commission for Africa

Mr. B. D. Nonvete, Director, Industry Division

United Nations Conference on Trade and Development

Mr. Robert Muller, Special Adviser on Technical Assistance
Co-ordination

Mr. Harry Stordel, Deputy Director, Manufactures Division

United Nations Development Programme

Mr. R. Heurtematte, Associate Administrator

Mr. A. Harland, Chief, Industry and Technology Section

Mr. M. H. N. Geoghegan, External Relations Officer, Division
for External Relations

World Food Programme

Mr. Marc Nerfin, Liaison Officer with the United Nations

Specialized agencies

International Labour Organisation

Mr. Abbas Ammar, Deputy Director-General

Mr. B. Fortin, Chief, Programme and Research Section,
Human Resources Department

Mr. F. Abdel Rahman, Director a.i., Liaison Office with
the United Nations

Mrs. M. Tanco de Lopez, Liaison Office with the United
Nations

Food and Agriculture Organization of the United Nations

Mr. D. W. Woodward, Director, Liaison Office with the
United Nations

Mr. A. Aten, Technical Officer, Industrialization Technical
Department

Mr. M. Greene, Assistant Director, Liaison Office with the
United Nations

United Nations Educational, Scientific and Cultural Organization

Mr. A. Noor Kassum, Director, New York Office

Mrs. Betty Thomas, Liaison Officer, New York Office

Miss Roth Barret, New York Office

World Health Organization

Dr. R. L. Coigney, Director, Liaison Office with the United
Nations

Mrs. Vera Kalm, Liaison Office with the United Nations

International Bank for Reconstruction and Development

International Development Association

International Finance Corporation

Mr. James S. Raj, Deputy Executive Vice-President, Inter-
national Finance Corporation

Mr. Lewis Perinbam, Liaison Officer

International Monetary Fund

Mr. Gordon Williams, Special Representative to the United
Nations

Mr. Joseph W. Lang, Jr., Department of the Secretary

Mr. Alan Wright, Department of the Secretary

Inter-Governmental Maritime Consultative Organization

Mr. Colin Goad, Deputy Secretary-General

*
*

International Atomic Energy Agency

Mr. Evgueni Piskarev, Director, Liaison Office with the
United Nations

Mr. Robert Najjar, Liaison Office with the United Nations

*
*

Interim Commission for the International Trade Organisation (ICITO): General Agreement on Tariffs and Trade (GATT)

Mr. G. Hortling, Counsellor, Department of External
Relations

Intergovernmental organizations

United International Bureaux for the Protection of Intel- lectual Property (BIRPI)

Mr. R. Woodley, Senior Counsellor for Relations with In-
ternational Organizations

Non-governmental organizations

Category A

International Chamber of Commerce

Mr. Christopher H. Phillips, President, United States
Council of the ICC

Mrs. Roberta M. Lusardi, Executive Secretary, New York
Office.

World Federation of Trade Unions

Mr. Brian Barton

Annex II

GENERAL ASSEMBLY RESOLUTION 2152 (XXI) OF 17 NOVEMBER 1966 ESTABLISHING THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

[For the text of General Assembly resolution 2152 (XXI) of 17 November
1966, see Official Records of the General Assembly, Twenty-first Session, Supple-
ment No. 16, page 24.]

ESTABLISHMENT OF THE HEADQUARTERS AT VIENNA

A. AGREEMENT BETWEEN THE UNITED NATIONS AND THE REPUBLIC OF AUSTRIA REGARDING THE HEADQUARTERS OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION^a*The United Nations and the Republic of Austria,*

Considering that the United Nations General Assembly, by resolutions 2089 (XX) and 2152 (XXI) of 20 December 1965 and 17 November 1966, has established the United Nations Industrial Development Organization as a subsidiary organ of the General Assembly of the United Nations and, in response to an offer by the Republic of Austria, has, by resolution 2212 (XXI) of 17 December 1966, decided to establish the headquarters of that organization at Vienna;

Considering that the Convention on the Privileges and Immunities of the United Nations adopted by the General Assembly of the United Nations on 13 February 1946, to which the Republic of Austria is a party, is *ipso facto* applicable to the United Nations Industrial Development Organization;

Considering that it is desirable to conclude an agreement, complementary to the Convention on the Privileges and Immunities of the United Nations, to regulate questions not envisaged in that Convention arising as a result of the establishment of the headquarters of the United Nations Industrial Development Organization at Vienna;

Have agreed as follows:

Article I

DEFINITIONS

Section 1

In this Agreement,

(a) The expression "the UNIDO" means the United Nations Industrial Development Organization;

(b) The expression "the Government" means the Federal Government of the Republic of Austria;

(c) The expression "Executive Director" means the Executive Director of the UNIDO or any officer designated to act on his behalf;

(d) The expression "appropriate Austrian authorities" means such federal, state, municipal or other authorities in the Republic of Austria as may be appropriate in the context and in accordance with the laws and customs applicable in the Republic of Austria;

(e) The expression "laws of the Republic of Austria" includes:

(i) The federal constitution and state constitutions; and

(ii) Legislative acts, regulations and orders issued by or under authority of the Government or appropriate Austrian authorities;

(f) The expression "headquarters seat" means:

(i) The headquarters area with the building or buildings upon it, as may from time to time be defined in the supplemental agreements referred to in section 3; and

(ii) Any other land or building which may from time to time be included, temporarily or permanently, therein in accordance with this Agreement or by supplemental agreement with the Government;

(g) The expression "Member State" means a State which is a Member of the United Nations, or a member of one of the specialized agencies, or a member of the International Atomic Energy Agency;

(h) The expression "officials of the UNIDO" means the Executive Director and all members of the staff of the UNIDO except those who are locally recruited and assigned to hourly rates;

^a The Agreement entered into force on 7 July 1967 upon an exchange of notes between the Secretary-General of the United Nations and the duly authorized representative of the Federal Republic of Austria, as provided for in Article XV, section 47, of the Agreement.

(i) The expression "General Conventions" means the Convention on the Privileges and Immunities of the United Nations approved by the General Assembly of the United Nations on 13 February 1946.

Article II

THE HEADQUARTERS SEAT

Section 2

(a) The permanent headquarters of the UNIDO shall be in the headquarters seat, and shall not be removed therefrom unless the United Nations should so decide. Any transfer of the headquarters temporarily to another place shall not constitute a removal of the permanent headquarters unless there is an express decision by the United Nations to that effect.

(b) Any building in or outside of Vienna which may be used with the concurrence of the Government for meetings convened by the UNIDO shall be temporarily included in the headquarters seat.

(c) The appropriate Austrian authorities shall take whatever action may be necessary to ensure that the UNIDO shall not be dispossessed of all or any part of the headquarters seat without the express consent of the United Nations.

Section 3

The Government grants to the UNIDO, and the UNIDO accepts from the Government, the permanent use and occupation of a headquarters seat as may from time to time be defined in supplemental agreements to be concluded between the UNIDO and the Government.

Section 4

(a) The United Nations shall for official purposes have the authority to install and operate a radio sending and receiving station or stations to connect at appropriate points and exchange traffic with the United Nations radio network. The United Nations as a telecommunications administration will operate its telecommunications services in accordance with the International Telecommunication Convention and the Regulations annexed thereto. The frequencies used by these stations will be communicated by the United Nations to the Government and to the International Frequency Registration Board.

(b) The Government shall, upon request, grant to the UNIDO for official purposes appropriate radio and other telecommunications facilities in conformity with technical arrangements to be made with the International Telecommunication Union.

Section 5

The UNIDO may establish and operate research, documentation and other technical facilities of any type. These facilities shall be subject to appropriate safeguards which, in the case of facilities which might create hazards to health or safety or interfere with property, shall be agreed with the appropriate Austrian authorities.

Section 6

The facilities provided for in sections 4 and 5 may, to the extent necessary for efficient operation, be established and operated outside the headquarters area. The appropriate Austrian authorities shall, at the request of the UNIDO, make arrangements, on such terms and in such manner as may be agreed upon by supplemental agreement, for the acquisition or use by the UNIDO of appropriate premises for such purposes and for the inclusion of such premises in the headquarters seat.

Section 7

(a) The Government recognizes the extraterritoriality of the headquarters seat, which shall be under the control and authority of the UNIDO as provided in this Agreement.

(b) Except as otherwise provided in this Agreement, or in the General Convention, and subject to any regulation enacted under section 8, the laws of the Republic of Austria shall apply within the headquarters seat.

(c) Except as otherwise provided in this Agreement or in the General Convention, the courts or other appropriate organs of the Republic of Austria shall have jurisdiction, as provided in applicable laws, over acts done and transactions taking place in the headquarters seat.

Section 8

(a) The UNIDO shall have the power to make regulations, operative within the headquarters seat, for the purpose of establishing therein conditions in all respects necessary for the full execution of its functions. No law of the Republic of Austria which is inconsistent with a regulation of the UNIDO authorized by this section shall, to the extent of such inconsistency, be applicable within the headquarters seat. Any dispute between the UNIDO and the Republic of Austria as to whether a regulation of the UNIDO is authorized by this section or as to whether a law of the Republic of Austria is inconsistent with any regulation of the UNIDO authorized by this section, shall be promptly settled by the procedure set out in section 35. Pending such settlement, the regulation of the UNIDO shall apply and the law of the Republic of Austria shall be inapplicable in the headquarters seat to the extent that the UNIDO claims it to be inconsistent with the regulation of the UNIDO.

(b) The UNIDO shall from time to time inform the Government, as may be appropriate, of regulations made by it in accordance with sub-section (a).

(c) This section shall not prevent the reasonable application of fire protection or sanitary regulations of the appropriate Austrian authorities.

Section 9

(a) The headquarters seat shall be inviolable. No officer or official of the Republic of Austria, or other person exercising any public authority within the Republic of Austria, shall enter the headquarters seat to perform any duties therein except with the consent of, and under conditions approved by, the Executive Director. The service of legal process, including the seizure of private property, shall not take place within the headquarters seat except with the express consent of, and under conditions approved by, the Executive Director.

(b) Without prejudice to the provisions of the General Convention or article X of this Agreement, the UNIDO shall prevent the headquarters seat from being used as a refuge by persons who are avoiding arrest under any law of the Republic of Austria, who are required by the Government for extradition to another country, or who are endeavouring to avoid service of legal process.

Article IV

PROTECTION OF THE HEADQUARTERS SEAT

Section 10

(a) The appropriate Austrian authorities shall exercise due diligence to ensure that the tranquillity of the headquarters seat is not disturbed by any person or group of persons attempting unauthorized entry into or creating disturbances in the immediate vicinity of the headquarters seat, and shall provide on the boundaries of the headquarters seat such police protection as may be required for these purposes.

(b) If so requested by the Executive Director, the appropriate Austrian authorities shall provide a sufficient number of police for the preservation of law and order in the headquarters seat.

The appropriate Austrian authorities shall take all reasonable steps to ensure that the amenities of the headquarters seat are not prejudiced and that the purposes for which the headquarters seat is required are not obstructed by any use made of the land or buildings in the vicinity of the headquarters seat. The UNIDO shall take all reasonable steps to ensure that the amenities of the land in the vicinity of the headquarters seat are not prejudiced by any use made of the land or buildings in the headquarters seat.

Article V

PUBLIC SERVICES IN THE HEADQUARTERS SEAT

Section 12

(a) The appropriate Austrian authorities shall exercise, to the extent requested by the Executive Director, their respective powers to ensure that the headquarters seat shall be supplied with the necessary public services, including without limitation by reason of this enumeration, electricity, water, sewerage, gas, post, telephones, telegraph, local transportation, drainage, collection of refuse, fire protection and snow removal from public streets, and that such public services shall be supplied on equitable terms.

(b) In case of any interruption or threatened interruption of any such services, the appropriate Austrian authorities shall consider the needs of the UNIDO as being of equal importance with those of essential agencies of the Government and shall take steps accordingly to ensure that the work of the UNIDO is not prejudiced.

(c) The Executive Director shall, upon request, make suitable arrangements to enable duly authorized representatives of the appropriate public services bodies to inspect, repair, maintain, reconstruct and relocate utilities, conduits, mains and sewers within the headquarters seat under conditions which shall not unreasonably disturb the carrying out of the functions of the UNIDO.

(d) Where gas, electricity, water or heat are supplied by appropriate Austrian authorities, or where the prices thereof are under their control, the UNIDO shall be supplied at tariffs which shall not exceed the lowest comparable rates accorded to Austrian governmental administrations.

Article VI

COMMUNICATIONS, PUBLICATIONS AND TRANSPORTATION

Section 13

(a) All official communications directed to the UNIDO, or to any of its officials at the headquarters seat, and all outward official communications of the UNIDO, by whatever means or in whatever form transmitted, shall be immune from censorship and from any other form of interception or interference with their privacy. Such immunity shall extend, without limitation by reason of this enumeration, to publications, still and moving pictures, films and sound recordings.

(b) The UNIDO shall have the right to use codes and to dispatch and receive correspondence and other official communications by courier or in sealed bags, which shall have the same privileges and immunities as diplomatic couriers and bags.

Section 14

(a) The Government recognizes the right of the UNIDO freely to publish and broadcast within the Republic of Austria in the fulfilment of its purpose.

(b) It is, however, understood that the UNIDO shall respect any laws of the Republic of Austria, or any international conventions to which the Republic of Austria is a party, relating to copyrights.

Section 15

The UNIDO shall be entitled for its official purposes to use the railroad facilities of the Government at tariffs which shall not exceed the lowest comparable passenger fares and freight rates accorded to Austrian governmental administrations.

Section 16

(a) The UNIDO, its assets, income and other property shall be exempt from all forms of taxation, provided, however, that such tax exemption shall not extend to the owner or lessor of any property rented by the UNIDO.

(b) In so far as the Government, for important administrative considerations, may be unable to grant to the UNIDO exemption from indirect taxes which constitute part of the cost of goods purchased by or services rendered to the UNIDO, including rentals, the Government shall reimburse the UNIDO for such taxes by the payment, from time to time, of lump sums to be agreed upon by the UNIDO and the Government. It is, however, understood that the UNIDO will not claim reimbursement with respect to minor purchases. With respect to such taxes, the UNIDO shall at all times enjoy at least the same exemptions and facilities as are granted to Austrian governmental administrations or to chiefs of diplomatic missions accredited to the Republic of Austria, whichever are the more favourable. It is further understood that the UNIDO will not claim exemption from taxes which are in fact no more than charges for public utility services.

(c) All transactions to which the UNIDO is a party, and all documents recording such transactions, shall be exempt from all taxes, recording fees, and documentary taxes.

(d) Articles imported or exported by the UNIDO for official purposes shall be exempt from customs duties and other levies, and from prohibitions and restrictions on imports and exports.

(e) The UNIDO shall be exempt from customs duties and other levies, prohibitions and restrictions on the importation of service automobiles, and spare parts thereof, required for its official purposes.

(f) The Government shall, if requested, grant allotments of gasoline or other fuels and lubricating oils for each such automobile operated by the UNIDO in such quantities as are required for its work and at such special rates as may be established for diplomatic missions in the Republic of Austria.

(g) Articles imported in accordance with sub-sections (d) and (e) or obtained from the Government in accordance with sub-section (f) of this section, shall not be sold by the UNIDO in the Republic of Austria within two years of their importation or acquisition, unless otherwise agreed upon by the Government.

Article VIII

FINANCIAL FACILITIES

Section 17

(a) Without being subject to any financial controls, regulations or moratoria of any kind, the UNIDO may freely:

- (i) Purchase any currencies through authorized channels and hold and dispose of them;
- (ii) Operate accounts in any currency;
- (iii) Purchase through authorized channels, hold and dispose of funds, securities and gold;
- (iv) Transfer its funds, securities, gold and currencies to or from the Republic of Austria, to or from any other country, or within the Republic of Austria; and
- (v) Raise funds through the exercise of its borrowing power or in any other manner which it deems desirable, except that with respect to the raising of funds within the Republic of Austria, the UNIDO shall obtain the concurrence of the Government.

(b) The Government shall assist the UNIDO to obtain the most favourable conditions as regards exchange rates, banking commissions in exchange transactions and the like.

(c) The UNIDO shall, in exercising its rights under this section, pay due regard to any representations made by the Government in so far as effect can be given to such representations without prejudicing the interests of the UNIDO.

Section 18

The United Nations Joint Staff Pension Fund shall enjoy legal capacity in the Republic of Austria and shall enjoy the same exemptions, privileges and immunities as the UNIDO itself.

Section 19

The UNIDO shall be exempt from all compulsory contributions to, and officials of the UNIDO shall not be required by the Government to participate in, any social security scheme of the Republic of Austria.

Section 20

The Government shall make such provision as may be necessary to enable any official of the UNIDO who is not afforded social security coverage by the UNIDO to participate, if the UNIDO so requests, in any social security scheme of the Republic of Austria. The UNIDO shall, in so far as possible, arrange, under conditions to be agreed upon, for the participation in the Austrian social security system of those locally recruited members of its staff who do not participate in the United Nations Joint Staff Pension Fund or to whom UNIDO does not grant social security protection at least equivalent to that offered under Austrian law.

Article X

TRANSIT AND RESIDENCE

Section 21

(a) The Government shall take all necessary measures to facilitate the entry into and sojourn in Austrian territory and shall place no impediment in the way of the departure from Austrian territory of the persons listed below; it shall ensure that no impediment is placed in the way of their transit to or from the headquarters seat and shall afford them any necessary protection in transit:

- (i) Members of permanent missions and other representatives of Member States, their families and other members of their households, as well as clerical and other auxiliary personnel and the spouses and dependent children of such personnel;
- (ii) Officials of the UNIDO, their families and other members of their households;
- (iii) Officials of the United Nations or of one of the specialized agencies or of the International Atomic Energy Agency, attached to the UNIDO, and those who have official business with the UNIDO, and their spouses and dependent children;
- (iv) Representatives of other organizations, with which the UNIDO has established official relations, who have official business with the UNIDO;
- (v) Persons, other than officials of the UNIDO, performing missions authorized by the UNIDO or serving on committees or other subsidiary organs of the UNIDO, and their spouses;
- (vi) Representatives of the press, radio, film, television or other information media, who have been accredited to the UNIDO in its discretion after consultation with the Government;
- (vii) Representatives of other organizations or other persons invited by the UNIDO to the headquarters seat on official business. The Executive Director shall communicate the names of such persons to the Government before their intended entry.

(b) This section shall not apply in the case of general interruptions of transportation, which shall be dealt with as provided in section 12 (b) and shall not impair the effectiveness of generally applicable laws relating to the operation of means of transportation.

(c) Visas, where required for persons referred to in this section, shall be granted without charge and as promptly as possible.

(d) No activity performed by any person referred to in sub-section (a) in his official capacity with respect to the UNIDO shall constitute a reason for preventing his entry into or his departure from the territory of the Republic of Austria or for requiring him to leave such territory.

(e) No person referred to in sub-section (a) shall be required by the Government to leave the Republic of Austria save in the event of an abuse of the right of residence, in which case the following procedure shall apply:

(i) No proceedings shall be instituted to require any such person to leave the Republic of Austria except with the prior approval of the Federal Minister for Foreign Affairs of the Republic of Austria;

(ii) In the case of a representative of a Member State, such approval shall be given only after consultation with the Government of the Member State concerned;

(iii) In the case of any other person mentioned in sub-section (a), such approval shall be given only after consultation with the Executive Director, and if expulsion proceedings are taken against any such person, the Executive Director shall have the right to appear or to be represented in such proceedings on behalf of the person against whom such proceedings are instituted; and

(iv) Persons who are entitled to diplomatic privileges and immunities under section 28 shall not be required to leave the Republic of Austria otherwise than in accordance with the customary procedure applicable to members, having comparable rank, of the staffs of chiefs of diplomatic missions accredited to the Republic of Austria.

(f) This section shall not prevent the requirement of reasonable evidence to establish that persons claiming the rights granted by this section come within the classes described in sub-section (a), or the reasonable application of quarantine and health regulations.

Section 22

The Executive Director and the appropriate Austrian authorities shall, at the request of either of them, consult as to methods of facilitating entrance into the Republic of Austria, and as to the use of available means of transportation, by persons coming from abroad who wish to visit the headquarters seat and who do not enjoy the privileges provided by section 21.

Article XI

REPRESENTATIVES TO THE UNIDO

Section 23

Representatives of Member States to meetings of or convened by the UNIDO, and those who have official business with the UNIDO, shall, while exercising their functions and during their journey to and from Austria, enjoy the privileges and immunities provided in article IV of the General Convention.

Section 24

Members of permanent missions to the UNIDO shall be entitled to the same privileges and immunities as the Government accords to members, having comparable rank, of diplomatic missions accredited to the Republic of Austria.

Section 25

Permanent missions to the UNIDO of States Members of the Industrial Development Board and those of Member States shall enjoy the same privileges and immunities as are accorded to diplomatic missions in the Republic of Austria.

Section 26

The UNIDO shall communicate to the Government a list of persons within the scope of this article and shall revise such list from time to time as may be necessary.

Article XII

OFFICIALS OF THE UNIDO

Section 27

Officials of the UNIDO shall enjoy within and with respect

to the Republic of Austria the following privileges and immunities:

(a) Immunity from legal process of any kind in respect of words spoken or written, and of acts performed by them in their official capacity; such immunity to continue notwithstanding that the persons concerned may have ceased to be officials of the UNIDO;

(b) Immunity from seizure of their personal and official baggage;

(c) Immunity from inspection of official baggage, and if the official comes within the scope of section 28, immunity from inspection of personal baggage;

(d) Exemption from taxation in respect of the salaries, emoluments, indemnities and pensions paid to them by the UNIDO for services past or present or in connexion with their service with the UNIDO;

(e) Exemption from any form of taxation on income derived by them from sources outside the Republic of Austria;

(f) Exemption, with respect to themselves, their spouses, their dependent relatives and other members of their households from immigration restrictions and alien registration;

(g) Exemption from national service obligations, provided that, with respect to Austrian nationals, such exemption shall be confined to officials whose names have, by reason of their duties, been placed upon a list compiled by the Executive Director and approved by the Government; provided further that should officials, other than those listed, who are Austrian nationals, be called up for national service, the Government shall, upon request of the Executive Director, grant such temporary deferments in the call-up of such officials as may be necessary to avoid interruption of the essential work of the UNIDO;

(h) Freedom to acquire or maintain within the Republic of Austria or elsewhere foreign securities, foreign currency accounts, and other movable, and, under the same conditions applicable to Austrian nationals, immovable property; and at the termination of their UNIDO employment, the right to take out of the Republic of Austria through authorized channels without prohibition, or restriction, their funds in the same currency and up to the same amounts as they had brought into the Republic of Austria.

(i) The same protection and repatriation facilities with respect to themselves, their spouses, their dependent relatives and other members of their households as are accorded in time of international crisis to members, having comparable rank, of the staffs of chiefs of diplomatic missions accredited to the Republic of Austria; and

(j) The right to import for personal use, free of duty and other levies, prohibitions and restrictions on imports:

(i) Their furniture and effects in one or more separate shipments, and thereafter to import necessary additions to the same;

(ii) One automobile every four years; and

(iii) Limited quantities of certain articles for personal use or consumption and not for gift or sale; the UNIDO may establish a commissary for the sale of such articles to its officials and members of delegations. A supplemental agreement shall be concluded between UNIDO and the Government to regulate the exercise of these rights.

Section 28

In addition to the privileges and immunities specified in section 27:

(a) The Executive Director shall be accorded the privileges and immunities, exemptions and facilities accorded to Ambassadors who are heads of missions;

(b) A senior official of the UNIDO, when acting on behalf of the Executive Director during his absence from duty, shall be accorded the same privileges and immunities, exemptions and facilities as are accorded to the Executive Director; and

(c) Other officials having the professional grade of P-5 and above, and such additional categories of officials as may be designated, in agreement with the Government, by the

Executive Director in consultation with the Secretary-General of the United Nations on the ground of the responsibilities of their positions in the UNIDO, shall be accorded the same privileges and immunities, exemptions and facilities as the Government accords to members, having comparable rank, of the staffs of chiefs of diplomatic missions accredited to the Republic of Austria.

Section 29

(a) The UNIDO shall communicate to the Government a list of officials of the UNIDO and shall revise such list from time to time as may be necessary.

(b) The Government shall furnish persons within the scope of this article with an identity card bearing the photograph of the holder. This card shall serve to identify the holder in relation to all Austrian authorities.

Section 30

The provisions of this article shall apply to other officials of the United Nations who are attached to the UNIDO or to other United Nations offices set up with the consent of the Government in the Republic of Austria. They shall also apply to officials of the specialized agencies and the International Atomic Energy Agency attached to the UNIDO on a continuing basis.

Article XIII

EXPERTS ON MISSION FOR UNIDO

Section 31

Experts (other than officials of the UNIDO coming within the scope of article XII) performing missions authorized by, serving on committees or other subsidiary organs of, or consulting at its request in any way with, the UNIDO shall enjoy, within and with respect to the Republic of Austria, the following privileges and immunities so far as may be necessary for the effective exercise of their functions:

(a) Immunity in respect of themselves, their spouses and their dependent children from personal arrest or detention and from seizure of their personal and official baggage;

(b) Immunity from legal process of any kind with respect to words spoken or written, and all acts done by them, in the performance of their official functions, such immunity to continue notwithstanding that the persons concerned may no longer be employed on missions for, serving on committees of, or acting as consultants for, the UNIDO, or may no longer be present at the headquarters seat or attending meetings convened by the UNIDO;

(c) Inviolability of all papers, documents and other official material;

(d) The right, for the purpose of all communications with the UNIDO, to use codes and to dispatch or receive papers, correspondence or other official material by courier or in sealed bags;

(e) Exemption with respect to themselves and their spouses from immigration restrictions, alien registration and national service obligations;

(f) The same protection and repatriation facilities with respect to themselves, their spouses, their dependent relatives and other members of their households as are accorded in time of international crisis to members, having comparable rank, of the staffs of chiefs of diplomatic missions accredited to the Republic of Austria;

(g) The same privileges with respect to currency and exchange restrictions as are accorded to representatives of foreign Governments on temporary official missions; and

(h) The same immunities and facilities with respect to their personal and official baggage as the Government accords to members, having comparable rank, of the staffs of chiefs of diplomatic missions accredited to the Republic of Austria.

Section 32

Where the incidence of any form of taxation depends upon residence, periods during which the persons designated in section 31 may be present in the Republic of Austria for the discharge of their duties shall not be considered as periods of residence. In particular, such persons shall be exempt

from taxation on their salaries and emoluments received from the UNIDO during such periods of duty and shall be exempt from all tourist taxes.

Section 33

(a) The UNIDO shall communicate to the Government a list of persons within the scope of this article and shall revise such list from time to time as may be necessary.

(b) The Government shall furnish persons within the scope of this article with an identity card bearing the photograph of the holder. This card shall serve to identify the holder in relation to all Austrian authorities.

Article XIV

SETTLEMENT OF DISPUTES

Section 34

The UNIDO shall make provision for appropriate methods of settlement of:

(a) Disputes arising out of contracts and disputes of a private law character to which the UNIDO is a party; and

(b) Disputes involving an official of the UNIDO who, by reason of his official position, enjoys immunity, if such immunity has not been waived.

Section 35

(a) Any dispute between the UNIDO and the Government concerning the interpretation or application of this Agreement or of any supplemental agreement, or any question affecting the headquarters seat or the relationship between the UNIDO and the Government, which is not settled by negotiation or other agreed mode of settlement, shall be referred for final decision to a tribunal of three arbitrators: one to be chosen by the Executive Director, one to be chosen by the Federal Minister for Foreign Affairs of the Republic of Austria, and the third, who shall be chairman of the tribunal, to be chosen by the first two arbitrators. Should the first two arbitrators fail to agree upon the third within six months following the appointment of the first two arbitrators, such third arbitrator shall be chosen by the President of the International Court of Justice at the request of the UNIDO or the Government.

(b) The Secretary-General of the United Nations or the Government may ask the General Assembly to request of the International Court of Justice an advisory opinion on any legal question arising in the course of such proceedings. Pending the receipt of the opinion of the Court, an interim decision of the arbitral tribunal shall be observed by both parties. Thereafter, the arbitral tribunal shall render a final decision, having regard to the opinion of the Court.

Article XV

GENERAL PROVISIONS

Section 36

The Republic of Austria shall not incur by reason of the location of the headquarters seat of the UNIDO within its territory any international responsibility for acts or omissions of the UNIDO or of its officials acting or abstaining from acting within the scope of their functions, other than the international responsibility which the Republic of Austria would incur as a Member of the United Nations.

Section 37

Without prejudice to the privileges and immunities accorded by this Agreement, it is the duty of all persons enjoying such privileges and immunities to respect the laws and regulations of the Republic of Austria. They also have a duty not to interfere in the internal affairs of this State.

Section 38

(a) The Executive Director shall take every precaution to ensure that no abuse of a privilege or immunity conferred by this Agreement shall occur, and for this purpose shall establish such rules and regulations as may be deemed necessary and expedient, for officials of the UNIDO and for such other persons as may be appropriate.

(b) Should the Government consider that an abuse of a privilege or immunity conferred by this Agreement has oc-

curred, the Executive Director shall, upon request, consult with the appropriate Austrian authorities to determine whether any such abuse has occurred. If such consultations fail to achieve a result satisfactory to the Executive Director and to the Government, the matter shall be determined in accordance with the procedure set out in section 35.

Section 39

This Agreement shall apply irrespective of whether the Government maintains or does not maintain diplomatic relations with the State concerned and irrespective of whether the State concerned grants a similar privilege or immunity to diplomatic envoys or citizens of the Republic of Austria.

Section 40

Whenever this Agreement imposes obligations on the appropriate Austrian authorities, the ultimate responsibility for the fulfilment of such obligations shall rest with the Government.

Section 41

The provisions of this Agreement shall be complementary to the provisions of the General Convention. In so far as any provision of this Agreement and any provision of the General Convention relate to the same subject matter, the two provisions shall, wherever possible, be treated as complementary, so that both provisions shall be applicable and neither shall narrow the effect of the other.

Section 42

This Agreement shall be construed in the light of its primary purpose of enabling the UNIDO at its headquarters in the Republic of Austria fully and efficiently to discharge its responsibilities and fulfil its purposes.

Section 43

Consultations with respect to modification of this Agreement shall be entered into at the request of the United Nations or the Government. Any such modification shall be by mutual consent.

Section 44

The UNIDO and the Government may enter into such supplemental agreements as may be necessary.

Section 45

This Agreement shall apply, *mutatis mutandis*, to other offices of the United Nations set up with the consent of the Government in the Republic of Austria.

Section 46

This Agreement shall cease to be in force:

- (i) By mutual consent of the United Nations and the Government; or
- (ii) If the permanent headquarters of the UNIDO is removed from the territory of the Republic of Austria, except for such provisions as may be applicable in connexion with the orderly termination of the operations of the UNIDO at its permanent headquarters in the Republic of Austria and the disposal of its property therein.

Section 47

This Agreement shall enter into force upon an exchange of notes between the Secretary-General of the United Nations and the duly authorized representative of the Federal President of the Republic of Austria.

DONE at New York, in duplicate, in the English and German languages, both being equally authentic, on this thirteenth day of April 1967.

FOR THE UNITED NATIONS:

On behalf of the Secretary-General

(Signed) C. A. STAVROPOULOS

Under-Secretary
Legal Counsel

FOR THE REPUBLIC OF AUSTRIA:

(Signed) Carl H. BOBLETER

Under-Secretary of State
for Foreign Affairs

B. EXCHANGE OF NOTES BETWEEN THE UNITED NATIONS AND THE REPUBLIC OF AUSTRIA OF 13 APRIL 1967

1. *The Under-Secretary of State for Foreign Affairs of the Republic of Austria to the Secretary-General of the United Nations*

New York, 13 April 1967

Sir,

With reference to the Agreement between the United Nations and the Republic of Austria regarding the Headquarters of the United Nations Industrial Development Organization, to which I have this day affixed by signature, I have the honour to propose that:

(1) In accordance with the Financial Regulations of the United Nations, the articles mentioned in paragraph (g) of section 16 of this Agreement may be disposed of without charge only for the benefit of international organizations or charitable institutions.

(2) Having regard to article 38 (1) of the Vienna Convention on Diplomatic Relations and to the practice of Austria, the Republic of Austria will accord members of permanent missions referred to in section 24 of the Agreement, who are Austrian nationals or stateless persons resident in Austria, only the immunity from legal process of every kind in respect of words spoken or written and all acts done by them in their capacity as members of permanent missions.

(3) Officials of the UNIDO or other United Nations organs or experts on missions for the United Nations who are Austrian nationals and stateless persons resident in Austria shall enjoy only those privileges and immunities provided in the General Convention, it being understood, nevertheless, that such privileges and immunities include exemption from taxation on pensions paid to them by the Pension Fund of the United Nations.

In addition, officials of UNIDO who are Austrian nationals or stateless persons resident in Austria shall have access to the commissary to be established in accordance with paragraph (j) (iii) of section 27 of the Agreement, the exercise of this right being regulated by the supplemental agreement as envisaged in the above-mentioned provision of the Agreement.

(4) In accordance with the practice of the Republic of Austria which is in conformity with article 42 of the Vienna Convention on Diplomatic Relations to which Austria is a party, diplomatic agents accredited to the Republic of Austria may not practise for personal profit any professional or commercial activity. It is understood that the same restriction shall apply to all persons to whom the Agreement accords the same privileges and immunities as are accorded to members, having comparable rank, of diplomatic missions in the Republic of Austria.

(5) Persons to whom the Agreement applies, who are not Austrian nationals or stateless persons resident in Austria, shall not benefit from Austrian regulations on allowances for children.

(6) Without prejudice to the provisions of sections 18 (e) and 22 (e) of the General Convention and section 27 (h) of the Agreement, officials and experts of UNIDO shall be allowed, over and above the facilities granted by the Agreement, to make transfers to other countries up to a maximum amount of one thousand U.S. dollars (U.S. \$1,000.00) per year, to the debit of accounts in Austrian Schilling held in their names at Austrian credit institutions. If officials or experts of the UNIDO wish to make Austrian currency transfers exceeding the amount mentioned above, such transfers shall be authorized by the Austrian authorities up to the amount of all salary previously received in Austrian currency by the person concerned from the UNIDO, provided that the UNIDO agrees that the amount to be transferred shall be deducted from transferable Austrian currency balances of the UNIDO.

If the United Nations agrees to this proposal, I have the honour to propose that this note and your note of confirmation shall constitute an Agreement between the Republic of Austria and the United Nations, entering into force on the same day as the Headquarters Agreement.

Accept, Sir, the renewed assurances of my highest consideration.

His Excellency

U THANT
United Nations
New York, N. Y.

(Signed) Carl H. BOBLETER
*Under-Secretary of State
for Foreign Affairs*

2. *The Legal Counsel of the United Nations to the Under-Secretary of State for Foreign Affairs of the Republic of Austria*

New York, 13 April 1967

Sir,

I am directed by the Secretary-General to refer to your note of 13 April 1967, which reads as follows:

[Here follows the text of note 1 above.]

I have the honour to confirm that the United Nations agrees with the above proposal and that your note and this reply will constitute an Agreement between the United Nations and the Republic of Austria, entering into force on the same day as the Headquarters Agreement.

Accept, Sir, the assurances of my highest consideration.

His Excellency

Dr. Carl BOBLETER
Under-Secretary of State for Foreign Affairs
New York, N. Y.

(Signed) C. A. STAVROPOULOS
*Under-Secretary
Legal Counsel*

C. LETTER DATED 18 APRIL 1967 FROM THE PRESIDENT OF THE INDUSTRIAL DEVELOPMENT BOARD TO MR. CARL BOBLETER, UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS OF AUSTRIA

When, in its resolution 2212 (XXI), the General Assembly decided to locate the headquarters of the United Nations Industrial Development Organization at Vienna as a result of the generous offer made to it by your Government, it was certain that your country would, as in the past, fully justify the Assembly's confidence. The Industrial Development Board in its entirety shares that conviction and views the future of UNIDO with increased hope.

The Board was pleased to learn, from the additional information which you were good enough to provide at the 3rd meeting of its first session, that your Government had made all the necessary arrangements to meet the commitments arising from the General Assembly's decision. It also noted with satisfaction that your Government is considering certain arrangements and intends to dispatch them with great diligence.

The Board has decided unanimously to communicate these sentiments to your Government and has entrusted to me, as its President, the pleasant task of expressing, through you, its deep appreciation to your country.

The heavy responsibilities entrusted to our organization by the General Assembly and the hopes which its establishment has aroused in the developing countries make it imperative for all of us to exert ourselves to the utmost in order to justify that confidence and these hopes. One of the first requirements, if we are to meet these responsibilities, is unquestionably that the organization should have good working conditions from the outset.

Through the offer which you announced to the Board, your Government has given it the assurance that these working conditions will provide a solid basis for the actual launching of the activities of UNIDO. Once again, the generous spirit which the authorities of your country demonstrated during the drafting of the Headquarters Agreement and the efforts they have made, which will make it possible for the organization to be installed so quickly and under such excellent conditions, have attested to your country's continuing interest and contribution to the activities of the United Nations.

The achievement of the objectives of UNIDO to the satisfaction of all concerned, towards which the entire Board

will work tirelessly, will be the best way in which we can express to your Government our appreciation for the services and other facilities which it spontaneously offered to make available to the United Nations in general and UNIDO in particular.

(Signed) Moraiwid TELL
President

D. STATEMENT MADE BY MR. CARL BOBLETER, UNDER-SECRETARY OF STATE FOR FOREIGN AFFAIRS OF AUSTRIA, AT THE 3RD MEETING OF THE BOARD, ON 11 APRIL 1967

Mr. President, may I, at the outset, express to you my very sincere and heartfelt congratulations on your election, which proves again the great confidence and esteem this assembly places in your abilities. Your election to this responsible office provides my delegation with the added satisfaction of being able to report to you, who, as Chairman of the Second Committee, contributed so much to the relevant decisions of the twenty-first session of the General Assembly, on the progress made in the meantime with regard to the establishment of UNIDO in Vienna. My congratulations also go to the Vice-Presidents and the Rapporteur. We are confident that this bureau will contribute to a successful result of this session.

My delegation is fully aware of the importance and significance of this first session of the Industrial Development Board, which marks the beginning of a new and extremely important era regarding the efforts of the United Nations and the world community as a whole to collaborate in solving the urgent and difficult problem of economic and social development.

The task of UNIDO is to encourage, promote and speed up the industrialization of the developing countries by setting to work national and international resources. Within the framework of the world-wide task of giving assistance to the developing countries the creation by these countries of their own industries is of the utmost importance. For it is not by mere financial aid that in the long run the economic strength of these countries can be improved; this can only be achieved if they establish their own industrial production facilities, which will give their people work and an income, and to the country as a whole the chance to increase its exports, so as to be able to pay for the necessary imports. It is this objective, a sound and promising development policy, to which the services of UNIDO will be devoted.

The Government of Austria has great confidence in UNIDO and is prepared to make every effort to give this newest organ of the United Nations the opportunity for a quick and effective start.

I am, therefore, Mr. President, very grateful to you for having proposed to take up agenda item 8 as the first substantive item, which offers me personally the opportunity to inform the Board about the measures taken by my Government with regard to the establishment of the organization in Vienna.

Before doing so, may I express again the satisfaction and gratitude of my Government for the decision taken by the twenty-first session of the General Assembly. The choice of Vienna for the headquarters of UNIDO represents not only a great honour for our country, but, in my opinion, also a recognition of the declared aims of my Government to serve as an international meeting place for which Austria, as a neutral State in the heart of Europe, provides all the necessary prerequisites. I hope we have so far lived up to your expectations and we will also in the future do everything in our power to provide all possible assistance to the United Nations and its organs.

Only two weeks after the closing of the twenty-first session of the General Assembly, Mr. Abdel-Rahman, the Executive Director of UNIDO, Mr. Birchhead, the Administrative Director of this organization, and other United Nations officials came to Vienna to start negotiations with my Government and to discuss the practical arrangements for an early establishment of the organization in Vienna, as stipulated by the decision of the General Assembly. During this first visit the groundwork was laid for all the major decisions and actions which had to be taken. During a second visit of a UNIDO team in March we were able to finalize all those questions which originally had needed further study and preparation. I am,

therefore, in the happy position to inform the Board that, subject to its approval, all measures have been taken to allow for a move of the organization to Vienna during this summer and that a satisfactory solution has also been found for the permanent headquarters of the organization.

Mr. President, allow me at this juncture to thank the Executive Director, Mr. Abdel-Rahman, for the very kind words we have found in his statement concerning our offer and the co-operation with the Austrian authorities. They are indeed extremely gratifying and encouraging for my Government. I must, however, add that the speedy progress in our negotiations was only possible due to the most co-operative, flexible and efficient attitude of the Executive Director and his staff, who spared no effort to find mutually satisfactory solutions for the various problems awaiting solution during a very short period of time.

As already mentioned, the Board has before it three documents concerning this item on our agenda. My intention is to provide you with a number of additional details regarding the progress report issued by the Secretariat in document ID/B/6. The two other documents (ID/B/6/Add.1 and ID/B/6/Add.2) contain the draft headquarters agreement laying down the legal aspects concerning the status of the organization and its staff in Vienna.

With regard to the permanent headquarters of UNIDO in Vienna, several sites were originally proposed for the location of the permanent building. After consultations with UNIDO, the Government of Austria decided to construct, with the co-operation of the City of Vienna, a United Nations Centre in the Austrian capital. In addition to the headquarters buildings of UNIDO and the International Atomic Energy Agency it is also intended to erect an international conference centre at the same location which would be at the disposal of these two organizations and spacious enough for large-scale international conferences. The site for this United Nations Centre, called "Danube Park" lies on the shore of the river Danube and is adjacent to a large park. The plot, which has been provided by the community of Vienna, provides ample opportunity for future expansion. Besides its beautiful location, this site offers excellent communications to all parts of the city and is only minutes away from the very heart of Vienna.

The construction of the permanent headquarters building will be based on the requirements and specifications to be provided by the United Nations. The Government of Austria agreed to construct this building and the necessary conference rooms at its own expense. Preliminary calculations indicate that the construction of this United Nations Centre, consisting of the headquarters buildings for UNIDO and IAEA, will cost roughly \$25 million. The buildings, which remain the property of the Republic of Austria, shall be leased to the United Nations for ninety-nine years for a nominal rent of one Austrian Schilling, which equals four United States cents, per year. It is planned to commence first the construction of the UNIDO headquarters and provision has been made for completion of this structure within a maximum period of four years. Every effort will be made, however, to put this building at the disposal of UNIDO as soon as technically feasible.

As to the provisional headquarters, to which UNIDO will have to move pending the completion of the permanent buildings, annex 2 of document ID/B/6 contains the main elements of the arrangements envisaged. The Republic of Austria agrees to put at the disposal of UNIDO, at its own expense, the necessary office accommodation and conference facilities. The cost of the necessary adaptation, installation of utilities and modifications which might be required, including the cost of rental, will be borne by the Austrian Government.

The document I just cited might, however, create the wrong impression that UNIDO will have to split up its operations in various different buildings spread over the entire city of Vienna. I wish to correct this by giving you the following details which, due to further negotiations after the publication of the present document, do not fully coincide with the indications given therein. As the main base, UNIDO will occupy a modern office building only recently completed which provides at present room for approximately 450 officials of the city of Vienna. This building will be vacated and fully adapted to

the needs of UNIDO for occupancy in summer 1967. The building, called "Felderhaus", has an ideal location next to the City Hall in the centre of Vienna, separated only by a park from the monumental main boulevard circling the city of Vienna, the "Ringstrasse". In view of the increase in the staff of UNIDO to be expected for the immediate future, the Government of Austria agreed to construct, on a nearby plot and to the specifications of UNIDO, an office building which would be available by autumn 1967 and which could be enlarged as need arises. In view of the very promising contacts between officials of UNIDO and IAEA concerning future collaboration in the administrative and technical field, the Austrian Government has also provided additional space in the Imperial Palace, where IAEA currently operates its printing facilities, thus allowing UNIDO to establish its documentation centre there. This arrangement seems to be particularly suitable also in view of the fact that future meetings of the Board will most probably be held in the International Conference Centre, located in the same area within the Imperial Palace, which will facilitate the servicing of these meetings. The space in the Vienna Rathaus located opposite to the "Felderhaus", which has been mentioned in the document as an additional possibility, will under these circumstances only be used to provide space for the archives. Fully adequate provisions are therefore available to allow UNIDO to commence its work and operations during summer 1967.

In order to facilitate the problems connected with the move of the staff from New York to Vienna, preparations are also under way to provide the necessary housing and schooling facilities. Arrangements have been made to put at the disposal of UNIDO the necessary housing facilities which will satisfy the immediate needs of its personnel. Most satisfactory negotiations have also taken place with officials of the American School, the British School and the Lycée français in order to secure the acceptance of children of UNIDO staff members in these schools. Also available in Vienna to UNIDO staff members is a Russian-language school, as had been indicated in the original Austrian offer submitted to the General Assembly. The city of Vienna has, moreover, offered additional space in order to enable these schools to accommodate a greater number of students. The Austrian schools are, of course, all open to the children of UNIDO staff members.

These are, in short, the arrangements made for the establishment of UNIDO in Vienna. I express the hope that the Board will give its approval to these provisions. If any delegation wishes, however, to receive further details on any given point, I shall be happy to give additional information.

Before closing my remarks I would like to draw the attention of the Board to the text of the headquarters agreement between the Republic of Austria and the United Nations. This agreement contains the legal provisions concerning the status and the privileges and immunities of the organization and its staff. In this agreement the Government of Austria is prepared to offer privileges and immunities exceeding by far those laid down in the Convention on the Privileges and Immunities of the United Nations. The text which is now before you is acceptable to the United Nations as well as to my Government. An exchange of notes aiming at clarifying certain provisions in the draft agreement is also before you and negotiations on this topic are completed.

The Government of Austria has the intention to start, immediately after the termination of our present debate, with the process of ratification. Secretary-General U Thant has kindly agree to honour the occasion of the entering into force of the agreement by his presence in Vienna at a date still to be determined before the actual move of the organization to Vienna.

Mr. President, Austria and the people of Vienna are looking forward to the establishment of UNIDO in our capital. We are confident that this organization will fulfil its eminent purpose in stimulating the industrialization of the developing countries throughout the world. My country stands ready to help wherever it can to achieve the ultimate goal of overcoming the barriers which tend to divide the north from the south and the industrialized countries from those in the process of economic development.

REPORT OF THE SESSIONAL COMMITTEE ON THE RULES OF PROCEDURE

1. The Committee held five meetings between 11 and 20 April 1967.

2. The Committee unanimously elected Mr. Jan Mužík (Czechoslovakia) Chairman and Dr. Mohamed Warsama (Somalia) Vice-Chairman and Rapporteur.

3. The Committee had before it a number of amendments, submitted by a group of twenty-five countries, referred to as the "Group of Twenty-Five",^a to the draft rules of procedure prepared by the Secretariat (ID/B/2) (see the appendix to this annex). The Committee decided to proceed with a reading of the draft rules, one by one, the sponsors of amendments introducing each amendment and the Committee deciding, whenever possible, on the approval of each rule. It was understood that representatives could propose amendments orally or in writing and that they could reserve their position should they not agree with the text of a rule approved by the Committee.

4. An amendment to rule 1 had been submitted by the Group of Twenty-Five, which would replace it by the following text: "The Industrial Development Board shall hold at least one regular session a year."

5. The sponsors of the amendment stressed that there was, in fact, no difference of substance between the original text and the proposed amended text of rule 1.

6. Draft rule 1, as proposed in document ID/B/2, was identical with the wording contained in section II, paragraph 11, of General Assembly resolution 2152 (XXI). The sponsors of the amendment pointed out that—as one representative had stated—in the same resolution the General Assembly had also inserted a provision (section II, paragraph 7 (h)) to the effect that the Board was to report annually to the General Assembly through the Economic and Social Council. Consequently, according to the sponsors, the word "normally" in paragraph 11 of the General Assembly resolution could only be interpreted to mean that the Board was to hold "at least" one regular session a year. This was a logical interpretation, since there might be cases where it would be necessary for the Board to hold more than one regular session in a given year, in order to fulfil its obligations vis-à-vis the General Assembly.

7. There was no intention on the part of the sponsors to provide explicitly that more than one regular session a year would be held; the aim of the amendment was to safeguard this possibility in cases where it would be necessary.

8. The representative of France expressed the view that it would be sufficient to delete the word "normally" in rule 1 of the draft rules of procedure, since special sessions, envisaged in rule 4, could provide for any contingency. The provision contained in other relevant rules of procedure of United Nations organs, such as the rules of procedure of the Trade and Development Board, were identical to draft rule 1.

9. It was the understanding of the Committee that the words "at least one regular session a year" in the amended text of rule 1 did not denote an intention to hold more than one regular session of the Board each year. At the same time they did not preclude the possibility of having more than one regular session if the need existed and the Board so decided.

10. The Committee decided to approve rule 1, as amended, with the explanation referred to in the preceding paragraph. The representative of France reserved the position of his delegation.

11. The Committee then considered rule 2 of the draft rules of procedure. It decided to accept the amendment submitted by the Group of Twenty-Five, with an oral sub-amendment proposing to replace the words "at a previous session" by "at the previous session". Rule 2, as amended, was approved by the Committee. It reads as follows: "Each

regular session of the Board shall be held, subject to the provisions of rule 3, at a date fixed by the Board at the previous session in such a way as to enable the General Assembly to consider the annual report of the Board in the same year."

12. Rule 3 of the draft rules of procedure was approved by the Committee.

13. The Committee had before it a new rule 4 proposed by the Group of Twenty-Five under the sub-heading of "Place of regular sessions", to read: "Regular sessions shall be held at the headquarters of the United Nations Industrial Development Organization, unless otherwise decided by the Board at a previous session." The question was raised as to whether special sessions should also be included in this provision. It was pointed out in answer that special sessions would normally be held at headquarters but, in view of their urgent character, may have to be held outside the headquarters of the organization. The new rule 4 was approved by the Committee.

14. The Committee then considered rule 4 of the draft rules of procedure (to be renumbered rule 5). The Committee had before it an amendment submitted by the Group of Twenty-Five by which sub-item 1 (c) would be deleted and paragraph 2 redrafted as follows:

"Special sessions may also be requested by:

"(a) The Economic and Social Council;

"(b) The President of the Board, in consultation with the Executive Director;

"(c) Ten States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency, whether or not they are members of the Board.

"In such cases, the Executive Director shall immediately inform all members of the Board of the request, as well as of the approximate costs and relevant administrative considerations, and inquire whether they concur in it. If within twenty-one days of the inquiry a majority of the members of the Board explicitly concurs in the request, the Executive Director shall convene a special session of the Board."

15. A sub-amendment was proposed to the effect that sub-paragraph (b) would read: "The President of the Board, with the concurrence of at least two other members of the Bureau and in consultation with the Executive Director". After discussion the Committee accepted the following wording for sub-paragraph (b): "The President of the Board, with the concurrence of the other members of the Bureau of the Board and in consultation with the Executive Director". The rule, as amended, was approved by the Committee.

16. The Committee then considered rule 5 of the draft rules of procedure (to be renumbered rule 6). This rule was approved by the Committee.

17. The Committee turned to rule 6 (to be renumbered rule 7). The Committee had before it the following amendments proposed by the Group of Twenty-Five. The words "if any" would be added after the words "Committees of the Board". The words "the appropriate United Nations bodies" would be added before the words "and the intergovernmental organizations". The words "at least twelve days in advance" would be replaced by the words "immediately after the date has been fixed by the President in accordance with rule 6 above".

18. A representative pointed out that it was the first time that the addition of the words "if any" was proposed and that if in the present instance there was no objection to these words being used, a decision would have to be taken at a later date by the Committee concerning the insertion of these words in other relevant rules.

19. Rule 6, as amended, was approved, it being understood that members of the Board should be given as much advance notice for regular and special sessions as circumstances would

^a The Group of Twenty-Five is composed of the following countries: Argentina, Brazil, Cameroon, Chile, Colombia, Ghana, Guinea, India, Indonesia, Iran, Ivory Coast, Jordan, Kuwait, Nigeria, Pakistan, Peru, Philippines, Rwanda, Somalia, Sudan, Thailand, Trinidad and Tobago, United Arab Republic, Uruguay and Zambia.

permit. Rule 7 of the draft rules of procedure (to be renumbered rule 8) was approved by the Committee.

20. The Committee had before it amendments to rule 8 (to be renumbered rule 9) submitted by the Group of Twenty-Five. These amendments read as follows:

"In paragraph 1 delete the words 'of the Board' at the end of the first sentence. Change sub-paragraph (c) to read: 'A State Member of the United Nations or member of a specialized agency or of the International Atomic Energy Agency'. Add to sub-paragraph (g): 'or the United Nations Economic and Social Office in Beirut'. In paragraph 2 delete the words 'or by a draft resolution'."

Oral amendments were proposed consisting of adding to paragraph 1 a new sub-paragraph (g) to read: "The Governing Council of the United Nations Development Programme" and a sub-paragraph (h) to read: "The Trade and Development Board of the United Nations Conference on Trade and Development"; in paragraph 2, sub-categories (g) and (j) were to be added, and the word "four" was to be replaced by the word "seven". The Committee approved the rule as so amended.

21. As proposed by the Group of Twenty-Five, draft rule 9 in document ID/B/2 was deleted. With regard to draft rule 10, the Committee had before it an amendment submitted by the Group of Twenty-Five by which the words "the appropriate United Nations bodies would be added after the words "President of the Economic and Social Council", it being understood that these words covered the United Nations Development Programme and the United Nations Conference on Trade and Development. An oral amendment was introduced proposing to add the words "the Chairmen of the Committees of the Board, if any" after the words "International Atomic Energy Agency". Rule 10, as amended, was approved by the Committee. In respect of rule 11, the Committee had before it amendments submitted by the Group of Twenty-Five by which "rule 8" at the end of the first sentence would be changed to read "rule 9", the second sentence would be reworded to read: "The request for inclusion of a supplementary item shall be supported by a statement from the authority proposing it, except in the case of the General Assembly, regarding the urgency of the consideration of the item", and the third sentence would be deleted. An oral sub-amendment was proposed whereby the third sentence would be replaced by the following: "The Executive Director shall communicate to the Board any requests for the inclusion of supplementary items received before the commencement of the regular session." Rule 11, as amended, was approved by the Committee.

22. Concerning rule 12, the Committee had before it the following amendments submitted by the Group of Twenty-Five: "In paragraph 1 delete the words 'list referred to in' at the end of the sentence and replace by 'items proposed in accordance with'; in paragraph 2 replace the words 'A member of the Board' by the words 'A State Member of the United Nations or member of a specialized agency or of the International Atomic Energy Agency'; in paragraph 3 delete the word 'prepared' and add at the end of the sentence 'circulated to members at least six weeks before the beginning of the regular session of the Board'." Oral amendments were proposed to replace the words "and the supplementary list referred to in rule 11" in paragraph 1 by the words "and any supplementary items proposed in accordance with rule 11"; and, in paragraph 2, to delete the word "provisional" and the words "or the supplementary list", replacing the latter with the words "under rule 9 or 11 above". Rule 12, as amended, was approved by the Committee.

23. The Committee approved rule 13. It then decided to add the words "if any" to references to subsidiary organs or committees of the Board or sessional committees, in any relevant rule. The Committee approved rules 14, 15, 16 and 17 of the draft rules of procedure.

24. The Committee decided to defer consideration of rules 18 and 19. It approved rule 20. In rule 21 the Committee accepted an oral amendment to replace the words "is absent from a meeting or any part thereof" by the words "cannot preside at a meeting or any part thereof", in order to provide for the case where the President, while leaving his seat as President, remains in the meeting. Rule 21, as amended, was approved by

the Committee. Rule 22 was approved by the Committee with the substitution of the word "incapacitated" in the English text by the words "unable to perform his functions". Rules 23, 24, 25, and 26 of the draft rules of procedure were approved. Concerning rule 27 the Committee had before it an amendment submitted by the Group of Twenty-Five whereby the words "brought before it for consideration" would be replaced by the words "of interest to the Board". Rule 27, as amended, was approved by the Committee, as was rule 28. In rule 29 the Committee accepted oral amendments, adding the words "in all the working languages" after the word "documents" and a new sentence at the end to read: "A translation of the documents into any of the other official languages shall be furnished if requested by any member of the Board." Rule 29, as amended, was approved by the Committee. A representative requested that documents be distributed simultaneously in all working languages. The representative of the USSR made the request, in accordance with the above rule 29, to have all documents translated into Russian. Rule 30 of the draft rules of procedure was approved by the Committee.

25. In respect of rule 31, the Committee had before it an amendment proposed by the Group of Twenty-Five which would add a third paragraph to read: "The Executive Director shall submit to the Board at each regular session the estimates of expenditure of the Organization for the following year." Oral amendments were introduced which would delete, in the first paragraph, the words "or by any of its subsidiary organs" and the words "or of the subsidiary organ concerned". Another oral amendment was proposed, which would add at the end of the second paragraph the words: "with explicit reference to the previously approved project at the expense of which such work is to be financed". The Committee decided to request a legal opinion concerning paragraph 2 of draft rule 31.

26. In answer to this request, the Director of the General Legal Division of the Office of Legal Affairs pointed out in his oral opinion that paragraph 2 of rule 31 was taken from paragraph 4 of rule 34 of the rules of procedure of the Economic and Social Council where expenses were financed exclusively from the regular budget of the United Nations. General Assembly resolution 2152 (XXI) distinguished between two categories of expenditures of UNIDO. The first category related to expenses for administrative and research activities, which were to be borne by the regular budget of the United Nations. The second category involved expenses for operational activities, which were to be met from voluntary contributions or through participation in the United Nations Development Programme or by utilization of the resources of the United Nations regular programme of technical assistance. Financing through voluntary contributions would be subject to any amendment which the Board might wish to recommend to the Financial Regulations of the United Nations. Financing through participation in UNDP or utilization of the resources of the regular programme of technical assistance would follow the procedures governing the operation of UNDP and would not involve the General Assembly. In view of this and since paragraph 2 of rule 31 referred specifically to "the next regular session of the General Assembly", it might be concluded that the paragraph was intended to provide for an emergency situation involving expenses to be borne by the regular budget of the United Nations and that the work referred to therein related only to the administrative and research activities of UNIDO. This might be made more immediately apparent by adding in paragraph 2 of rule 31, after the word "work", the following: "involving expenditures under paragraph 21 of General Assembly resolution 2152 (XXI)". Consequently financing of the urgent work under paragraph 2 of rule 31 would have to be in accordance with applicable resolutions of the General Assembly and the Financial Regulations of the United Nations. In this connexion the Director of the General Legal Division drew attention to General Assembly resolution 2243 (XXI), by which the Assembly authorized the Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary questions and subject to the Financial Regulations of the United Nations, to enter into commitments to meet unforeseen and extraordinary expenses in the financial year 1967. In accordance with this resolution and other similar resolutions adopted at the preceding sessions of the Assembly, any recommendation of the Board under paragraph 2 of rule 31 would

be transmitted to the Secretary-General through the Executive Director of UNIDO. He also recalled recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies^b and stated that the implementation of paragraph 2 of rule 31 should be considered in the light of those recommendations. He also said that having in mind those recommendations, the Office of the Controller would see an advantage in adding to the present text of paragraph 2 a provision which might read as follows: ". . . and shall also indicate the possibility of financing the work within the level of the approved budget by eliminating or deferring other work of lesser urgency and priority". As to the meaning of the words "cases of exceptional urgency", it would be for the Board to determine whether a particular case was of such exceptional urgency as to justify a recommendation under this paragraph.

27. In answer to a question as to whether paragraph 2 of rule 31 was necessary, the Director of the General Legal Division replied that that was a matter of policy for the Board to decide.

28. Following a proposal to insert between paragraphs 1 and 2 of draft rule 31 a new paragraph along the lines of paragraph 3 of rule 34 of the rules of procedure of the Economic and Social Council, the proposer of the oral amendment to paragraph 2 of draft rule 31 withdrew his amendment. The Committee adopted paragraph 1 of rule 31 as amended (see paragraph 25). It approved the insertion of a new paragraph 2 along the lines of paragraph 3 of rule 34 of the rules of procedure of the Economic and Social Council. It also approved paragraph 3 (former paragraph 2) with the first amendment suggested by the Director of the General Legal Division, and paragraph 4 consisting of a new paragraph proposed by the Group of Twenty-Five. It was understood that new paragraph 3 did not confer on the Executive Director the authority to incur expenses and that the purpose of that paragraph was to set in motion the emergency powers of the Secretary-General under the relevant Financial Regulations and Rules of the United Nations concerning unforeseen and extraordinary expenses. As to paragraph 4 of rule 31, its purpose was to provide an information document concerning the Secretary-General's estimates of expenditures for consideration in connexion with the approval of the work programme of UNIDO, and it was for the General Assembly to take action on the estimates as such.

29. The Committee approved rules 32 to 46, inclusive, rule 47, preceded by a sub-heading "Voting rights", and rule 48, as they appeared in the draft rules of procedure. It approved rule 49 with an oral amendment to delete the word "English". It also approved rules 50 to 59, inclusive, of the draft rules.

30. In respect of rule 60, the Committee had before it an amendment by the Group of Twenty-Five which would delete the second sentence of the first paragraph. The following oral amendments were proposed: (a) at the beginning of the second paragraph, the words: "The sessional committees and working parties may set up" would be added; (b) in the same paragraph a new sentence would be inserted after the words "and sub-groups of working parties", reading: "The members of such sub-committees and sub-groups of working parties shall be nominated by the committee or working party concerned"; (c) in the third paragraph, the words "as appropriate" would be added after the word "applied". Rule 60 as amended was approved by the Committee. Rule 61 was approved as contained in document ID/B/2.

31. In the sub-title of rule 62, the words: "and expert groups" were added after the words "Subsidiary organs of the Board". In respect of rule 62, the Committee had before it amendments proposed by the Group of Twenty-Five which would replace the word "including" by the word "and" in the existing paragraph, and add the following paragraphs:

"Any State Member of the United Nations or member of a specialized agency or the International Atomic Energy Agency, whether or not that State is represented on the Board, may become a member of any subsidiary organ of the Board. In determining the size of the subsidiary organs and

in electing their members the Board shall take fully into account the desirability of including in the membership of these bodies States with a special interest in the subject-matter to be dealt with by them, as well as the need to ensure equitable geographical distribution.

"The rules of procedure of subsidiary organs shall be those of the Board, as appropriate, subject to such modifications as the Board may decide upon in the light of proposals by the subsidiary organs concerned. Each subsidiary organ shall elect its own officers.

"Each subsidiary organ, taking into consideration the date of the regular session of the Board and bearing in mind the items referred to it by the Board, may adopt its own priorities within the framework of the work programme established by the Board, and in consultation with the Executive Director of the organization, meet as may be necessary."

Rule 62 as amended was approved by the Committee.

32. Rules 63, 64 and 65 of the draft rules of procedure were approved by the Committee.

33. In respect of rules 66 and 67, the Committee had before it the following amendments proposed by the Group of Twenty-five:

"Re-number rule 67 as rule 66 and insert the word 'documents' in the sub-heading after the words 'language of'. Change it to read: 'Except as provided in rule 67 below, all important documents, resolutions, recommendations and other formal decisions of the Board as well as its reports to the General Assembly shall be made available in the official languages. Upon the request of any delegation, any other document shall be made available in any or all of the official languages.'

"Re-number rule 66 as rule 67 and add a second sentence to it, reading: 'A translation of the whole or part of any summary record into either of the other official languages shall be furnished if requested by any delegation.'

The Committee decided to consider rule 66 as proposed by the Group of Twenty-Five. It accepted the first amendment to add the word "documents" and decided to insert it at the end of the sub-heading. The Committee also accepted the other amendments proposed by the Group of Twenty-Five with oral sub-amendments to insert the words "and other important documents" after the words "General Assembly" and to replace the word "delegation" by the words "member of the Board". New rule 66 as amended was approved by the Committee.

34. Concerning new rule 67, an oral amendment was proposed which would delete the words "and its sessional committees". The same amendment was proposed in respect of rules 68 and 69. The Chairman stated that, according to information at his disposal, summary records provided by regular staff in English, French and Spanish for one meeting were estimated to cost \$1,000. He pointed out, however, the difficulty of producing estimates without appropriate details. A representative stated that the estimated cost of the summary records for the present sessional committee amounted to \$5,000 and that in each case when considering whether to have summary records of sessional committees the Board should consider the importance of the committee's agenda and the financial implications. Some representatives stressed that the cost of producing and translating summary records represented a large proportion of the total cost of United Nations conferences; for instance, the cost of summary records of UNCTAD bodies below the level of the Board amounted to about \$600,000 a year. In their opinion, such summary records were not of paramount importance. Other representatives said they could not agree with the proposal, since important questions were dealt with by these committees and it was therefore necessary to provide summary records for their meetings. A compromise solution was offered whereby the Board would decide in each case (for instance by the addition of the words "where necessary") whether or not summary records should be required. It was, however, pointed out by some representatives that such a provision would not result in much saving because the necessary staff would have to be employed in any case and such staff would have to remain idle if the Board decided not to have summary records. The Committee approved rule 67 as amended by the Group of Twenty-Five and without the deletion of the words

^b See *Official Records of the General Assembly, Twenty-first Session, Annexes*, agenda item 80, document A/6343, paras. 39-46.

"and its sessional committees", some representatives reserving their right to raise the question again before the Board when it dealt with the work of the Sessional Committee.

35. In respect of rule 70, the Committee had before it amendments proposed by the Group of Twenty-Five which would delete the words "As soon as possible" and add at the end "and the intergovernmental organizations referred to in rule 75 below". Rule 70 as amended was approved.

36. Rules 71, 72, 73 and 74 of the draft rules of procedure were approved by the Committee. However, on the basis of the principle of universality the representatives of Bulgaria, Cuba, Czechoslovakia, Romania and the USSR expressed reservations concerning the words "Member of the United Nations or member of a specialized agency or of the International Atomic Energy Agency" contained in rules 73 and 74, stating that it excluded a number of countries which could make a valuable contribution to the Board's work. Other representatives stated that the words referred to appeared in General Assembly resolution 2152 (XXI), paragraph 13, and therefore had to be retained.

37. In respect of rule 75, the Committee had before it amendments submitted by the Group of Twenty-Five which would replace, in both paragraphs, the words "the International Atomic Energy Agency and intergovernmental organizations" by the words "the International Atomic Energy Agency, the United Nations Conference on Trade and Development and the United Nations Development Programme, as well as of the intergovernmental organizations". Rule 75, as amended, was approved.

38. In rule 76, oral amendments were proposed which would add the words "and revise when necessary the" after the word "adopt" in the first paragraph. It was further pointed out that in the French text the words "organisations non gouvernementales internationales" should read "organisations internationales non gouvernementales". The Committee approved rule 76 as so amended. The Committee also decided to recommend to the Board to designate at the current session the intergovernmental and non-governmental organizations referred to in rules 75 and 76.

39. In respect of rule 77, the Committee had before it an amendment submitted by the Group of Twenty-Five to add at the end the words "subject to rules 78 and 79 below". Rule 77 as amended was approved by the Committee. Rules 78 and 79 of the draft rules of procedure were also approved.

40. The Committee then considered rules 18 and 19. It had before it an amendment to draft rule 18 proposed by the Group of Twenty-Five as orally amended to delete the last sentence, and a new text for rule 19 to read as follows:

"The offices of the President, the three Vice-Presidents and Rapporteur shall be subject to rotation among the groups referred to in the annex to General Assembly resolution 2152 (XXI) within a five-year cycle in accordance with the annex to these rules of procedure.

"For the purposes of this rule, due account shall be taken of the decisions of the Board regarding the association of new members with the lists of States contained in the annex to General Assembly resolution 2152 (XXI)."

41. The Committee decided to leave the two alternatives for rules 18 and 19 for the consideration of the Board.

Appendix

Draft rules of procedure of the Industrial Development Board prepared by secretariat^c

I. SESSIONS

Regular sessions

Rule 1

The Industrial Development Board shall normally hold one regular session a year.

^c For the rules of procedure as adopted by the Board, see document ID/B/18.

Date of opening of regular sessions

Rule 2

Each regular session of the Board shall be held, subject to the provisions of rule 3, at a date and place fixed by the Board at a previous session.

Rule 3

Five members of the Board or the Executive Director may request an alteration of the date of a regular session. The Executive Director shall forthwith communicate the request to the other members of the Board, together with appropriate observations, including financial implications, if any. If within fourteen days of the inquiry a majority of the members of the Board explicitly concurs in the request, the Executive Director shall convene the Board accordingly.

Special sessions

Rule 4

1. Special sessions shall be held by decision of the Board, or at the request of:

- (a) A majority of the members of the Board;
- (b) The General Assembly;
- (c) The President, in consultation with the Executive Director.

2. The Economic and Social Council may request the Board to hold a special session of the Board. In such a case, the Executive Director shall immediately inform all members of the Board of the request and inquire whether they concur in it. If within ten days of the inquiry a majority of the members of the Board explicitly concurs in the request, the Executive Director shall convene a special session of the Board.

Date of opening of special sessions

Rule 5

Special sessions of the Board shall normally be convened within six weeks of the receipt by the Executive Director of a request for such a session, at a date and place fixed by the President of the Board in consultation with the Secretary-General of the United Nations, taking into account such observations as may have been made in the request for a special session.

Notification of date of opening

Rule 6

The Executive Director shall communicate the date of the first meeting of each session to the members of the Board, all States Members of the United Nations or members of a specialized agency or of the International Atomic Energy Agency, the Chairmen of the Committees of the Board, the President of the General Assembly, the President of the Economic and Social Council, the specialized agencies, the International Atomic Energy Agency and the intergovernmental organizations referred to in rule 75 below and to the international non-governmental organizations referred to in rule 76 below. Such notification shall be sent (a) in the case of a regular session, at least six weeks in advance and (b) in the case of a special session, at least twelve days in advance.

Adjournment of session

Rule 7

The Board may decide at any session to adjourn temporarily and resume its meetings at a later date.

II. AGENDA

Drawing up of the provisional agenda

Rule 8

1. The Executive Director shall draw up and submit to the Board at each regular session the provisional agenda for the following regular session of the Board. The provisional agenda shall include all items proposed by:

- (a) The Board;
- (b) A subsidiary organ of the Board;
- (c) A member of the Board;
- (d) The Executive Director;

- (e) The General Assembly;
- (f) The Economic and Social Council;
- (g) A regional economic commission;
- (h) A specialized agency, the International Atomic Energy Agency, or an intergovernmental organization referred to in rule 75 below.

2. Items proposed under (c) and (h) above shall be accompanied by an explanatory memorandum and, if possible, by basic documents or by a draft resolution, which shall be submitted to the Executive Director at least four weeks prior to the opening of the session.

3. International non-governmental organizations included in the list referred to in rule 76 below may propose to the Bureau of the Board that the Bureau request the Executive Director to place items of special interest to the organizations on the provisional agenda of the Board. For the purposes of this rule, a member of the Bureau may designate, in case of absence, a member of his delegation as his substitute.

The Bureau, in considering a request from an international non-governmental organization that an item be placed on the provisional agenda of the Board, shall take into account:

- (a) Whether or not the item can be considered appropriate for action by the Board;
- (b) The extent to which it is considered that the item lends itself to early and constructive action by the Board; and
- (c) The adequacy of the documentation submitted by the organization.

Any decision by the Bureau not to grant a request submitted by an international non-governmental organization that an item be placed on the provisional agenda of the Board shall be final.

Rule 9

Before the Executive Director places an item proposed by a specialized agency, the International Atomic Energy Agency, or an intergovernmental organization, on the provisional agenda, he may carry out with the specialized agency, the International Atomic Energy Agency, or the intergovernmental organization concerned such preliminary consultation as may be necessary.

Communication of the provisional agenda

Rule 10

After the Board has considered the provisional agenda for the following session, the provisional agenda, incorporating any amendments made by the Board, shall be communicated by the Executive Director to all States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency, the President of the General Assembly, the President of the Economic and Social Council, the specialized agencies, the International Atomic Energy Agency, the intergovernmental organizations referred to in rule 75 below and the international non-governmental organizations referred to in rule 76 below.

Supplementary items

Rule 11

The inclusion of supplementary items in the provisional agenda considered by the Board may be proposed by any authority entitled to propose items under paragraph 1 of rule 8. The request for inclusion of a supplementary item shall be accompanied by a supporting statement from the authority proposing it, except in the case of the General Assembly, regarding the urgency of the consideration of the item. The supplementary items shall be placed by the Executive Director on a supplementary list and communicated to the Board together with the supporting statements and such observations as the Executive Director may wish to make.

Adoption of the agenda

Rule 12

1. At the beginning of each regular session, subject to the provisions of rule 15 and after the election of officers when required under rule 18, the Board shall adopt its agenda for the session on the basis of the provisional agenda and the supplementary list referred to in rule 11.

2. A member of the Board, a specialized agency, the International Atomic Energy Agency, or an intergovernmental organization referred to in rule 75 below, which has requested the inclusion of an item in the provisional agenda or the supplementary list, shall be entitled to be heard by the Board on the inclusion of the item in the agenda for the session.

3. The Board shall normally include in its agenda for the session only items for which adequate documentation has been prepared.

Allocation of items

Rule 13

The Board may allocate items between the plenary meetings of the Board and sessional committees and working parties set up in accordance with rule 59, and may refer items without preliminary debate in the Board to:

- (a) One or more of its subsidiary organs, for examination and report at a subsequent session of the Board;
- (b) The Executive Director for study and report at a subsequent session of the Board; or
- (c) The proposer of the item, for further information or documentation.

Provisional agenda for a special session

Rule 14

The provisional agenda for a special session shall consist only of those items proposed for consideration in the request for the holding of the session. It shall be transmitted to the authorities mentioned in rule 10 at the same time as the notice convening the Board.

Revision of the agenda

Rule 15

During a regular session, the Board may revise the agenda for the session by adding, deleting, deferring or amending items. Only urgent and important items shall be added to the agenda of the Board during the session.

III. REPRESENTATION AND CREDENTIALS

Rule 16

Each member of the Board shall be represented by an accredited representative, who may be accompanied by such alternate representatives and advisers as may be required.

Rule 17

1. The credentials of representatives and the names of alternate representatives and advisers shall be submitted to the Executive Director before the first meeting which the representatives are to attend.

2. The Bureau of the Board shall examine the credentials and submit their report to the Board. This rule shall not, however, prevent a member from changing its representative, alternate representatives, or advisers subsequently, subject to proper submission and examination of credentials, where needed.

IV. OFFICERS

Elections

Rule 18

Each year at the commencement of the first meeting of the regular session, the Board shall elect a President, three Vice-Presidents and a Rapporteur from among its members. These officers shall constitute the Bureau of the Board. In electing the officers, due regard shall be paid to the principle of equitable geographical representation.

Rule 19

1. Without prejudice to the principle of equitable geographical representation as laid down in rule 18 above, provision shall be made for the election of the Bureau of the Board consisting of five members, including two members from Group A, one member from Group B, one member from Group C and one member from Group D, referred to in the

annex of General Assembly resolution 2152 (XXI). For the purposes of the application of this rule, due account shall be taken of the decisions of the Board regarding the association of new members with the lists of States contained in the annex to General Assembly resolution 2152 (XXI).

2. The offices of President and Rapporteur of the Board shall be subject to rotation among the groups on a six-year and five-year cycle, respectively, in accordance with the annex to these rules of procedure. No group (except Group A) shall hold both offices of President and Rapporteur in any one year.

Terms of office

Rule 20

The President, the Vice-Presidents and the Rapporteur shall hold office until their successors are elected. None of them may hold office after the expiration of the term of office of the member of which he is a representative.

Acting President

Rule 21

If the President is absent from a meeting or any part thereof, he shall appoint a Vice-President to take his place.

Replacement of the President

Rule 22

If the President ceases to be a representative of a member of the Board or is incapacitated, or if the State of which he is a representative ceases to be a member of the Board, the Bureau shall designate one of the Vice-Presidents as Acting President.

Powers of the Acting President

Rule 23

A Vice-President acting as President shall have the same powers and duties as the President.

Voting rights of the President

Rule 24

In the case of a member of the Board which is for the time being represented by the President, an alternate representative shall, at the discretion of the President, be permitted to participate in the proceedings and to vote in the Board. In such a case the President shall not exercise his right to vote.

V. SECRETARIAT

Duties of the Executive Director

Rule 25

The Executive Director shall act in that capacity in all meetings of the Board and of its subsidiary organs. He may designate an officer of the secretariat to act as his representative.

Rule 26

The Executive Director shall direct the staff required by the Board and its subsidiary organs.

Rule 27

The Executive Director shall be responsible for keeping the members of the Board informed of any questions which may be brought before it for consideration.

Rule 28

The Executive Director, or his representative, may, subject to rule 33, make oral as well as written statements to the Board and its subsidiary organs concerning any question under consideration.

Rule 29

The Executive Director shall be responsible for all the necessary arrangements for meetings of the Board and of its subsidiary organs, including the preparation and distribution of documents at least six weeks in advance of the sessions of the Board and its subsidiary organs.

Duties of the secretariat

Rule 30

The secretariat shall interpret speeches made at meetings; shall receive, translate and circulate the documents of the Board and its subsidiary organs; shall publish and circulate the records of the sessions, the resolutions, the reports and the relevant documentation of the Board. It shall have the custody of the documents in the archives of the Board and generally perform all other work which the Board may require.

Estimates of expenditures

Rule 31

1. Before any proposal which involves expenditure from United Nations funds is approved by the Board or by any of its subsidiary organs, the Executive Director shall circulate to all members of the Board or of the subsidiary organ concerned, as early as possible, a report from the Secretary-General of the United Nations, in terms of Financial Regulations 13.1 and 13.2, on the estimated costs involved as well as on the administrative and budgetary implications with reference to existing authorizations and appropriations in accordance with the provisions of paragraphs 20 to 25, inclusive, of General Assembly resolution 2152 (XXI).

2. Whenever the Board wishes to recommend, in cases of exceptional urgency, that work for which no financial provision exists be started before the next regular session of the General Assembly, it shall include a specific indication to that effect to the Executive Director in the resolution approving the proposal.

VI. CONDUCT OF BUSINESS

Quorum

Rule 32

A majority of the members of the Board shall constitute a quorum.

Powers of the President

Rule 33

In addition to exercising the powers conferred upon him elsewhere by these rules, the President shall declare the opening and closing of each meeting of the Board, shall direct the discussion, ensure observance of these rules, accord the right to speak, put questions to the vote and announce decisions. He shall rule on points of order and, subject to these rules, shall have control of the proceedings of the Board and over the maintenance of order at its meetings. The President may propose to the Board the limitation of time to be allowed to speakers, the limitation of the number of times each representative may speak on any question, the closure of the list of speakers or the closure of the debate. He may also propose the suspension or the adjournment of the meetings or of the debate on the question under discussion.

Rule 34

The President, in the exercise of his functions, remains under the authority of the Board.

Speeches

Rule 35

No person may address the Board without having previously obtained the permission of the President. Subject to rules 36 and 37 the President shall call upon speakers in the order in which they signify their desire to speak. The President may call a speaker to order if his remarks are not relevant to the subject under discussion.

Precedence

Rule 36

The Chairman, Vice-Chairman or Rapporteur of a committee or working party, or a designated representative of any subsidiary organ, may be accorded precedence in speaking for the purpose of explaining the conclusion arrived at by the committee, working party or subsidiary organ concerned and for the purpose of replying to questions.

Points of order

Rule 37

1. During the discussion of any matter, a representative may at any time rise to a point of order, and the point of order shall be immediately decided by the President in accordance with the rules of procedure. A representative may appeal against the ruling of the President. The appeal shall be immediately put to the vote, and the ruling of the President shall stand unless overruled by a majority vote of the members present and voting.

2. A representative rising to a point of order may not speak on the substance of the matter under discussion.

Time-limit on speeches

Rule 38

The Board may limit the time allowed to each speaker and the number of times each representative may speak on any questions, except on procedural questions, when the President shall limit each intervention to a maximum of five minutes. When debate is limited and a representative has spoken his allotted time, the President shall call him to order without delay.

Closing of list of speakers

Rule 39

During the course of a debate the President may announce the list of speakers and, with the consent of the Board, declare the list closed. The President may, however, accord the right of reply to any member if, in his opinion, a speech delivered after he has declared the list closed makes this desirable. When the debate of an item is concluded because there are no other speakers, the President, with the consent of the Board, shall declare the debate closed.

Adjournment of debate

Rule 40

During the discussion of any matter, a representative may move the adjournment of the debate on the question under discussion. In addition to the proposer of the motion, one representative may speak in favour of and one against the motion, after which the motion shall be immediately put to the vote.

Closure of debate

Rule 41

A representative may at any time move the closure of the debate on the question under discussion, whether or not any other representative has signified his wish to speak. Permission to speak on the closure of the debate shall be accorded only to two speakers opposing the closure, after which the motion shall be immediately put to the vote.

Suspension or adjournment of the meeting

Rule 42

During the discussion of any matter a representative may move the suspension or the adjournment of the meeting. Such motion shall not be debated, but shall be immediately put to the vote.

Order of procedural motions

Rule 43

Subject to rule 37, and regardless of the order in which they are submitted, the following motions shall have precedence in the following order over all other proposals or motions before the meetings:

- (a) To suspend the meeting;
- (b) To adjourn the meeting;
- (c) To adjourn the debate on the question under discussion;
- (d) For the closure of the debate on the question under discussion.

Proposals and amendments

Rule 44

Proposals and amendments shall normally be introduced in writing and handed to the Executive Director, who shall circulate copies to the members. As a general rule, no proposal shall be discussed or put to the vote at any meeting of the Board unless copies of it have been circulated to all members not later than the day preceding the meeting. Subject to the consent of the Board, the President may, however, permit the discussion and consideration of proposals even though these proposals or amendments have not been circulated or have only been circulated the same day.

Decision on competence

Rule 45

Subject to rule 43, any motion calling for a decision on the competence of the Board to adopt any proposal or any amendment submitted to it shall be put to the vote before a vote is taken on the proposal or amendment in question.

Withdrawal of motions

Rule 46

A motion may be withdrawn by its proposer at any time before voting on it has commenced, provided that the motion has not been amended. A motion which has thus been withdrawn may be reintroduced by another member.

VII. VOTING

Rule 47

Each member of the Board shall have one vote.

Majority required and meaning of the expression "members present and voting"

Rule 48

1. Decisions of the Board shall be made by a majority of the members present and voting.

2. For the purpose of these rules, the phrase "members present and voting" means members present and casting an affirmative or negative vote. Members which abstain from voting are considered as not voting.

Method of voting

Rule 49

Subject to rule 55, the Board shall normally vote by show of hands, but any representative may request a roll-call, which shall then be taken in the English alphabetical order of the names of the members, beginning with the member whose name is drawn by lot by the President.

Recording of roll-call

Rule 50

The vote of each member participating in a roll-call shall be inserted in the record.

Conduct during voting

Rule 51

After the President has announced the beginning of voting, no representative shall interrupt the voting except on a point of order in connexion with the actual conduct of the voting. The President may permit members to explain their votes, either before or after the voting, except when the vote is taken by secret ballot. The President may limit the time to be allowed for such explanations. The President shall not permit the proposer of a proposal or of an amendment to explain his vote on his own proposal or amendment.

Division of proposals or amendments

Rule 52

A representative may move that parts of a proposal or of an amendment shall be voted on separately. If objection is made to the request for division, the motion for division shall be voted upon. Permission to speak on the motion for division

shall be given only to two speakers in favour and two speakers against. If the motion for division is carried, those parts of the proposal or of the amendment which are subsequently approved shall be put to the vote as a whole. If all operative parts of the proposal or of the amendment have been rejected, the proposal or the amendment shall be considered to have been rejected as a whole.

Voting on amendments

Rule 53

1. When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the Board shall first vote on the amendment furthest removed in substance from the original proposal and then on the amendment next furthest removed therefrom and so on until all the amendments have been put to the vote. Where, however, the adoption of one amendment necessarily implies the rejection of another amendment, the latter amendment shall not be put to the vote. If one or more amendments are adopted, the amended proposal shall then be voted upon. If no amendments are adopted, the proposal shall be put to the vote in its original form.

2. A motion is considered an amendment to a proposal if it adds to, deletes from or revises part of that proposal.

Voting on proposals

Rule 54

1. If two or more proposals relate to the same question, the Board shall, unless it decides otherwise, vote on the proposals in the order in which they have been submitted. The Board may, after each vote on a proposal, decide whether to vote on the next proposal.

2. Any motions requiring that no decision be taken on the substance of such proposals shall, however, be considered as previous questions and shall be put to the vote before them.

Elections

Rule 55

All elections shall be held by secret ballot unless otherwise decided by the Board.

Rule 56

1. If, when one person or member only is to be elected, no candidate obtains in the first ballot the majority required, a second ballot shall be taken, restricted to the two candidates obtaining the largest number of votes. If in the second ballot the votes are equally divided, the President shall decide between the candidates by drawing lots.

2. In the case of a tie in the first ballot among the candidates obtaining the second largest number of votes, a special ballot shall be held for the purpose of reducing the number of candidates to two. In the case of a tie among three or more candidates obtaining the largest number of votes, a second ballot shall be held. If a tie results among more than two candidates, the number shall be reduced to two by lot and the balloting, restricted to them, shall continue in accordance with the preceding paragraph.

Rule 57

1. When two or more elective places are to be filled at one time under the same conditions, those candidates obtaining a majority on the first ballot shall be elected.

2. If the number of candidates obtaining such majority is more than the number of places to be filled, those candidates obtaining the largest number of votes shall be elected.

3. If the number of candidates obtaining such majority is less than the number of places to be filled, there shall be held additional ballots to fill the remaining places, the voting being restricted to the candidates obtaining the greatest number of votes in the previous ballot, who shall number not more than twice the places remaining to be filled. However, in the case of a tie between a greater number of unsuccessful candidates, a special ballot shall be held for the purpose of reducing the number of candidates to the required number.

4. If three restricted ballots are inconclusive, unrestricted ballots shall follow in which votes may be cast for any eligible person or member. If three such unrestricted ballots are inconclusive, the next three ballots (subject to exception in the case similar to that of the tie mentioned at the end of the previous paragraph of this rule) shall be restricted to the candidates obtaining the greatest number of votes in the third of the unrestricted ballots. The number of such candidates shall not be more than twice the places remaining to be filled.

5. The following three ballots thereafter shall be unrestricted and so on, until all the places are filled.

Equally divided votes

Rule 58

If a vote is equally divided on matters other than elections, the proposal shall be regarded as rejected.

VIII. SESSIONAL COMMITTEES AND WORKING PARTIES AND SUBSIDIARY ORGANS OF THE BOARD

Rule 59

The Board may establish such sessional committees and working parties and subsidiary organs as may be necessary for the effective discharge of its functions.

Sessional committees and working parties

Rule 60

1. At each session, the Board may set up sessional committees and working parties from among its members, and refer to them any questions on the agenda for a study and report. Unless the Board decides otherwise, members of such sessional committees and working parties shall be nominated by the President in consultation with the other members of the Bureau and subject to the approval of the Board.

2. Sub-committees and sub-groups of working parties shall be nominated by the Chairman of the committee or working party concerned, subject to the approval of the committee or working party.

3. The provisions of rules 32 to 58 of these rules of procedure shall be applied in the proceedings of the committees, working parties and any sub-committees or sub-groups set up by them.

Rule 61

Each sessional committee and working party shall elect its own officers, unless otherwise decided by the Board.

Subsidiary organs of the Board

Rule 62

The Board may establish such subsidiary organs on a permanent or *ad hoc* basis as may be necessary for the effective discharge of its functions, including, as required, expert groups to consider specific problems and make recommendations.

IX. LANGUAGES AND RECORDS

Official and working languages

Rule 63

Chinese, English, French, Russian and Spanish shall be the official languages, and English, French and Spanish the working languages of the Board.

Interpretation from official languages

Rule 64

Speeches made in any of the official languages shall be interpreted into the other official languages.

Interpretation from other languages

Rule 65

Any representative may make a speech in a language other than the official languages. In this case he shall himself provide for interpretation into one of the official languages. Interpretation into the other official languages by an interpreter of the

secretariat may be based on the interpretation given in the first official language.

Language of summary records

Rule 66

Summary records of the Board and its sessional committees shall be drawn up in the working languages.

Language of resolutions and other formal decisions

Rule 67

All resolutions, recommendations and other formal decisions of the Board as well as its reports to the General Assembly shall be made available in the official languages.

Summary records of public meetings

Rule 68

1. Summary records of public meetings of the Board and of its sessional committees and subsidiary organs shall be prepared by the secretariat. They shall be distributed in provisional form as soon as possible to all members of the Board and any others participating in the meeting, who may, within three working days of their receipt by delegations and others participating in the meeting, submit corrections to the secretariat. Any disagreement concerning such corrections shall be decided by the President of the Board or by the Chairman of the committee or subsidiary organ to which the summary record relates, after consulting, where available, the sound records of the proceedings. At the end of sessions and in other special circumstances, the President of the Board or the Chairman of the committee or subsidiary organ concerned may, in consultation with the Executive Director, on giving previous notice, extend the time for submitting corrections.

2. The summary records with any such corrections incorporated shall be distributed promptly to the members of the Board and to all States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency. Separate corrigenda shall not normally be issued.

Records of private meetings

Rule 69

The records of private meetings of the Board and of its sessional committees shall be distributed promptly to the members of the Board and to any others participating in the meeting. They shall be made available to other States upon decision of the Board. They may be made public at such time and under such conditions as the Board may decide.

Resolutions and other formal actions

Rule 70

As soon as possible, the text of the resolutions, recommendations and other formal decisions adopted by the Board, its sessional committees and other subsidiary organs shall be distributed by the secretariat to all members of the Board and any others participating in the session. The printed text of such resolutions, recommendations and other formal decisions as well as of the reports of the Board to the General Assembly shall be distributed as soon as possible after the close of the session to all States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency.

Sound records of meetings

Rule 71

Sound records of the meetings of the Board and of its sessional committees shall be kept by the secretariat in accordance with the practices of the United Nations.

X. PUBLIC AND PRIVATE MEETINGS

Rule 72

The meetings of the Board, its sessional committees and working parties and subsidiary organs shall be held in public unless the body concerned decides otherwise.

XI. PARTICIPATION OF OTHER STATES NOT MEMBERS OF THE BOARD

Rule 73

The Board shall invite any State Member of the United Nations or member of a specialized agency or of the International Atomic Energy Agency, which is not a member of the Board, to participate in its deliberations or any matter of particular concern to that State. Any State thus invited shall not have the right to vote, but may submit proposals which may be put to the vote by request of any member of the Board.

Rule 74

A subsidiary organ may invite any State Member of the United Nations or member of a specialized agency or of the International Atomic Energy Agency, which is not one of its own members, to participate in its deliberations on any matter of particular concern to that member. Any State thus invited shall not have the right to vote, but may submit proposals which may be put to the vote by request of any member of the subsidiary organ concerned.

XII. PARTICIPATION OF SPECIALIZED AGENCIES, THE INTERNATIONAL ATOMIC ENERGY AGENCY, AND OTHER INTERGOVERNMENTAL ORGANIZATIONS

Rule 75

1. Representatives of specialized agencies, the International Atomic Energy Agency and intergovernmental organizations referred to in paragraph 35 of General Assembly resolution 2152 (XXI) which are designated for this purpose by the Board may participate, without the right to vote, in the deliberations of the Board and its subsidiary organs upon the invitation of the President or Chairman, as the case may be, on questions within the scope of their activities.

2. Written statements of specialized agencies, the International Atomic Energy Agency and intergovernmental organizations referred to in paragraph 1 above, related to items on the agenda of the Board or its subsidiary organs, shall be circulated by the Secretariat to members of the Board and the subsidiary organ concerned.

XIII. OBSERVERS OF INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

Rule 76

1. International non-governmental organizations concerned with the promotion of industrial development referred to in paragraph 36 of General Assembly resolution 2152 (XXI) may designate representatives to sit as observers at public meetings of the Board, its committees and subsidiary organs. The Board shall from time to time adopt a list of such organizations. Upon the invitation of the President or Chairman, as the case may be, and subject to the approval of the Board or of the subsidiary organ concerned, international non-governmental organizations may make oral statements on matters within the scope of their activities.

2. Written statements provided by international non-governmental organizations referred to in paragraph 1 above, related to items on the agenda of the Board or of its subsidiary organs, shall be circulated by the secretariat to members of the Board and the subsidiary organ concerned.

XIV. AMENDMENTS AND SUSPENSIONS OF RULES OF PROCEDURE

Rule 77

Any of these rules may be amended or suspended by the Board.

Rule 78

These rules may not be amended until the Board has received a report on the proposed amendment from a committee or working party of the Board established for that purpose.

A rule of procedure may be suspended by the Board provided that twenty-four hours' notice of the proposal for the suspension has been given. The notice may be waived if no member objects.

ANNEX

As from 1967, the following rotation of groups within the six-year cycle shall be provided for with respect to the election of President of the Board:^d

Asian States plus Yugoslavia in Group A;
States in Group C;
States in Group B;
States in Group D;

^dThe sequence of groups of States is the same as that adopted by the Trade and Development Board. It is subject to the decision of the Industrial Development Board.

African States in Group A;
States in Group B.

As from 1967, the following rotation of groups within the five-year cycle shall be provided for with respect to the election of Rapporteur of the Board:^d

African States in Group A;
States in Group D;
States in Group C;
Asian States plus Yugoslavia in Group A;
States in Group B.

In each year States of any one among the five categories mentioned above shall not be elected for both offices of President and of Rapporteur. In the years in which both the President and the Rapporteur would belong to the same group in accordance with the established system of rotation, that group shall postpone presentation of a candidate for the office of Rapporteur for one year, and the group next in line shall hold the post of Rapporteur for that year.

Annex V

MESSAGE DATED 10 APRIL 1967 FROM THE SECRETARY-GENERAL TO THE INDUSTRIAL DEVELOPMENT BOARD AT ITS FIRST SESSION

The first meeting of the Industrial Development Board marks an important milestone in the development work of the United Nations. I deeply regret that the pressures of office have made it necessary for me to be away from Headquarters at this particular time and thereby prevented me from attending personally the opening of this important session. I wish, however, to express on this occasion my conviction that the establishment by the General Assembly of the United Nations Industrial Development Organization as a major addition to the spectrum of international organs and programmes in the economic and social field will give a new and pragmatic dimension to the United Nations development efforts.

The renewed emphasis on industrialization is a further expression of the concern of the international community with closing, or at least bridging, the "development gap". Industrialization is not an aim in itself. It is primarily an instrument, and an essential one, for spearheading economic growth. It should provide a basis for a balanced development of all economic activities, and primarily of the development of the human potential which has remained largely dormant in the less developed areas. Extending the prodigious possibilities opened up by the industrial revolution to those two thirds of the world's population who have not participated so far in the mounting prosperity of the more industrialized areas will also make a major contribution to improved conditions of political and economic equilibrium throughout the world.

The creation at this stage of a central machinery to deal with industrial development reflects not only a desire for broadening the scope of the United Nations work in this field, but also a larger preoccupation with the practical problems of development. It is particularly gratifying that, at a time when major donors of foreign aid programmes are showing signs of weariness, direct action in the field of industrial development is gaining wide support. A concrete example of the willingness of the major industrial Powers to share the responsibility for more effective action in this field were the pledges they made, over and above their regular contributions to the United

Nations Development Programme, to finance the programme of special industrial services proposed at the twentieth session of the General Assembly. Indeed, it takes a measure of enlightened foresight on the part of the industrially advanced countries to be willing to share their current resources of technology and capital with a view to realizing the enormous benefits that the world as a whole would gain from upgrading the productivity of two thirds of mankind to levels compatible with the immediate possibilities of our technology.

I am sure an atmosphere of optimism and anticipation will pervade the first meeting of the Industrial Development Board. For those who have united their efforts to give tangible expression to the universal desire for intensified and concentrated action in the field of industrial development, this will indeed be a most gratifying occasion. It should also serve as an inspiration to further efforts. While United Nations machinery can play an important role when there is willingness to co-operate in the attainment of common objectives, it would be misleading to view it as a substitute for action by individual countries. Just as the industrially advanced countries have special responsibilities because of the magnitude of their resources and technology, the major effort to accelerate industrialization must come from the developing nations themselves. In the last analysis, the extent to which existing and new opportunities for international co-operation will contribute to the common goals depends on the degree of initiative, purposefulness and sustained interest shown by all member countries.

The time may be ripe now for a concentrated attack on the problems of industrial development, undertaken as a co-operative effort of industrialized and industrializing countries. To lead this effort may be the most important role of the Industrial Development Board. May I express the hope that the crucial needs of mankind in this area will be well served by the Board. In extending my welcome to all members of the Board, I wish to convey to each one of you my best wishes for the success of your first session.

Annex VI

STATEMENT MADE BY THE EXECUTIVE DIRECTOR AT THE 3RD MEETING OF THE INDUSTRIAL DEVELOPMENT BOARD, ON 11 APRIL 1967

1. May I once again extend to you, Mr. President, and all the distinguished representatives gathered here today, my warmest welcome on this important occasion. The convening of the first session of the Industrial Development Board marks a new and most encouraging beginning for the United Nations

development efforts through the promotion of accelerated industrialization. The significance of this session is further enhanced by the fact that in the course of it the Board will be laying the groundwork and the basic guidelines for effective action in pursuance of the purposes set out by the General

Assembly when it decided to establish the United Nations Industrial Development Organization.

2. In facing the tasks of its first session the Board has before it a long and heavy agenda. While the issues may not be all new, many of the items on the agenda are likely to come under examination in the light of the Board's broad responsibilities in the field of industry and the renewed emphasis on intensified action which led to the establishment of UNIDO.

3. Indeed, there will also be the realization that the establishment of UNIDO—encouraging as it may be for the aspirations of the developing countries—was not a goal in itself but an instrument towards much needed and hoped for action. Thus, the task is just beginning; a great deal of work and resources will be needed to accomplish the goals for which the Organization has been established. It is important that the instrument should not obscure the goals and that success in formally creating the machinery should not detract from the efforts to develop and use it effectively.

4. I do not intend to go into the particulars of every item listed on the agenda, which the Board will examine in connexion with the specific documentation submitted in each case. Beyond a general review of some basic issues, it is my intention to limit my comments to those matters which are related to the major fields of activity of UNIDO, the harmonization of the industrial activities of the United Nations system of organizations, and certain specific questions such as the holding of the International Symposium on Industrial Development and the establishment of UNIDO headquarters.

5. Item 9 of the agenda relates to the establishment of UNIDO headquarters which by decision of the General Assembly are to be located in Vienna. The Austrian Government has been most generous in its offer to build, at its own expense, permanent headquarters buildings and conference facilities for UNIDO. These would be erected in the Danube Park area of Vienna and form the beginning of an "international city". I consider it an act of statesmanship and vision on the part of the Austrian authorities to propose the creation of such an international complex of facilities in the heart of Europe; its existence will be a major contribution to international understanding based on practical co-operation in fields which are becoming increasingly important for all humanity.

6. The Board has before it the specific report on the negotiations conducted with the Government of Austria as well as the details of the arrangements contemplated for the temporary headquarters of UNIDO. I wish to express here particularly my gratitude for the help and ready co-operation which we received from the Austrian authorities. This spirit of co-operation has made it possible to achieve early results in a relatively short period of time and in accordance with the desire of the General Assembly to have this matter dealt with at the first session of the Board. I am most grateful in particular to His Excellency Dr. Carl Bobleter, the Secretary of State for Foreign Affairs of the Austrian Government, who is with us today and who, as a member of the Austrian Government, is in charge of the negotiations with UNIDO.

7. Under agenda items 5 and 11, the Board has before it comprehensive information on the full spectrum of activities carried out by the United Nations system of organizations in the field of industrial development. In the light of the Board's over-all policy responsibilities and its central role for co-ordinating all the activities of the United Nations system in this field, it may be open to question whether patterns of reporting which have been developed in different circumstances should be retained or whether a pattern more appropriate for examination by the Board needs to be developed. In particular, there may be a need for closer analysis of activities by individual branches of industry so as to enable the Board to deal with the specific problems as they affect each sector, and make it possible to set up basic guidelines not only with a view to achieving adequate co-ordination but also as a way of harmonizing the activities by individual agencies within an integrated approach in order to increase their effectiveness and over-all impact.

8. At the recent meeting of the executive secretaries of the regional economic commissions in which the specialized agencies

also participated, it was envisaged that the close relationship between UNIDO, the regional economic commissions and appropriate specialized agencies should be built on the basis of specific industrial development projects in order to achieve the maximum impact on the countries concerned. The development of specific machinery and procedures for co-ordination among the various organizations of the United Nations system in the field of industrial development should proceed gradually on the basis of the cumulative experience derived from practical undertakings of common interest and broad co-operative efforts such as those undertaken in connexion with the regional symposia and the International Symposium on Industrial Development.

9. Joint efforts to deal with the multisided aspects of industrialization are continuously broadened in the search for adequate solutions to specific problems. Some time ago we started operational activities for the promotion of export-oriented industries in countries requesting assistance in this area. Since then UNCTAD has become associated in this work, in respect to its over-all responsibility for the promotion of exports of manufactured and semi-manufactured goods, and the project is now developing into a joint effort by several United Nations organizations.

10. Among recent developments, the Asian Industrial Development Council—which was established on the recommendation of the regional symposium—decided last month to establish "action groups" in several sectors of industry. The participation of UNIDO has been invited in the first two groups to be established in 1967, namely for iron and steel and the chemical pulp industry. UNIDO may also co-operate with the Economic Commission for Africa in the establishment of a pilot regional centre for small industries for the western subregion. Likewise we have been asked to co-operate and take part in a meeting on the development of petrochemical and fertilizer industries to follow up the recommendations of the Symposium on Industrial Development in Arab Countries, held at Kuwait in March 1966.

11. At the meeting of the Administrative Committee on Co-ordination held earlier this month the representative of some of the specialized agencies felt that there was a need to establish formal co-ordination machinery in the field of industry. In the light of the important responsibilities placed on the Board by the General Assembly, which decided that the Organization "shall play the central role in and be responsible for reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development", it would appear appropriate for the Board to lay down the basic principles for action in this area. We shall endeavour to carry out the practical measures within the guidelines provided by the Board in seeking to strengthen co-operation with all the organs and units of the United Nations family of organizations, as well as a concerted approach through harmonization of activities in the field of industry, under the policy directives and basic guidelines emanating from the Board.

12. In this connexion it is clear that UNIDO, with its very limited resources, cannot tackle all the problems of industrialization at once. We must make use of the experience and existing resources of other United Nations organizations. Without in any way shrinking from responsibility for the broad mandate of UNIDO in the field of industry, it is necessary to undertake practical arrangements at an intersecretariat level for collaboration in specific fields of work on the basis of a flexible approach, subject to adjustment as may be required in the light of subsequent experience and developments.

13. The activities and programme of work of UNIDO are reflected in several items of the provisional agenda. A good part of the current work is geared to the preparation of the International Symposium on Industrial Development. Nevertheless the organization's activities as a whole are primarily centred on the practical operational assistance to the developing countries. Since direct operational assistance is of a tangible nature it must be closely tied to the application of know-how in specific areas of work. Thus the programme of work as presented to the Board has been classified along the major branches or aspects of industrialization which comprise the very large variety of different activities that make up the

total picture of industrialization. Effective operational activities depend to a large extent on the ability of the secretariat to build up a strong technical capability and a thorough understanding of the problems and alternative approaches in each of the particular branches and aspects of industry. In their practical application, of course, such technical know-how and understanding of the individual aspects of the process have to be harmonized in a total approach to the problem at hand. Quite frequently an industrial project—whether it be the establishment of a particular industrial plant or the development of a whole sector of industry—involves problems which require an interdisciplinary approach in terms of the various aspects of industry. For instance, the feasibility study for a particular industry is in many cases the result of individual studies concerning such different matters as the capacity of the market, the availability of raw materials and other physical resources, the conditions of labour and manpower, the capital requirements, etc. In the further stages of the project involving engineering studies and the promotion of financing, it may be necessary to apply different technical criteria to the selection of the most appropriate production processes and equipment, the choice of location, the training of the necessary technical manpower, the undertaking of particular research as a way of solving specific problems related to the utilization of existing raw materials or the solution of other problems of a local nature. Thus, one single project may involve the whole spectrum of activities listed in the programme of work. The same applies to industry as a whole; in both cases a multisided approach becomes an essential requirement. It is the ability to provide such a multidimensional approach in dealing with the problems of industrialization that will determine the success or failure of UNIDO in implementing the broad mandate that it received from the General Assembly.

14. One of the first challenges that the new organization must meet is the need to equip itself for such many-sided requirements. As is well known, the staff dealing with industrial development has been so far a relatively small sector of the United Nations. In contrast, the number of industrial specializations is very large and almost infinitely varied. We have never assumed that UNIDO needs to cover all of them. But if the organization is to be effective and operational, it must be able to cover with its technical staff a certain number of basic fields or aspects of industry, after taking due account of the experience and activities of other United Nations organizations under a harmonized framework of industrial development activities.

15. Target estimates of the minimum viable size required to cover the variety of specializations were established but we are still far from having reached such minimum. In the circumstances resources have to be concentrated to meet the most pressing needs. While all priority is being given to direct assistance activities, it would be unrealistic to expect that these can be developed in a vacuum. The very concept of operational activities must be understood in a wider context which includes the ability to mobilize resources, promote co-operation towards specific goals and provide backstopping and technical information; it also includes continuing study and evaluation of existing experience with a view to its practical application. The understanding of the requirements of industrialization derived from analytical research of specific problems is likely to be of no less value to the developing countries than technical advice given on a piecemeal basis; it is at any rate indispensable for the development and implementation of sound programmes of direct assistance. Indeed, UNIDO cannot expect to be fully operational without developing first a broad range of technical capabilities and without becoming a storehouse of practical information and a centre of contacts to cope with problems related to industry building and transfer of technology. Furthermore, the current programme of work—covering as it does a large number of different types of activities—reveals the existence of a number of areas that need to be developed more. Thus, for example, work on such matters as the promotion of industrial finance, the development of industrial information and liaison, patents and licences, etc., must be taken in hand and expanded as soon as possible.

16. It is, of course, the Board's responsibility to set the basic policies and approaches to our work. The secretariat is

at the disposal of the Board to carry out the work in accordance with the Board's guidelines and instructions. During the current transitional period, the expanded framework resulting from the creation of UNIDO, on the one hand, and the designation of a new headquarters location for the organization, on the other hand, have both contributed to the need for maintaining a flexible approach. However, at this stage it is equally important not to lose sight of the basic need to strengthen the technical capability of the secretariat of UNIDO. Thus, it should be possible to meet the need for maintaining and improving the necessary services during this transitional period, when the organization is gradually taking on its basic tasks, and at the same time creating a strong machinery on which the Board may confidently call for implementation of its policies and programmes.

17. In building up its technical capability, UNIDO also enhances its ability to serve as a bridge between the developing countries and the industrially advanced countries in search of a true partnership between the manpower, market potential and physical resources of the first, and the capital and technological expertise of the latter. In the industrial world there is now considerable concern about the concentration or polarization of technology which accompanied the vast expansion of technology and the rapidly increasing industrial production during recent years. The role of international co-operation in promoting the technological advancement of the less developed countries may have an important bearing on the total picture of the access to technology and the application of new developments to industry. Similarly, the world-wide interests of the large international corporations are increasingly becoming a factor in the shift of industrial responsibilities from operations in a single country to a broader international scale. Because of the extent of their markets and the size of their operations, they are in a particularly privileged position to contribute to the over-all development effort in the fields of industrial technology and production. Recent examples of the far-reaching action of international industrial corporations represent a new pattern of international co-operation. The meshing of the operations of the present-day international corporations is creating a phenomenon of internationalism and of practical *de facto* international co-operation which has no parallel in any other branch of human endeavour. The same applies to publicly established organizations and programmes whose operations relate mainly to the development of industry on an international level.

18. This phenomenon has its counterpart in the efforts of the developing countries to enlarge their markets and explore the advantages of joint industrial undertakings of a regional or subregional nature. Increasing attention will have to be paid to the multinational and regional approach in industrialization. The advantages of larger markets are self-evident in respect to mass producing industries and industrial plants subject to large-scale economies. But there are many other advantages, such as mobility of labour and capital, removal of artificial obstacles, establishment of joint research and development facilities etc., which could significantly contribute to the creation of favourable conditions for speeding up industrial development.

19. On the part of the industrializing countries, there is also a need for sustained and larger efforts in developing their own industrial forces. Much can be done by the developing countries themselves to make fuller use of their resources and manpower as well as their potential market for industrial products. However, in attempting to mobilize their own resources the developing countries frequently come up against the absence of certain instruments and means of action. Our technical co-operation activities must be geared to filling this gap. There have been in recent years expressions of concern over the so-called lack of requests for assistance in the field of industrial development. The strong increase of our technical assistance programmes, which have almost doubled in value since 1964 indicates that the paucity of requests did not reflect a lack of needs. While I would be the first to agree that the significance of the operational activities cannot be measured in terms of dollars spent, there is no doubt that the existence of an adequate ability to meet them provides an important stimulus for

the submission of requests. A further confirmation of the importance that the availability of an adequate framework may have in expanding the scope and effectiveness of the operational programmes has been provided by the recent experience with the newly established programme of special industrial services. In the first nine months of its existence, over 100 requests for assistance have been received from Governments. The majority of these requests are being met under the special industrial services programme, while a number have been taken up for consideration under other existing programmes, as appropriate. Considering that this experimental programme is only in its initial phase and that operations under it began at a time of transition related to the important organizational changes which are to a large extent still in process and may continue for some time until UNIDO has settled in its headquarters, it becomes evident that the building up of a favourable environment and the establishment of appropriate instruments to deal effectively with the needs of the developing countries are likely to elicit a very active response on the part of the latter.

20. Of course, the impact of the operational activities cannot be measured alone by the number of projects, requests or experts, or even by the amount spent; the central question is one of effectiveness. The creation of the programme of special industrial services as a flexible programme of speedy action, and free from cumbersome programming procedures, has opened the way for the potential needs to show up as actual requests for assistance. Implementation of this programme is providing experience and a better understanding of the real nature of the needs in the field of industrial development. It is becoming more and more evident that it is not a matter of spoon-feeding know-how or of giving sporadic advice by qualified experts. While technical competence may be of prime importance in respect to the intrinsic value of the assistance provided, its effective utilization in the developing country depends in most cases on the ability to provide aid on a continuing and sustained basis.

21. As has been pointed out so frequently, industry is an eminently practical domain; aside from general policy questions, the problems to be dealt with require specific action within a particular set of circumstances. Thus, each project must be viewed as a joint and sustained effort carried out through the various stages of practical implementation until the desired results have been achieved. Fortunately in industry it is possible in most cases to define materially or even quantitatively the purposes of each project. What is needed, however, is a large degree of flexibility in the process of achieving the pre-defined goal, in order to allow for necessary adjustment to the realities faced at various stages of implementation. In terms of existing procedures under the majority of technical co-operation programmes, this may be said to represent a need for continuous programming and reprogramming to adjust the means of action to the requirements of the project as it develops and until the desired results are achieved. It is my considered view that if Governments could be served in the field of industrial development in a manner that assures them of sustained assistance under flexible programming procedures, far from having to worry about any presumed lack of requests we would have to be more and more concerned with the need to raise the capability of the organization to meet the vast needs of the developing areas in their industrialization drive.

22. I have been referring so far to questions affecting the activities of UNIDO and other United Nations organizations. But industrialization is a much more complex process which cannot be viewed from an isolated vantage point. Economic, social, administrative and political policies of the developing countries, even though not specifically concerned with the industrial sector as such, frequently play an important part in determining the rate of industrial development, its structure, the location of industry within a country and industrial efficiency. Likewise, in the industrial countries, policies relating to foreign trade, aid, international investment and the transfer of technology, as well as policies affecting the over-all performance of the economy, have exerted an influence on the industrialization process in the developing countries.

23. Industrialization is a many-sided process in which an integration of general policies with specific measures within

the industrial sector is indispensable. If industrial policy is to be effective, it cannot be separated from policies relating to the internal distribution of personal incomes, from employment policies, policies relating to savings and investment and measures to raise productivity not only in the industrial sector but in agriculture and the service sectors as well. In this regard there is ground for optimism in the increased recognition by Governments that the planning of economic development generally cannot be divorced from the consideration of specific policy questions and measures pertaining to the industrial, agricultural and service sectors of the economy. This awareness brought about a larger need for general surveys and analytical assessments of the experiences of industrialization as a guide to further action.

24. Studies carried out and under preparation show that during recent years, a considerable number of countries have experienced an average annual rate of industrial growth in the neighbourhood of 7 to 9 per cent. During the past decade, the industrial production of the developing countries as a whole has doubled. Their production of steel has tripled and plans for further expansion are well advanced. Annual production of cement has more than doubled: it is now larger than the production of western Europe and North America before the Second World War. Of great importance for both industrial and agricultural development is the fact that a significant expansion is under way in the capacity to produce synthetic fertilizers. Significant advances have also been made in the production of energy, in transportation and communication facilities and in education—all of which are essential prerequisites for an advance in the industrial sector itself. Exports of manufactures of several developing countries are proving competitive in international markets.

24. Studies carried out and under preparation show that The relatively high rates of growth in industry, in contrast with the much lower rates of growth in the still predominant agricultural sector, reflect the very low starting base. The percentage rise in itself does not show the exceedingly modest ratio of the volume of industrial growth in the developing countries to that achieved even under a lower growth rate by the developed economies. The manufacturing sector of the developed countries was very much larger than the size of the manufacturing sector of the developing countries—and on a *per capita* basis the disparity was, of course, even greater. In actual product output, for example, the annual increase of the developing countries was only about one seventh of the increase of the Western developed countries, and only about one fifteenth on a *per capita* basis, in spite of the impression given by the favourable ratio in growth rates.

26. Equally indicative of the relative smallness of the increase is the fact that the 7 per cent annual growth rate of manufacturing production by the developing countries was insufficient to broaden the industrial base so as to satisfy the increased consumer demand for manufactured goods. As a result, imports of these products were increased. In general, also, the rate achieved was, for most of the countries, below their aspirations as projected in their economic development plans. Furthermore, the relatively high rate of population increase in the developing countries absorbed a considerable part of the higher production with the result that, after taking it into consideration, the rate of increase in industrial output was less than 5 per cent when expressed in *per capita* terms, and the apparent growth differential compared with the developed market economies had all but vanished when population growth was taken into account.

27. Figures compiled for the "Industrial Development Survey" now in preparation indicate that all of the combined efforts of the developing countries at building a manufacturing sector have resulted in their contributing, in the first half of the nineteen sixties, an apparent maximum of less than 5 per cent of the total manufactured product output of the world as a whole. And this percentage is no higher than it was thirty years ago, before the Second World War, and also practically identical with the share ten years ago. At the present rate of growth, the manufacturing output of the developing countries would not account for more than perhaps 6 or 7 per cent of the combined manufacturing output of the world by 1990.

28. Quantitative projections of the potential industrial development in the less developed countries, whether on a global, regional or even national basis are not readily available. Nevertheless, there can be little doubt that great potentialities exist. The vast volume of primary commodities now being exported by these countries in an unprocessed or only slightly processed form offers important possibilities for a higher degree of processing that would add materially to export earnings as well as help to meet the growing demands of the local market. Among the commodities that come readily to mind are ferrous and non-ferrous metals, petroleum, lumber and forestry products, natural fibres and hides and skins. Further prospects in this direction arise from the fact that the natural resources of many developing countries are now much better known than they were some twenty years ago, thanks to extensive surveys and feasibility studies made with the bilateral assistance of the industrial countries and the United Nations system of agencies, together with the efforts made by the developing countries themselves.

29. Similar complementarity and mutual support apply in respect of agricultural production, on the one hand, and the production of synthetic fertilizers, farm machinery and equipment, pesticides, insecticides, fuel and other "inputs" in the agricultural sector, on the other. Still another example is the potentially vast expansion of the building and construction industry with its requirements for materials like cement, wood products, ceramic products, iron and steel and the like.

30. It is becoming increasingly apparent that the creation of a broadly based industrial sector, embodying the integrated development of resource-based and market-oriented industries, is an indispensable foundation for the sustained expansion of the other major sectors of the national economy. As incomes rise because of the expansion of the industrial sector, the resulting additional demand will furnish a still wider base for industrial expansion. Further, if appropriate national policies are pursued, the expansion in incomes can generate more savings for investment in industrial projects. The growth of industry itself will provide a training ground in which the technical skills and managerial capacity needed for a further step forward may be developed. In summary, once the process of industrialization has reached a certain critical minimum level, it may generate forces that will contribute to the solution of many of its own problems. Existing deficiencies of the industrial sector in many of the developing countries may be due in part to the fact that they have not reached this critical level.

31. The discrepancy between the 7 per cent growth of industries and the 3 per cent growth of agriculture typical of the developing countries today is highly symptomatic. Sustained industrial growth which is not accompanied by agricultural growth, and especially an increase in food production, may not be tenable in the long run. The agricultural sectors, which still account for the bulk of employment, and which even in terms of shares of national incomes are still considerably more important than the industrial sector, must form the main markets for the industries, their main suppliers of agriculturally based materials; they must provide the food for the industrial workers and the swelling urban populations of the developing countries. A new emphasis on agriculturally oriented industrialization is now required and also visible in many countries. Agriculture cannot advance without an adequate supply of fertilizers, insecticides, pesticides, tractors, agricultural tools and implements, which only an industrial system can provide. Manufactured consumption goods—clothing, shoes, furniture, bicycles, radios, etc.—are also the natural incentive goods which will induce farmers to produce more and convert their surpluses by monetary exchange into the goods which they need. The development of soundly based agriculturally oriented industrialization must become a basic concern for the immediate future, in those countries where the conditions are appropriate. Generally speaking, though, all viable industries should be developed on the basis of their contribution to increased incomes; the latter can alternatively be used to import the necessary implements to increase farm productivity. Likewise plans for the expansion of certain crops should be accompanied by adequate plans for processing industries.

32. Ultimate success in coping with these far-reaching problems may to a large extent depend on whether an adequate framework for international co-operation in this field will emerge. Such a framework appears to be evolving on the basis of the large consensus that exists now as to the strategic importance of the industrial sector. One favourable factor in this direction is the successful maintenance of policies of full employment and economic growth in the industrial countries in which vast investments in the development of new industrial technology have played a major role. This trend is surely not without significance for the less developed countries. It not only increases the capacity of the industrial countries to render direct assistance to the developing countries but it should also encourage and facilitate shifts in the industrial structure of the advanced countries which will be not only in their own long-term interest but in that of the developing countries as well. The former are now in a better position than ever to concentrate increasingly on industries demanding more complex and sophisticated technology, leaving to the latter an expanding role in the production, for both domestic consumption and export, of various types of manufactures, including those produced by a more labour-intensive and simpler technology.

33. On the side of the developing countries there are also a number of encouraging signs. For one thing, the resources of the developing countries are better known than they were a decade or two ago. For another, many developing countries have also made a start in establishing an institutional framework for industrial research, and for the planning and implementation of industrial projects. Their awareness of the importance of policies conducive to industrial efficiency is greater than before, as is their appreciation of the importance of selectivity in the development of various branches of industry in place of the previous tendency toward general self-sufficiency and consequent high-cost production. The importance, even the necessity, of action on their part to widen markets by policies of regional or subregional integration is increasingly understood. There are also indications of interest in building up greater confidence between donor and recipient countries. There can be little doubt that the time is now ripe to co-operate in an increased effort aimed at promoting an expanded and more effective flow of technology, know-how, capital and enterprise.

34. In the light of the conditions which I have very briefly reviewed, there is indeed a need to initiate a constructive dialogue between the developing and industrial countries on policies and measures for industrialization. The International Symposium on Industrial Development is intended to serve as a first step in this direction.

35. In accordance with its approved agenda, the Symposium will build upon the foundations laid by the series of regional symposia held during 1965 and 1966 at which many of the topics for discussion were considered in a regional perspective. It will provide a global survey of the industrial situation of the developing countries, affording an opportunity for the countries in various regions to compare their situation and prospects with those of developing countries in other regions. It will also examine in some depth the problems of industrialization that are common to all developing countries, and may indicate in broad lines areas for international co-operation. It is hoped that the proceedings will assist the Governments of the industrial countries in formulating their programmes of bilateral aid and their policies towards multilateral assistance in the field of industry. The Symposium should also furnish valuable guidance to the private sector in the industrial countries, where that sector is important, in formulating plans for international operations in the developing countries. Finally, it is anticipated that the discussions at the Symposium will help the entire United Nations system to plan an expanded and improved programme of technical and financial assistance to the industrial sector. Naturally, the Board will take up, at an appropriate time, the review of the results of the Symposium.

36. May I take this opportunity to express our appreciation to the Government of Greece for its generous offer to be host to the International Symposium on Industrial Development.

We are, indeed, very grateful for the co-operation of the Greek authorities and for their determined efforts in the face of difficulties. On its part, the Secretariat is carrying out the preparatory work and making the necessary arrangements to ensure that the Symposium will be able to convene on the established dates.

37. During the debate yesterday concerning the Board's agenda, the future activities of UNIDO drew considerable interest. I have just touched on many aspects of the large variety of problems and issues underlying industrialization; perhaps a projection of the future orientation of the work of UNIDO, after its resources are more fully developed and its procedures improved, will provide a clearer picture of the organization's role in seeking to implement the General Assembly's mandate involving central responsibility for "encouraging the mobilization of national and international resources to assist in, promote and accelerate the industrialization of the developing countries".

38. This mandate projects for the future a more active and effective United Nations role in promoting industrialization. The concept of promotion is a crucial one in the field of industry. Industrialization includes many different things. There is hardly a project in industry which does not involve, at one time or another, preliminary surveys, the application of technological research, the use of institutional facilities, the training of technical personnel; its formulation might have involved the need to apply advanced programming and project evaluation techniques and a scheme of priorities based on broader policy views. The choice of location, processes and techniques also cuts across a whole series of interdependent disciplines. There is, however, a basic element of action in each industrial project—whether it involves the establishment of individual plants or the development of a particular sector of industry in a given country—and that is what we have come to call somewhat arbitrarily industrial promotion.

39. Promotion of industrial projects also means the development of every project from the earliest stage—whether it be a specific feasibility study or a general survey of industrial possibilities—through such subsequent steps of gradual implementation as assessment of the market and of technical feasibility in relation to existing resources, engineering studies, capital and financing requirements, selection of equipment and machinery, training of personnel, etc.

40. Evidently, the work of UNIDO will involve an active promotion role in every aspect of industrial development. In this sense it is quite possible that the documentation before the Board does not reflect fully one particular aspect which is really the very essence of our work, namely the continuing and broadening of contacts, the establishment of practical relations between those seeking to increase industrialization efforts in the developing countries and those who can provide the means and facilities for action. Even in respect to the operational programmes, it would be too narrow a view to consider them simply as a one-way flow of experts into the developing countries. What we have attempted is to build into the operational programme a more dynamic approach. In the programme of Special Industrial Services we have this kind of flexible and dynamic tool which enables us to promote action in the search for solutions to practical problems of industry in the developing countries. This approach is also being applied increasingly in respect to the other operational programmes. It is my understanding that the biennial programming procedures for the Technical Assistance component of UNDP are in the process of being revised, with a view to a more flexible approach which may result in continuing programming. This would be a most gratifying development from the point of view of the approach needed for industrialization and I am sure that as a result it would be possible to make broader use of the Technical Assistance component for industrial development projects. Similarly, at the recent meeting of the Inter-agency Consultative Board of UNDP, I proposed that a new category of Special Fund projects should be introduced for the purpose of promotional activities. Likewise it might be appropriate to seek a review of the programming procedures for the regular programme of technical assistance of the United Nations in industrial development. Its procedures should be adjusted so as to permit the use of this programme as seed-money for the promotion of field activities which may serve

as leverage for much larger undertakings. The Board may wish to recommend appropriate action by the General Assembly towards this end.

41. More flexible operational instruments will indeed be an important element in the basic promotional scheme of the future programme of action of UNIDO. Its role is not to substitute for the active industrial forces of the developing countries, but to encourage the building up of these forces and to assist them in making full use of their own resources and of the help that may be or become available from international sources. The limitations of our means in relation to the vast resources required for industrialization should not discourage us from action on the full range of industrial problems, provided it is clearly understood that in practice the results will depend on how much leverage we will be able to exercise. For instance, we cannot view the role of UNIDO at this stage as one of providing finance for the building of factories, but we can well promote—by appropriate action in conjunction with the interested parties, the international financial institutions and even private and other sources—actual investment in specific industrial undertakings. To take another area, such as training, it is obvious that UNIDO will not be able to train all the manpower needed for industrialization, but it can help Governments to define the needs, promote training facilities and programmes and locate those places where specialized training may be obtained in particular cases. Similarly, in building up the organization's capability in the various fields of technology or in creating a competent service of industrial information we do not intend to set it up as the only reservoir of knowledge; that would obviously be impossible. What UNIDO needs is the capability of dealing intelligently with these matters in order to make more readily accessible to the developing countries the accumulated knowledge that exists throughout the industrialized world for practical application in the building of their industries.

42. In a very schematic way, UNIDO could be viewed as a kind of central co-operative pool through which it is possible to draw on the reserves of experience, technical knowledge and tangible resources of all participating countries. Thus, its future role can be envisaged as the central point in a vast network of international co-operation for sound, orderly and rapid industrial progress.

43. This central role may need to be accompanied by a determined effort to engage in some form of forward planning derived from the ultimate concern of UNIDO with the ways and means of accelerating the role of industrialization. We must develop a methodology to assess the progress of the industrial development of the developing countries on a global basis. As I mentioned earlier, the share of the developing countries in the total manufactured output of the world has remained about the same over the last thirty years, and at its present rate of growth it is not likely to be much higher in the next twenty-five years. An indicative plan, with projections for certain future years—perhaps parallel to the world agricultural indicative projections now undertaken by FAO for 1975 and 1985—may provide a much needed frame of reference to steer industrialization efforts towards desirable objectives. It may serve as a guide in such important and difficult questions as the transfer of newly developed technology cropping up at a highly accelerated rate; the building of a domestic design capability to adapt technologies to the needs of developing countries; the promotion of exports of manufactures and semi-manufactures; the stepping up of investments based on economic integration and regional co-operation, and the increasing multilateralization of aid. A sound perspective on these and other important questions is indispensable for effective action designed to enable the developing countries to break away from the inertial position of having to run fast in order to stand still.

44. To sum up, if the trend of the past thirty years continues, the share of the developing countries in world industry is not likely to increase appreciably. The role of UNIDO is to help change this situation through international and co-operative efforts. In the basic orientation of the future programme of UNIDO we must set our sights high; while moving towards the ultimate objective it will be necessary to tread on solid ground by a succession of practical and well considered steps.

**STATEMENT MADE BY THE EXECUTIVE DIRECTOR AT THE 23RD MEETING OF THE
INDUSTRIAL DEVELOPMENT BOARD, ON 28 APRIL 1967**

My remarks may not be exclusively directed towards the item under discussion, because in discussing this item many other points that border on other items were mentioned by the distinguished delegates. Therefore, permit me to go outside the organization and structure questions, only as necessary, to make my points clearer to the Board. I do not want now to say that I refuse or accept any of the points which have been mentioned but I do appreciate very highly the ideas and observations which the distinguished delegates have put forward in the discussion and which, I am sure, reflect valuable views about particular aspects of the structure and organization of UNIDO as seen from angles to which speakers attach particular importance. I wish, however, to agree fully with the important remark made this morning by the distinguished representative of the United States of America that it is the responsibility of the Secretary-General to organize and supervise the work of the secretariat within the general rules established for the purpose. This in no way reduces, in my view, the relevance and importance of the points of the discussion. I welcome the observations which have been expressed.

I would like to say that I do not see UNIDO to be an action-oriented organization. This may come as a shock to many present here, but I see UNIDO as a promotional organization.

I would like to refer to one paragraph of the statement which I had the honour of delivering before the Board, where I stated:

"In a very schematic way, UNIDO could be viewed as a kind of central co-operative pool through which it is possible to draw on the reserves of experience, technical knowledge and tangible resources of all participating countries. Thus, its future role can be envisaged as the central point in a vast network of international co-operation for sound, orderly and rapid industrial progress."

It is in this way that I understand the role of UNIDO, which includes field operations, whether in the form of technical assistance or otherwise. Field activities are not the only functions of the organization, though they are the most important ones. If this is not a true understanding then I am basically wrong.

The operational activities of UNIDO may run into several millions of dollars. We cannot industrialize the developing countries with a mere \$10 or \$20 million a year. It is the leverage effect of those \$10 or \$20 million, it is the leverage effect of this Board and the effectiveness of the functions of UNIDO in all aspects that is going to help create the understanding and the ability to draw on "the reserves of experience, technical knowledge and tangible resources of all participating countries" towards the industrialization of the developing countries. This is what I mean by promotion, which includes operational as well as other activities. This is, in my opinion, the function of UNIDO.

I shall not be a party to making UNIDO a mere employment office for staff or technical assistance experts, though this is an essential task by itself. I shall not be a party to making UNIDO a form of modern dinosaur, with a large body and no mind. UNIDO should have arms which are strong but also a mind, intelligence and wisdom for effectiveness of action and purposeful thinking. The so-called "research" which is really mostly compilation and analysis of facts and situations, is an important support to operational activities. The developing countries, not all of which are around this table, would look to UNIDO as an organization which identifies the potential and existing reserves of experience, knowledge and resources and stimulates the full mobilization of those reserves in an intelligent way. This brings the whole purpose of UNIDO to be expressed in a few sentences which will, to my mind, identify the specific functions of UNIDO. It is for the Board to say yes or no to this identification. This is the first step in judging the necessary structure and organization of the secretariat.

The secretariat has to serve the General Assembly, the Economic and Social Council, the Industrial Development Board, the regional economic commissions and many other bodies of the United Nations family, with documents and studies. This is a duty which UNIDO has to fulfil, being part of the United Nations system.

We have to have people to prepare those documents, to follow up discussions and to take part in the wide and varied activities of the United Nations meetings relevant to UNIDO. I must inform you that the present facilities for UNIDO render us incapable of executing these functions adequately. I find it difficult to send staff members to attend meetings of the regional economic commissions and other bodies of the United Nations system. We would like to be and must be able to be present at such meetings, not only for the sake of representation as such but to participate actively in the deliberations. We need the staff and machinery to do that.

Early in this session there was reference to the non-availability of documentation in all languages in good time. There are many other deficiencies in our organization, not only in conference services but also in substantive and vital areas. As one example that comes to mind, yesterday an important committee of the United Nations in the field of science and technology started meeting and will continue for the next two weeks. I have no staff member who follows exclusively the work of this very important body of the United Nations. I cannot afford to release a staff member to follow the meetings of the committee. There are many more examples which are equally pertinent.

There is also a very important function which this Board has discussed intensively during this session, namely, the function of UNIDO as regards the co-ordination of the work of the United Nations family of organizations in the field of industrialization. No doubt this is an important function for UNIDO and represents a major responsibility of the Industrial Development Board. In order to assume this role successfully, UNIDO would have to follow up carefully and in detail the wide range of activities of the agencies. We have to develop our activities and establish our programme of work without so to speak, treading on anyone's toes. I have no doubt that such co-ordination activities are necessary and useful, not only to the United Nations but essentially to the developing countries. But it needs staff and organization to do that. How did the specialized agencies during their many years of existence establish their present experience, knowledge and competence in their fields of action? No doubt this has been done, among other ways, through the activities of qualified staff members who have been active in research and field work in the areas concerned. You do not build capabilities by acting simply as employment offices disbursing dollars through a set of routine and almost mechanical means. The UNIDO secretariat would have to fulfil its functions in co-ordination not only at the central level of the co-operating organizations but also more importantly at the country and regional levels. Co-ordination would have also to cover a wide range of industrial activities. It is by considering such functions that one has to draw conclusions leading to the appropriate organizational and structural measures.

But the most important and the foremost task of UNIDO is no doubt in the field of technical co-operation. As I have said, UNIDO is a promotional organization. Its field operations are extremely important as an instrument for this purpose, but not as the only instrument. The effectiveness of the field operations will be much reduced if the other functions are not taken care of.

How do we get this important function of field operations going?

We receive requests from the countries. The word "receiving" really entails a lot of things which should take place before an actual request is received. Each request will have

to be examined substantively, financially and operationally. In industry, unfortunately or fortunately, we cannot afford to narrow our area of activity to a small number of fields. We have to be able to cover the main fields of industry. Most of our troubles now are due to the fact that with a limited secretariat we are unable to cover adequately the main fields of industry. If I receive a request from a developing country for aluminium industry I cannot say no because this area is not covered. We have to give assistance in industrial planning, in identification of industrial projects, in the establishment of administrative government machinery for industrial development, advice and control. In handling industrial requests from many countries at different stages of industrialization—we have to be ready to meet these requests within a number of areas (about thirty in number) which have been identified in the documentation before you—a fact which has been well recognized in the discussions. In matters of organization and structure, we cannot be absolutely rigid. We can think of grouping and regrouping the areas of activities but we have to be always capable of covering the totality of the functions so as to service the requests received. I do not say that any form of organization or structure is right or wrong from the start. We have to be flexible in these matters and let actual experience indicate where change is needed. The thirty areas or so form the basis of the target manning table in the documents before you. We do not aim at having on our staff the topmost specialists in each of those fields. This is not possible nor desirable; what we need is a nucleus staff in each one of those areas, maybe four or five in number, who will be our mainstay of action in the area. A few days ago, I gave a detailed example of one of those areas, namely, chemical industries, but many others are to be found in document ID/B/4. Generally speaking, in all of those areas of activities, studies and research should support operational activities and vice versa. At any one moment of time there may be no direct and fixed proportion between staff time allocated to research and operational activities in one area. The reason is that we have a dynamic and changing programme. We may get more requests for technical assistance from the field and there will be a lag in time before the staff grows to match operations. On the other hand, we may have to put a proportionally large staff to work in an area in which requests are beginning to come in but are likely to grow in the future.

What type of staff do we get? Surely we need the generalists who look at the totality of the problem of industrialization and who are capable of managing the different phases of liaison and operational activities. We also need specialists. The distinguished representative of Jordan quoted medical experience in pointing out the need for generalists. But we also need specialists, not the full range of specialization, but qualified staff acquainted with developments in each field. So I maintain that within the limitations and practicalities of recruitment of staff and experts, we have to have specialists as well as generalists and that the two have to work together in handling the operational and other functions of UNIDO.

How do we do our work in operations? We have to create an active mechanism of supply and demand. The demand is represented by the requests of the developing countries, the supply is from the advanced countries. I should hasten to say that in many cases we can get supply from one developing country to meet most appropriately a demand from another developing country. Suggestions have already been put forward in your discussion for the establishment of a field service composed of representatives of UNIDO, each covering a number of countries and staying in the field for a period of two or three years. This will be a very important arm for the organization's operational activities which we badly lack now. Such field service staff, in whichever way they are to be financed, should work closely with the regional economic commissions, the regional development banks and the Resident Representatives of UNDP in the countries to which they are assigned.

But there is no use creating a system which develops demands without simultaneously developing a corresponding system for supply. In short, we need much improvement in the recruitment system. We have heard this morning a senior

member of UNDP who spoke about difficulties of recruitment for UNDP activities in general. These difficulties are more serious in the field of UNIDO. We shall not advance very far in our operational activities if we do not develop systems of supply that assure a flow of experts and experience, particularly from the industrial countries.

These are some of the main areas of the functions of UNIDO—namely, the servicing of legislative bodies, participation in United Nations activities, the responsibility for co-ordination and the important function of operations—and we have to start from these functions so as to identify the structure, organization and type of staff required. In this respect, I would not like to say that staff members who have had ten or fifteen years' experience in the United Nations are essentially unsuitable for UNIDO nor that people from outside who have no knowledge or experience in the United Nations are essentially new blood and good. As a matter of fact, the best people recruited need to get themselves fully familiar with the United Nations work and its machinery before their experience and abilities are fully utilized. We all in the secretariat have to recognize the limitations and the potentialities of work in an organization like this, which is a political organization.

Several distinguished representatives discussed details of organization. Nobody claims that any administration is or should be immutable. Yet we have to have some planning a little ahead of time. Here again I do not agree with the distinguished representative of Jordan, who considers the structure indicated in the documents as pertaining to ten or fifteen years from now. On the contrary, I can see it as an estimate of requirements to be attained in a much shorter period, not exceeding two or three years.

Taking another point which was specifically mentioned, I refer to the activities in the field of small-scale industries. There is, no doubt, the question of the technology of small-scale industry production. There are also the economic and policy aspects of small-scale industry. But we have chosen in UNIDO to stress rather the aspect of organization and institutions for small-scale industry development. The three different aspects are all valid and needed. But in building up a programme of work it has been recognized that many developing countries need advice in the establishment of central services and supporting activities for small-scale industries. There is a need to create effectively a small-scale industry extension service, as in agriculture, where trained extension workers contact the small producers and supply them with advice and assistance. There are needs for the establishment of industrial estates and other institutional forms for small producers. This is why it has been decided to consider small industries as a part of the institutional and services activities in the current organization.

Some of the documents submitted to the Board were considered too elaborate and difficult to follow. Then we submitted very short documents, which were again criticized as not giving enough information. I am rather at a loss, but I will as always, do my best to serve the Board. Yet I do not consider it fair for anyone to read a few sentences out of context in a document which is intentionally summarized and then to draw a sweeping conclusion that recruitment of staff should be stopped. Recruitment will not stop as long as it is needed for the organization and the functions that UNIDO should fulfil by its mandate and authority. I shall not stop building up the minimum viable machine needed for UNIDO just because someone read somewhere a few lines and passed a judgement. I wish to emphasize that it is not fair to so judge the efforts exerted and duties performed under many trying conditions by your secretariat.

In another statement, there was a misrepresentation of the duties of the Technical Co-operation Division. The impression was given that all action in the field of operations was the responsibility of this single group. In fact this Division, so to speak, acts as central management for operational activities but seeks technical advice and expert knowledge, and in many cases field work, from the qualified substantive sections according to the type of request. The task of the co-operation group is the management and channelling of activities, and liaison

with all outside bodies related to such activities. We found that this is the best way to manage operations and benefit fully from the expert knowledge of the substantive sections. Yet I do not claim that no improvement could be made, on the basis of the experience either of large American corporations or anyone else.

To summarize, I think that UNIDO is approaching a crisis resulting from the high hopes and expectations held for this organization, which was created formally by resolutions that gave it a wide area of competence and responsibility not yet

matched by resources. We are happy that the Board has shown great interest in building up the organization, its programmes and functions. It is a good omen that the Board and the United Nations are attaching great importance to and showing interest in the work of UNIDO. Yet we have to look at the limitations, and here again I should like to refer once more to my statement to the Board, which concluded with the following sentence: "In the basic orientation of the future programme of UNIDO we must set our sights high; while moving towards the ultimate objective it will be necessary to tread on solid ground by a succession of practical and well-considered steps."

Annex VIII

RESOLUTIONS ADOPTED BY THE INDUSTRIAL DEVELOPMENT BOARD AT ITS FIRST SESSION

1 (I). FUTURE PROGRAMME OF WORK AND ACTIVITIES OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION.

The Industrial Development Board,

Recalling the provisions of General Assembly resolution 2152 (XXI) of 17 November 1966,

Recognising that the work programme of the United Nations Industrial Development Organization has to be geared to the fulfilment of its purpose and the best possible implementation of its functions as set forth in General Assembly resolution 2152 (XXI),

1. *Decides* that the United Nations Industrial Development Organization shall carry out its functions essentially on the basis of meeting the urgent needs of the developing countries in accelerating their industrial development through promotional and operational activities supported by relevant research;

2. *Requests* the Executive Director to exercise his responsibilities in accordance with the following guidelines:

(a) Operational activities of the United Nations Industrial Development Organization, whether financed from contributions made directly to it or undertaken through participation in the United Nations Development Programme or by the utilization of the appropriate resources of the United Nations regular programme of technical assistance or under the programme of special industrial services, should be undertaken only at the request of Governments;

(b) Measures should be undertaken to expedite the implementation of projects already approved under the United Nations Development Programme, the regular programme of technical assistance and the programme of special industrial services, and also such requests as may be forthcoming during 1967 and 1968;

(c) Operational activities of the United Nations Industrial Development Organization should be expanded through the establishment of closer and direct contacts with the developing countries and of better access to the experience and knowledge of the advanced countries;

(d) Research activities of the United Nations Industrial Development Organization as provided for in paragraph 2 (b) of General Assembly resolution 2152 (XXI) should be based on the following considerations:

(i) Action-oriented studies and research programmes of the United Nations Industrial Development Organization should be designed especially to facilitate the undertaking of operational activities which result from requests from the developing countries in the framework of the functions of that Organization. Research activities undertaken by the United Nations Industrial Development Organization should also be directed to achieving improved effectiveness of operational activities. It is, furthermore, recognized that certain types of studies and surveys have an important role both in the analysis and evaluation of the experience gained in the field and in the determination of the proper direction of future operational assistance activities;

(ii) Research activities of the United Nations Industrial Development Organization which do not necessarily have an immediate and direct supporting role in relation to operational activities can, nevertheless, serve useful longer-range development needs such as the formulation of alternative industrial development strategies. In such cases the United Nations Industrial Development Organization should, wherever possible, draw on appropriate work of other institutions, and, as necessary, encourage them to undertake such research in areas which the experience of its operational activities would indicate to be fruitful. The United Nations Industrial Development Organization may also undertake useful compilations and indexing of relevant information, classifications of conclusions derived from comparative studies of actual cases, and the periodic evaluation of industrial trends, especially in the developing world, to measure achievements and identify important industrial development problems;

(iii) Seminars and workshops should be undertaken in response to clear needs and after adequate preparation. Documentation preparatory to, and resulting from, such seminars and workshops should consist of short and clear papers which can be used to guide similar discussions and study groups in developing countries. Such documentation should be as up-to-date as possible and made available promptly in order to be of maximum value;

(e) A more dynamic approach should be increasingly built into the programme of the United Nations Industrial Development Organization in such a way that the field activities may provide a leverage for much larger undertakings within the promotional role of the Organization. Promotional activities in turn should lead to the expansion and greater effectiveness of studies and field operations;

(f) The operational activities of the United Nations Industrial Development Organization as hereunder elaborated should be widely publicized and brought specifically to the attention of Governments of developing countries in order to assist them in formulating their requests under the operational programme of the Organization, in the immediate future:

(i) Assistance in carrying out comprehensive general surveys of industrial development possibilities in individual countries or in groups of countries, e.g., in regions or subregions;

(ii) Assistance in the formulation of industrial development plans and programmes and the determination of priorities and the formulation of appropriate policies, incentives and other measures in individual countries or in groups of countries;

(iii) Assistance in identifying those branches of industry which should be developed in order to ensure accelerated industrialization and better standards of living;

- (iv) Assistance in conducting pre-investment studies of specific industrial possibilities and the evaluation of specific projects;
 - (v) Assistance in executing necessary detailed technical and economic feasibility studies to elaborate specific bankable projects and in the economic and financial planning and evaluation of specific projects including the identification of possible domestic resources;
 - (vi) Assistance in obtaining external financing for specific industrial projects, including additional financing for expansion and improvement of existing industrial plants, by the giving of guidance in the preparation of specific requests, including information on the terms and conditions of the various financing agencies, and by advice to financing agencies on the technical and economic soundness of the projects submitted for financing;
 - (vii) Advising at the various stages of implementation and follow-up of industrial projects, including the preparation of detailed project reports or their evaluation, selection of processes, technologies and machinery and equipment, preparation of invitations for tenders, evaluation of tenders, supervision of construction work, and commissioning and testing of industrial plants;
 - (viii) Assistance in achieving the efficient utilization of new and existing industrial capacity in developing countries; in particular, help in all phases of production, including the solution of technical and technological problems, improvement and control of quality, the recruitment of competent management and its surveillance to ensure high performance;
 - (ix) Assistance in developing and improving marketing and distribution techniques and in providing solutions for marketing and distribution problems with specific industrial products;
 - (x) Assistance in the development of export-oriented industry and in the solution of its particular problems;
 - (xi) Assistance in the training of technical and other appropriate categories of personnel, specifically in relation to particular existing or planned industries, including such forms of training as management workshops, in-plant training etc., using the services of specialists of both the developed and developing countries;
 - (xii) Assistance in promoting co-operation among developing countries on programmes and projects of industrial development and in developing export potential;
 - (xiii) Assistance in the dissemination for the developing countries, of information on technological innovations originating in various countries, assistance in the implementation of practical measures for the application of such information, the adaptation of existing technology and the development of new technology especially suited to the particular physical, social and economic conditions of developing countries through the establishment and improvement, *inter alia*, of technological research centres in these countries;
 - (xiv) Information and advice on the systems of patents, industrial property and know-how;
 - (xv) Assistance in establishing or strengthening national and multinational institutions to deal with various aspects and problems of industrial development in such fields as:
 - a. Planning and programming;
 - b. Project formulation and evaluation;
 - c. Engineering and design;
 - d. Training, management and productivity;
 - e. Technological applied research;
 - f. Standardization, quality control, weights and measures administration;
 - g. Marketing and export promotion;
 - h. Services to small-scale industry, including industrial estates;
 - i. Investment promotion;
 - (xvi) Assistance on experimental projects designed:
 - a. To adapt existing technology to the very different factor endowments in the developing countries;
 - b. To investigate alternative possible new uses for local raw materials;
 - c. To devise, wherever possible, linkages between various products and stages of processing which may form the base for a viable industrial complex;
 - (xvii) Assistance in establishing pilot plants and experimental factories and in obtaining the supply of industrial inputs otherwise unavailable, to initiate industries which are likely to mature quickly;
 - (xviii) Organization, as appropriate, of seminars and workshops on specific aspects and problems of industrial development;
 - (g) Assistance may be provided to Governments at their request in the preparation of their projects through appropriate means, including the sending of field missions or experts. To this end, the secretariat should urgently develop the requisite technical capacity;
 - (h) The United Nations Industrial Development Organization shall co-operate with the United Nations regional economic commissions and the United Nations Economic and Social Office in Beirut, assist the regional and subregional economic groupings and co-operate with them at the request of the Governments concerned in the elaboration and/or implementation of national or multinational programmes and projects in the developing countries;
 - (i) As appropriate, assistance should be provided pursuant to the provisions for co-ordination and co-operation contained in General Assembly resolution 2152 (XXI);
3. *Requests* the Executive Director to present future work programmes of the United Nations Industrial Development Organization on the basis of the following considerations, taking into account the need to develop gradually the central co-ordinating role of the Organization in the field of industrial development:
- (a) The work programmes should be in a form which will enable the Industrial Development Board to have an over-all view, in budgetary terms, of the operational and headquarters activities of the United Nations Industrial Development Organization and hence to consider their budgetary implications;
 - (b) The same framework should be used for presenting summary reports on earlier activities of the United Nations Industrial Development Organization and future trends, in order to enable the Industrial Development Board to follow, year by year, the over-all evolution of these activities;
 - (c) The framework for presenting the work programme should, in particular, indicate clearly the breakdown:
 - (i) Among the fields of activity in broad categories in the recipient countries;
 - (ii) Among the various types of activities, comprising on the one hand operational activities (technical assistance measured in man-months or in scholarships and fellowships, studies and services or other operations measured in monetary units) and on the other hand headquarters activities, which are considered as supporting the operational activities (management and control of operational projects, dissemination of information, general studies and research and general administration);
 - (iii) Among sources of finance, distinguishing between the United Nations Industrial Development Organization's own resources and other funds and programmes of the United Nations system;
 - (d) This presentation should enable the Industrial Development Board in particular to:
 - (i) Obtain a clear view of the relationship between the field of activities, the type of activities and financial resources;

- (ii) See the relationship between the total amount of the operational budget and that of the administrative budget;
- (iii) See to what extent the headquarters activities are serving more or less directly to support the operational activities;
- (iv) Gain a clear picture of the level achieved in the co-ordination of all industrial development activities within the United Nations System;

4. Approves the programme of work contained in the report submitted by the Executive Director (ID/B/4), subject to such changes as may be deemed appropriate by him in the light of the guidelines indicated in paragraph 2 above.

*35th plenary meeting,
4 May 1967.*

2 (I). FINANCIAL QUESTIONS

The Industrial Development Board,

Recalling the provisions of General Assembly resolution 2152 (XXI) of 17 November 1966,

Convinced that the autonomy and effectiveness of the United Nations Industrial Development Organization can be better ensured if it also has its own independent financial resources,

Desirous of making available to the new organization all such means as may enable it to make an effective and efficient beginning, especially in its operational activities,

Noting the important role of the United Nations regular programme of technical assistance as a promotional instrument in broadening the direct assistance provided to the developing countries in the field of industrial development,

Recognizing that it is necessary to revise the provisions governing the United Nations regular programme of technical assistance with a view to:

(a) Increasing the level of the allocations to industrial development projects within the total appropriations under part V of the regular budget;

(b) Providing for separate programming and approval of these allocations,

1. Invites the Secretary-General of the United Nations to convene an annual pledging conference in accordance with section II, paragraph 23 (a), of General Assembly resolution 2152 (XXI), the first such conference to be convened during the twenty-third session of the General Assembly;

2. Recommends to the General Assembly to take appropriate action at its twenty-second session:

(a) To establish a separate section in part V of the United Nations budget to provide for the programme of technical assistance in industrial development at an appropriate level commensurate with the expanding requirements of the developing countries;

(b) To amend General Assembly resolution 2029 (XX) of 22 November 1965 so as to enable the Industrial Development Board to consider and approve the projects and programmes in the field of industrial development undertaken through the utilization of the resources thus appropriated, and to provide general policy guidance and direction with reference to the utilization of these resources.

*36th plenary meeting,
4 May 1967.*

Annex IX

LIST OF DOCUMENTS BEFORE THE INDUSTRIAL DEVELOPMENT BOARD AT ITS FIRST SESSION

General series

ID/B/1	Provisional agenda
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- ID/B/L.28 India, Pakistan and United Arab Republic: amendment to document ID/B/L.26
 ID/B/L.29 Statement made by Mr. Myer Cohen, Assistant Administrator and Director, Bureau of Operations and Programming of UNDP, at the 22nd meeting of the Industrial Development Board on 28 April 1967

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- ID/B/RES/1 (I) Future programme of work and activities of the United Nations Industrial Development Organization^f
 ID/B/RES/2 (I) Financial questions^f

Information series

- ID/B/INF.1 List of documents
 ID/B/INF.2 Explanatory note by the Executive Director on the agenda adopted by the Industrial Development Board, 10 April 1967
 ID/B/INF.3 List and representatives and observers^g
 ID/B/INF.4 Check list of documents issued in connexion with the first session of the Industrial Development Board

^a See annex III.
^b See annex VI.
^c See annex V.
^d See annex IV.
^e See annex VII.
^f See annex VIII.
^g See annex I.