

CANADIAN MISSION TO THE UNITED NATIONS

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Statement No. 55

United Nations Industrial Development Organization  
Report of the Industrial Development Board

Text of Statement made by the Canadian Representative,  
Mr. Bruce Rankin, on Draft Resolution in Document  
A/C.2/L.959 on October 26, 1967.

My delegation has listened with interest to the statement you have just made concerning the draft resolution in document A/C.2/L.959, relating to the jurisdiction of the Committee and the Fifth Committee. We continue to believe that it would have been preferable for the whole draft resolution to be considered in the Fifth Committee.

I should, however, add that my delegation is not able to support either the draft resolution in document A/C.2/L.959 or the amendment to operative paragraph 3 suggested by the Soviet Union a few days ago. Canadian delegations to the first session of the Industrial Development Board and to the forty-third session of ECOSOC have already explained the reasons why we are convinced that nothing is to be gained and, indeed, something is to be lost through the introduction, into section V of the regular budget, of a specific allocation for industrial development. United Nations assistance programmes have been firmly founded on the principle that projects will be undertaken in response to country requests. Originally, another system was attempted whereby funds were allocated for specific activities and the freedom of recipient governments to choose what projects they wanted was accordingly limited. This system was found unsatisfactory and abolished. At its summer session in 1964, ECOSOC reduced the number of sections in Part V of the regular budget from five to three. The Council took this decision after consulting recipient governments. Fifty-four such governments replied to an enquiry from the Secretary-General about their preferences between a system where Part V funds would be spent solely on the basis of priorities assigned by the recipient countries and a system whereby a framework would be determined by assigned sections. Forty-six of the fifty-four developing countries who replied to the Secretary-General's query favoured the country request system.

It would be most unfortunate if this session of the General Assembly were to take a step which could lead backwards to that earlier system which was found unsatisfactory. The introduction of specific allocations within section V of the regular budget can only lead to rigidities and a fragmentation of effort which can be to no country's benefit.



We in Canada had this position of principle in mind when our delegation to the first session of the IDB voted against resolution 2(1). I want to emphasize that this is a question of principle. We fully share the general concern to see the industrial advancement of the developing countries. We realize that the co-sponsors have in mind the understandable desire to see UNIDO assured of certain regular budget funds so as to be able to respond readily to requests for industrial development assistance. But significant amounts of the regular budget **technical** assistance programme already go to industrial projects. There is no question that large amounts of such funds will continue to be used in the future for industrial development projects. However, the number of requests in any one year will naturally fluctuate and we do not see what can be gained by attempting to make such an amount a specific sum. Indeed, it is possible that more funds might be assigned for industrial development in any one year than could in fact be spent. Under the proposed system, such money would not then be available for other projects. Finally, operative paragraphs two and three of the draft resolution would reduce the ability of the Governing Council of the UNDP to see technical assistance under the regular budget as a whole or to relate the regular programme to the wider activities of the UNDP. For all these reasons the Canadian delegation is unable to support the draft resolution now before us.

Perhaps I should conclude by supporting the comment of the ACABQ in document A/6707 that, "should the General Assembly decide to take the action recommended by the Industrial Development Board, the provision for the programme of technical assistance in industrial development will be included in the totality of the estimate under part V, and that the constituent sections of Part V will continue to be administered as a whole so that it might be easy to accommodate programme changes arising during the operational year."

