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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Report of the Second Committee

Rapporteur: Mr. Luis LASCARRO (Colombia)

1. At its 2237th plenary meeting, on 21 September 1974, the General Assembly allocated to the Second Committee agenda item 43, entitled:

"United Nations Industrial Development Organization:

"(a) Report of the Industrial Development Board;

"(b) Second General Conference of the United Nations Industrial Development Organization: report of the Executive Director;

"(c) Establishment of a United Nations industrial development fund: report of the Secretary-General".

2. The Second Committee considered the item at its 1614th to 1618th meetings, and at its 1631st and 1633rd meetings, on 23, 24, 25 and 28 October and on 15 and 19 November 1974. An account of the discussions of the Committee is contained in the relevant summary records (A/C.2/SR.1614-1618, 1631 and 1633).

3. At its 1614th meeting, on 23 October, the Committee heard an introductory statement by the representative of the Executive Director of the United Nations Industrial Development Organization.

4. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Industrial Development Board on its eighth session; 1/

1/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 16 (A/9616).

(b) Report of the Executive Director on the Second General Conference of the United Nations Industrial Development Organization (A/9663);

(c) Report of the Secretary-General on the establishment of a United Nations industrial development fund (A/9792);

(d) Report of the Secretary-General on the question of the separate preparation and submission of the programme and budget of the United Nations Industrial Development Organization and of administrative autonomy for the United Nations Industrial Development Organization (A/C.5/1616 and Corr.1);

(e) Report and conclusions of the Ad Hoc Committee on Long-Range Strategy for UNIDO (ID/B/142 and Corr.1);

(f) Report of the intergovernmental Preparatory Committee for the Second General Conference of UNIDO on the work of its third and fourth sessions (ID/B/145);

(g) Chapter IV, section L, of the report of the Economic and Social Council on the work of its fifty-sixth and fifty-seventh sessions, 2/

5. At the 1631st meeting, on 15 November, on the proposal made by the representative of Nigeria at the 1618th meeting, on 28 October, the Committee decided to authorize the Chairman of the Committee to transmit to the Chairman of the Fifth Committee, through the President of the General Assembly, its decision to recommend that the reports of the Secretary-General, as contained in documents A/9792 and A/C.5/1616 and Corr.1, be transmitted to the Second General Conference of the United Nations Industrial Development Organization so that the question of autonomy for UNIDO and its institutional relationship with other organs of the United Nations system could be considered in all its aspects at the Conference.

I

6. At the 1631st meeting, on 15 November, the Committee adopted, without a vote, a draft resolution, proposed by the Chairman (A/C.2/L.1362), entitled "Revision of the lists of States eligible for membership in the Industrial Development Board" (see para. 19 below, draft resolution I).

II

7. At the 1615th meeting, on 24 October, the representative of Peru, on behalf of Algeria, Argentina, Brazil, Colombia, Cuba, Ecuador, Egypt, Guyana, India, Indonesia, Iran, Iraq, Jamaica, Kenya, Kuwait, Mexico, the Niger, Panama, Peru, the Philippines, Romania, Rwanda, the Sudan, Tunisia, the Upper Volta, Venezuela, Yugoslavia and Zambia, introduced a draft resolution (A/C.2/L.1352) entitled "Second General Conference of the United Nations Industrial Development Organization". Subsequently Afghanistan, Bangladesh, Bolivia, Burundi, the Central African Republic, Chad, Chile, Cyprus, Dahomey, Democratic Yemen, Ethiopia, Gabon,

2/ Ibid., Supplement No. 3 (A/9603).

Grenada, Jordan, Lesotho, Liberia, the Libyan Arab Republic, Madagascar, Mali, Nepal, Pakistan, Paraguay, the Syrian Arab Republic, Thailand, Togo, Turkey, Uganda, the United Republic of Tanzania and Uruguay joined in sponsoring the draft resolution, which read as follows:

"The General Assembly,

"Recalling its resolution 2152 (XXI) of 17 November 1966 on the United Nations Industrial Development Organization,

"Recalling also its resolution 2952 (XXVII) of 11 December 1972 on the Second General Conference of the United Nations Industrial Development Organization,

"Recalling further its resolution 3087 B (XXVIII) of 6 December 1973 recommending that the Second General Conference of the United Nations Industrial Development Organization should examine co-operation of developed and developing countries, as well as co-operation among the developing countries themselves, in the process of industrialization, with a view towards establishing the basic principles for an international declaration on industrial development and co-operation, and with the aim of defining a comprehensive plan of action for assisting the developing countries, in particular the least developed among them, in their efforts to accelerate their industrialization and achieve a more equitable share of industrial activity in the context of a new international division of labour related to industry,

"Bearing in mind its resolution 3202 (S-VI) which solemnly proclaimed the united determination of the Members of the United Nations to work urgently for the establishment of a New International Economic Order,

"Bearing in mind also that the Programme of Action on the Establishment of a New International Economic Order set forth in its resolution 3202 (S-VI) recommended that all efforts should be made by the international community to take measures to encourage the industrialization of the developing countries with a view to increasing their share in world industrial production, as envisaged in the International Development Strategy,

"Considering the important role of the Second General Conference of the United Nations Industrial Development Organization, which will be held at Lima from 12 to 26 March 1975, as the highest forum for defining policies for international co-operation in the field of industrial development,

"1. Takes note with appreciation of the report of the Industrial Development Board on the work of its eighth session 3/ as well as of the report of the Preparatory Committee of the Second General Conference of the United Nations Industrial Development Organization; 4/

3/ Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 16 (A/9616).

4/ ID/B/145.

"2. Urges Member States to make maximum efforts, both in their preparatory work for the Second General Conference, as well as during its proceedings, to ensure the success of the Conference and to outline specific measures for the implementation of the Programme of Action on the Establishment of a New International Economic Order in respect of international co-operation for the industrial development of the developing countries;

"3. Agrees that a fundamental objective of the Second General Conference of the United Nations Industrial Development Organization is to contribute to the establishment of a New International Economic Order through the adoption of an international declaration and the definition of a plan of action to promote and lay down guidelines for renewed and strengthened co-operation for the promotion of the industrial development of the developing countries, while respecting their independence, sovereignty, national objectives and their right to dispose freely of their natural resources; the process of industrialization shall ensure social justice, through patterns of consumption which satisfy the genuine and fundamental needs of the whole population, making them full participants in the process and benefits of development;

"4. Agrees further that the plan of action to be defined at the Second General Conference of the United Nations Industrial Development Organization should, inter alia, establish measures in support of industrial co-operation between developed and developing countries and between the developing countries themselves, including schemes of concerted action among Member States; define quantitative targets to achieve the goal of substantially higher participation of the developing countries in world industrial production and the establishment of appropriate machinery for their implementation;

"5. Considers that the plan of action for industrial development to be adopted by the Second General Conference of the United Nations Industrial Development Organization should include measures to assist developing countries to increase significantly their industrial development, including their installed capacity, as a means of expanding their trade in manufactures and semi-manufactures, processing their basic commodities and raw materials and contributing, inter alia, to the development of their agro-industrial capacity, bearing in mind that the industrialization of the developing countries should be based on technologies appropriate to their particular conditions and needs in accordance with the most efficient utilization of the natural and human resources available to each country or group of countries, as defined in their own development plans and priorities;

"6. Urges the Second General Conference of the United Nations Industrial Development Organization, on the basis of the plan of action, to decide on measures necessary to strengthen the United Nations Industrial Development Organization within the United Nations system and expand its activities in order to enable it to develop an effective institutional framework consistent with the requirements of the developing countries and the role of industry within the New International Economic Order;

"7. Invites Member States to ensure that their participation in the Second General Conference of the United Nations Industrial Development Organization is at the highest possible level of governmental representation;

"8. Requests the Secretary-General to submit to the Second General Conference of the United Nations Industrial Development Organization a comprehensive report on the role of the United Nations system in implementing the New International Economic Order in the field of industrialization."

8. At the 1633rd meeting, on 19 November, the representative of the Sudan, on behalf of Afghanistan, Algeria, Argentina, Bangladesh, Bolivia, Brazil, Burundi, the Central African Republic, Chad, Chile, Cuba, Dahomey, Democratic Yemen, Ecuador, Egypt, Ethiopia, Gabon, Grenada, Guinea, Guyana, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kenya, Kuwait, Lesotho, Liberia, the Libyan Arab Republic, Madagascar, Malaysia, Mali, Mexico, Nepal, the Niger, Pakistan, Panama, Paraguay, Peru, the Philippines, Romania, Rwanda, the Sudan, the Syrian Arab Republic, Thailand, Togo, Tunisia, Turkey, Uganda, the United Republic of Tanzania, the Upper Volta, Uruguay, Venezuela, Yugoslavia, Zaire and Zambia, subsequently joined by the United Arab Emirates, introduced a revised draft resolution (A/C.2/L.1352/Rev.1) which incorporated the following changes;

(a) The replacement of the reference to resolution 3202 (S-VI) by a reference to resolution 3201 (S-VI) in the fourth preambular paragraph;

(b) The replacement of the words "their right to dispose freely of their natural resources" by the words "their right to take full advantage of and to use freely their natural resources" in operative paragraph 3;

(c) The replacement of operative paragraph 4 by the following text:

"4. Agrees further that the plan of action to be defined at the Second General Conference of the United Nations Industrial Development Organization should, inter alia, establish measures in support of industrial co-operation between developed and developing countries and between the developing countries themselves, including schemes of concerted action among Member States; identify and define appropriate quantitative targets to achieve the goal of substantially higher participation of the developing countries in world industrial production and establish appropriate machinery for their implementation; and in this context, special attention should be paid to the least developed among the developing countries";

(d) The addition of the word "concrete" between the words "include" and "measures" and of the words "the most advanced" between the words "based on" and "technologies" in operative paragraph 5;

(e) The rewording of operative paragraph 6 to read as follows:

"6. Urges the Second General Conference of the United Nations Industrial Development Organization, on the basis of the plan of action, to decide on measures necessary to strengthen the United Nations Industrial

Development Organization, within the United Nations system, to enable it to develop into an effective institutional framework in order to expand its activities in a manner consistent with the requirements of the developing countries and the role of their industrialization within a new international economic order";

(f) The addition of the words "in consultation with the Executive Director of UNIDO" between the words "Secretary-General" and "to submit" in operative paragraph 8 and the replacement of the words "implementing the" by the words "establishing a".

9. In introducing the revised draft resolution (A/C.2/L.1352/Rev.1), the representative of the Sudan also announced that the draft resolution (A/C.2/L.1379) submitted earlier on this subject had been withdrawn.

10. At the same meeting, the representative of the United States of America orally proposed an amendment calling for the replacement of the words "their right to take full advantage of and to use freely their natural resources" by the words "their permanent sovereignty over their natural resources" in operative paragraph 3.

11. At the same meeting, the representative of the Libyan Arab Republic orally proposed a revision to operative paragraph 4 of the revised draft resolution (A/C.2/L.1352/Rev.1) calling for the deletion of the words "identify and" between the words "Member States" and "define" and the word "appropriate" between the words "define" and "quantitative".

12. At the same meeting, the representative of New Zealand proposed an oral amendment calling for the retention of the words "identify and" and "appropriate" in operative paragraph 4 of the revised draft resolution (A/C.2/L.1352/Rev.1).

13. At the same meeting, the Committee proceeded to vote on the revised draft resolution (A/C.2/L.1352/Rev.1) and on the amendments thereto as follows:

(a) The Committee rejected the oral amendment to operative paragraph 3 proposed by the representative of the United States of America (see para. 10 above) by 84 votes to 12, with 15 abstentions;

(b) The Committee rejected the oral amendment to operative paragraph 4 proposed by the representative of New Zealand (see para. 12 above) by 82 votes to 22, with 11 abstentions;

(c) The Committee took a separate vote on operative paragraph 4 at the request of the representative of the United Kingdom of Great Britain and Northern Ireland. It retained operative paragraph 4, as orally revised, by a roll-call vote of 102 to 3, with 20 abstentions. The voting was as follows:

In favour: Afghanistan, Albania, Algeria, Argentina, Bahamas, Bahrain, Bangladesh, Barbados, Bhutan, Bolivia, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian SSR, Central African Republic, Chad, Chile, China, Costa Rica, Cuba, Czechoslovakia, Dahomey, Democratic Yemen, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Fiji, Gabon, Gambia, German Democratic Republic, Ghana, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, India, Indonesia, Iran, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Khmer Republic, Kuwait, Laos, Lesotho, Liberia, Libyan Arab Republic, Madagascar, Malawi, Malaysia, Mali, Malta, Mexico, Mongolia, Morocco, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Qatar, Romania, Rwanda, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian SSR, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Germany (Federal Republic of), United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Australia, Austria, Belgium, Canada, Colombia, Denmark, Finland, France, Greece, Iceland, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden.

(d) The Committee adopted the draft resolution (A/C.2/L.1352/Rev.1), as a whole, as orally revised, by 120 votes to none, with 5 abstentions (see para. 19 below, draft resolution II).

14. At the 1633rd meeting, on 19 November, the representative of Algeria, on behalf of the sponsors of the revised draft resolution (A/C.2/L.1352/Rev.1), informed the Committee that, in voting against the amendment proposed by the United States of America, the sponsors had in no way wished to raise doubts about their support for the principle of the permanent sovereignty of States over their natural resources, a principle which they had consistently upheld. The United States amendment was very inadequate since it confined itself to stating a principle whereas the concern of the sponsors was to translate that principle into reality, inter alia, through respect for the right of developing countries to dispose freely of their natural resources and to take full advantage of their exploitation.

III

15. At the 1618th meeting, on 28 October, the representative of Egypt, on behalf of Afghanistan, Argentina, Bolivia, Botswana, Brazil, Burundi, Democratic Yemen, the Dominican Republic, Egypt, Ethiopia, Gabon, India, Iran, Kenya, the Niger, Pakistan, Paraguay, Peru, the Philippines, Rwanda, the Sudan, Tunisia, Uganda and the Upper Volta, introduced a draft resolution (A/C.2/L.1361), entitled "Establishment of a United Nations industrial development fund", which read as follows:

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"The General Assembly,

"Recalling its resolution 2152 (XXI) of 17 November 1966 on the establishment of the United Nations Industrial Development Organization, to assist the developing countries in accelerating their industrialization,

"Recalling also its resolution 3086 (XXVIII) which requested the Secretary-General to prepare a report on the question of the establishment of a United Nations Industrial Development Fund,

"Recalling further resolution 1909 (LVII) of the Economic and Social Council of 2 August 1974 particularly its operative paragraph 3,

"Bearing in mind that the Programme of Action on the Establishment of a New International Economic Order set forth in its resolution 3202 (S-VI) recommended that all efforts should be made by the international community to take measures to encourage the industrialization of the developing countries,

"Convinced that, in order to achieve effective international co-operation in the field of industrial development, additional financial resources are required,

"1. Takes note with appreciation of the report of the Secretary-General on the establishment of a United Nations Industrial Development Fund (A/9792);

"2. Requests the Second General Conference of the United Nations Industrial Development Organization to consider the establishment of an Industrial Development Fund, financed on the basis of voluntary contributions, and to lay down the basic guidelines for its functioning."

16. At the 1633rd meeting, on 19 November, Mr. I. Hamid (Sudan), Vice-Chairman of the Committee, introduced a draft resolution (A/C.2/L.1381) entitled "Establishment of a United Nations industrial development fund" on the basis of his consultations on the draft resolution contained in document A/C.2/L.1361.

17. Draft resolution A/C.2/L.1361 (see para. 15 above) was consequently withdrawn.

18. At the same meeting, the Committee adopted the draft resolution (A/C.2/L.1381) without a vote (see para. 19 below, draft resolution III).

RECOMMENDATIONS OF THE SECOND COMMITTEE

19. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

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DRAFT RESOLUTION I

Revision of the lists of States eligible for membership in
the Industrial Development Board

The General Assembly,

Recalling section II, paragraph 4, of its resolution 2152 (XXI) of 17 November 1966 on the United Nations Industrial Development Organization,

Decides to include Grenada in list C and Guinea-Bissau in list A of the annex to its resolution 2152 (XXI).

DRAFT RESOLUTION II

Second General Conference of the United Nations Industrial
Development Organization

The General Assembly,

Recalling its resolution 2152 (XXI) of 17 November 1966 on the United Nations Industrial Development Organization,

Recalling also its resolution 2952 (XXVII) of 11 December 1972 on the Second General Conference of the United Nations Industrial Development Organization,

Recalling further its resolution 3087 B (XXVIII) of 6 December 1973 recommending that the Second General Conference of the United Nations Industrial Development Organization should examine co-operation of developed and developing countries, as well as co-operation among the developing countries themselves, in the process of industrialization, with a view towards establishing the basic principles for an international declaration on industrial development and co-operation, and with the aim of defining a comprehensive plan of action for assisting the developing countries, in particular the least developed among them, in their efforts to accelerate their industrialization and achieve a more equitable share of industrial activity in the context of a new international division of labour related to industry,

Bearing in mind its resolution 3201 (S-VI) of 1 May 1974 in which it solemnly proclaimed the united determination of the Members of the United Nations to work urgently for the establishment of a new international economic order,

Bearing in mind also that the Programme of Action on the Establishment of a New International Economic Order, set forth in its resolution 3202 (S-VI) of 1 May 1974, recommended that all efforts should be made by the international community to take measures to encourage the industrialization of the developing countries with a view to increasing their share in world industrial production, as envisaged in the International Development Strategy for the Second United Nations Development Decade, 5/

5/ General Assembly resolution 2626 (XXV).

Considering the important role of the Second General Conference of the United Nations Industrial Development Organization, which will be held at Lima from 12 to 26 March 1975, 6/ as the highest forum for defining policies for international co-operation in the field of industrial development,

1. Takes note with appreciation of the report of the Industrial Development Board on the work of its eighth session 7/ as well as of the report of the Preparatory Committee for the Second General Conference of the United Nations Industrial Development Organization; 8/

2. Urges Member States to make maximum efforts, both in their preparatory work for the Second General Conference and during its proceedings, to ensure the success of the Conference and to outline specific measures for the implementation of the Programme of Action on the Establishment of a New International Economic Order in respect of international co-operation for the industrial development of the developing countries;

3. Agrees that a fundamental objective of the Second General Conference of the United Nations Industrial Development Organization is to contribute to the establishment of a new international economic order through the adoption of an international declaration and the definition of a plan of action to promote and lay down guidelines for renewed and strengthened co-operation for the promotion of the industrial development of the developing countries, while respecting their independence, sovereignty, national objectives and their right to take full advantage of and to use freely their natural resources, and that the process of industrialization shall ensure social justice, through patterns of consumption which satisfy the genuine and fundamental needs of the whole population, making them full participants in the process and benefits of development;

4. Agrees further that the plan of action to be defined at the Second General Conference of the United Nations Industrial Development Organization should, inter alia, establish measures in support of industrial co-operation between developed and developing countries and between the developing countries themselves, including schemes of concerted action among Member States, define quantitative targets to achieve the goal of substantially higher participation of the developing countries in world industrial production and establish appropriate machinery for their implementation, and that, in this context, special attention should be paid to the least developed among the developing countries;

5. Considers that the plan of action for industrial development to be adopted by the Second General Conference of the United Nations Industrial Development Organization should include concrete measures to assist developing

6/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 16 (A/9016), paras. 45-55.

7/ Ibid., Twenty-ninth Session, Supplement No. 16 (A/9616).

8/ ID/B/145.

countries in increasing significantly their industrial development, including their installed capacity, as a means of expanding their trade in manufactures and semi-manufactures, processing their basic commodities and raw materials and contributing, inter alia, to the development of their agro-industrial capacity, bearing in mind that the industrialization of the developing countries should be based on the most advanced technologies appropriate to their particular conditions and needs in accordance with the most efficient utilization of the natural and human resources available to each country or group of countries, as defined in their own development plans and priorities;

6. Urges the Second General Conference of the United Nations Industrial Development Organization, on the basis of the plan of action, to decide on measures necessary to strengthen the United Nations Industrial Development Organization, within the United Nations system, to enable it to develop into an effective institutional framework in order to expand its activities in a manner consistent with the requirements of the developing countries and the role of their industrialization within a new international economic order;

7. Invites Member States to ensure that their participation in the Second General Conference of the United Nations Industrial Development Organization is at the highest possible level of governmental representation;

8. Requests the Secretary-General, in consultation with the Executive Director of the United Nations Industrial Development Organization, to submit to the Second General Conference a comprehensive report on the role of the United Nations system in establishing a new international economic order in the field of industrialization.

DRAFT RESOLUTION III

Establishment of a United Nations industrial development fund

The General Assembly,

Recalling its resolution 2152 (XXI) of 17 November 1966 on the establishment of the United Nations Industrial Development Organization to assist the developing countries in accelerating their industrialization,

Recalling also its resolution 3086 (XXVIII) of 6 December 1973, in which it requested the Secretary-General to prepare a report on the question of the establishment of a United Nations industrial development fund,

Recalling further Economic and Social Council resolution 1909 (LVII) of 2 August 1974, particularly its paragraph 3,

Bearing in mind that in the Programme of Action on the Establishment of a New International Economic Order, set forth in its resolution 3202 (S-VI) of 1 May 1974,

/...

it recommended that all efforts should be made by the international community to take measures to encourage the industrialization of the developing countries,

Convinced that, in order to achieve effective international co-operation in the field of industrial development, additional financial resources are required,

1. Takes note with appreciation of the report of the Secretary-General on the establishment of a United Nations industrial development fund; 9/
2. Requests the Second General Conference of the United Nations Industrial Development Organization to consider the establishment of an industrial development fund to be financed on the basis of voluntary contributions, including the basic guidelines for its functioning.
