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**Constitution of the United Nations Industrial Development
Organization**

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Presented to Dáil Éireann by the Minister for Foreign Affairs

CONSTITUTION OF THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Preamble

The States Parties to this Constitution,

In conformity with the Charter of the United Nations

Bearing in mind the broad objectives in the resolutions adopted by the sixth special session of the General Assembly of the United Nations on the establishment of a New International Economic Order,¹ in the UNIDO Second General Conference's Lima Declaration and Plan of Action for Industrial Development and Co-operation,² and in the resolution of the seventh special session of the General Assembly of the United Nations on Development and International Economic Co-operation,³

Declaring that:

It is necessary to establish a just and equitable economic and social order to be achieved through the elimination of economic inequalities, the establishment of rational and equitable international economic relations, implementation of dynamic social and economic changes and the encouragement of necessary structural changes in the development of the world economy.

Industrialization is a dynamic instrument of growth essential to rapid economic and social development, in particular of developing countries, to the improvement of the living standards and the quality of life of the peoples in all countries, and to the introduction of an equitable economic and social order,

It is the sovereign right of all countries to achieve their industrialization, and any process of such industrialization must conform to the broad objectives of self-sustaining and integrated socio-economic development, and should include the appropriate changes which would ensure the just and effective participation of all peoples in the industrialization of their countries,

As international co-operation for development is the shared goal and common obligation of all countries it is essential to promote industrialization through all possible concerted measures including the development, transfer and adaptation of technology on global, regional and national, as well as on sectoral levels,

All countries, irrespective of their social and economic systems, are determined to promote the common welfare of their peoples by individual and collective actions aimed at expanding international economic co-operation on the basis of sovereign equality, strengthening of the economic independence of the developing countries, securing their equitable share in total world industrial production and contributing to international peace and security and the prosperity of all nations, in conformity with the purposes and principles of the Charter of the United Nations,

Mindful of these guidelines,

Desiring to establish, within the terms of Chapter IX of the Charter of the United Nations, a specialized agency to be known as the United Nations Industrial Development Organization (UNIDO) (hereinafter referred to as the “Organization”), which 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, in conformity with the responsibilities of the Economic and Social Council under the Charter of the United Nations and with the applicable relationship agreements, hereby

AGREE to the present Constitution.

CHAPTER I OBJECTIVES AND FUNCTIONS

Article 1 Objectives

The primary objective of the Organization shall be the promotion and acceleration of industrial development in the developing countries with a view to assisting in the establishment of a new international economic order. The Organization shall also promote industrial development and co-operation on global, regional and national, as well as on sectoral levels.

Article 2 Functions

In fulfilment of its foregoing objectives, the Organization shall generally take all necessary and appropriate action, and in particular shall:

- (a) Encourage and extend, as appropriate, assistance to the developing countries in the promotion and acceleration of their industrialization, in particular in the development, expansion and modernization of their industries;
- (b) In accordance with the Charter of the United Nations, initiate, co-ordinate and follow up the activities of the United Nations system with a view to enabling the Organization to play the central co-ordinating role in the field of industrial development;
- (c) Create new and develop existing concepts and approaches in respect of industrial development on global, regional and national, as well as on sectoral levels, and carry out studies and surveys with a view to formulating new lines of action directed towards harmonious and balanced industrial development, with due consideration for the methods employed by countries with different socio-economic systems for solving industrialization problems;
- (d) Promote and encourage the development and use of planning techniques, and assist in the formulation of development, scientific and technological programmes and plans for industrialization in the public, co-operative and private sectors;

- (e) Encourage and assist in the development of an integrated and inter-disciplinary approach towards the accelerated industrialization of the developing countries;
- (f) Provide a forum and act as an instrument to serve the developing countries and the industrialized countries in their contacts, consultations and, at the request of the countries concerned, negotiations directed towards the industrialization of the developing countries;
- (g) Assist the developing countries in the establishment and operation of industries, including agro-related as well as basic industries, to achieve the full utilization of locally available natural and human resources and the production of goods for domestic and export markets, as well as contribute to the self-reliance of these countries;
- (h) Serve as a clearing-house for industrial information and accordingly collect and monitor on a selective basis, analyse and generate for the purpose of dissemination information on all aspects of industrial development on global, regional and national, as well as on sectoral levels including the exchange of experience and technological achievements of the industrially developed and the developing countries with different social and economic systems;
- (i) Devote particular attention to the adoption of special measures aimed at assisting the least-developed, land-locked, and island developing countries, as well as those developing countries most seriously affected by economic crises and natural calamities, without losing sight of the interest of the other developing countries;
- (j) Promote, encourage and assist in the development, selection, adaptation, transfer and use of industrial technology, with due regard for the socio-economic conditions and the specific requirements of the industry concerned, with special reference to the transfer of technology from the industrialized to the developing countries as well as among the developing countries themselves;
- (k) Organize and support industrial training programmes aimed at assisting the developing countries in the training of technical and other appropriate categories of personnel needed at various phases for their accelerated industrial development;
- (l) Advise on and assist, in close co-operation with the appropriate bodies of the United Nations, specialized agencies and the International Atomic Energy Agency, the developing countries in the exploitation, conservation and local transformation of their natural resources for the purpose of furthering the industrialization of developing countries;
- (m) Provide pilot and demonstration plans for accelerating industrialization in particular sectors;
- (n) Develop special measures designed to promote co-operation in the industrial field among developing countries and between the developed and developing countries;

(o) Assist, in co-operation with other appropriate bodies, the regional planning of industrial development of the developing countries within the framework of regional and subregional groupings among those countries;

(p) Encourage and promote the establishment and strengthening of industrial, business and professional associations, and similar organizations which would contribute to the full utilization of the internal resources of the developing countries with a view to developing their national industries;

(q) Assist in the establishment and operation of institutional infrastructure for the provision of regulatory, advisory and development services to industry;

(r) Assist, at the request of Governments of the developing countries, in obtaining external financing for specific industrial projects on fair, equitable and mutually acceptable terms.

CHAPTER II PARTICIPATION

Article 3 Members

Membership in the Organization is open to all States which associate themselves with the objectives and principles of the Organization:

(a) States members of the United Nations or of a specialized agency or of the International Atomic Energy Agency may become Members of the Organization by becoming parties to this Constitution in accordance with Article 24 and paragraph 2 of Article 25;

(b) States other than those referred to in subparagraph (a) may become Members of the Organization by becoming parties to this Constitution in accordance with paragraph 3 of Article 24 and subparagraph 2 (c) of Article 25, after their membership has been approved by the Conference, by a two-thirds majority of the Members present and voting, upon the recommendation of the Board.

Article 4 Observers

1. Observer status in the Organization shall be open, upon request, to those enjoying such status in the General Assembly of the United Nations, unless the Conference decides otherwise.

2. Without prejudice to paragraph 1, the Conference has the authority to invite other observers to participate in the work of the Organization.

3. Observers shall be permitted to participate in the work of the Organization in accordance with the relevant rules of procedure and the provisions of this Constitution.

Article 5
Suspension

1. Any Member of the Organization that is suspended from the exercise of the rights and privileges of membership of the United Nations shall automatically be suspended from the exercise of the rights and privileges of membership of the Organization.
2. Any Member that is in arrears in the payment of its financial contributions to the Organization shall have no vote in the Organization if the amount of its arrears equals or exceeds the amount of the assessed contributions due from it for the preceding two fiscal years. Any organ may, nevertheless, permit such a Member to vote in that organ if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

Article 6
Withdrawal

1. A Member may withdraw from the Organization by depositing an instrument of denunciation of this Constitution with the Depositary.
2. Such withdrawal shall take effect on the last day of the fiscal year following that during which such instrument was deposited.
3. The contributions to be paid by the withdrawing Member for the fiscal year following that during which such instrument was deposited shall be the same as the assessed contributions for the fiscal year during which such deposit was effected. The withdrawing Member shall in addition fulfil any unconditional pledges it made prior to such deposit.

CHAPTER I
ORGANS

Article 7
Principles and Subsidiary Organs

1. The principal organs of the Organization shall be:
 - (a) The General Conference (referred to as the “Conference”);
 - (b) The Industrial Development Board (referred to as the “Board”);
 - (c) The Secretariat.
2. There shall be established a Programme and Budget Committee to assist the Board in the preparation and examination of the programme of work, the regular budget and the operational budget of the Organization and other financial matters pertaining to the Organization.

3. Other subsidiary organs, including technical committees, may be established by the Conference or the Board, which shall give due regard to the principle of equitable geographical representation.

Article 8 *General Conference*

1. The Conference shall consist of representatives of all Members.
2. (a) The Conference shall hold a regular session every two years, unless it decides otherwise. Special sessions shall be convened by the Director-General at the request of the Board or of a majority of all Members.

(b) Regular sessions shall be held at the seat of the Organization, unless otherwise determined by the Conference. The Board shall determine the place where a special session is to be held.
3. In addition to exercising other functions specified in this Constitution, the Conference shall:
 - (a) Determine the guiding principles and the policies of the Organization;
 - (b) Consider reports of the Board, of the Director-General and of the subsidiary organs of the Conference;
 - (c) Approve the programme of work, the regular budget and the operational budget of the Organization in accordance with Article 14, establish the scale of assessments in accordance with Article 15, approve the financial regulations of the Organization and supervise the effective utilization of the financial resources of the Organization;
 - (d) Have the authority to adopt, by a two-thirds majority of the Members present and voting, conventions or agreements with respect to any matter within the competence of the Organization and to make recommendations to the Members concerning such conventions or agreements;
 - (e) Make recommendations to Members and to international organizations with respect to matters within the competence of the Organization;
 - (f) Take any other appropriate action to enable the Organization to further its objectives and carry out its functions.
4. The Conference may delegate to the Board such of its powers and functions as it may consider desirable, except for those provided for in: Article 3, subparagraph (b); Article 4; Article 8, subparagraphs 3 (a), (b), (c) and (d); Article 9, paragraph 1; Article 10, paragraph 1; Article 11, paragraph 2; Article 14, paragraphs 4 and 6; Article 15; Article 18; Article 23, subparagraphs 2 (b) and 3 (b); and Annex I.
5. The Conference shall adopt its own rules of procedure.

6. Each Member shall have one vote in the Conference. Decisions shall be made by a majority of the Members present and voting unless otherwise specified in this Constitution or in the rules of procedure of the Conference.

Article 9
Industrial Development Board

1. The Board shall consist of 53 Members of the Organization elected by the Conference, which shall give due regard to the principle of equitable geographical distribution. In electing the members of the Board the Conference shall observe the following distribution of seats: 33 members of the Board shall be elected from the States listed in Parts A and C, 15 from the States listed in Part B, and 5 from the States listed in Part D of Annex I to this Constitution.

2. Members of the Board shall hold office from the close of the regular session of the Conference at which they were elected until the close of the regular session of the Conference four years thereafter, except that the members elected at the first session shall hold office from the time of such election and one half shall hold office only until the close of the regular session two years thereafter. Members of the Board may be re-elected.

3. (a) The Board shall hold at least one regular session each year at such times as it may determine. Special sessions shall be convened by the Director-General at the request of a majority of all members of the Board.

(b) Sessions shall be held at the seat of the Organization, unless otherwise determined by the Board.

4. In addition to exercising other functions specified in this Constitution or delegated to it by the Conference, the Board shall:

(a) Acting under the authority of the Conference, review the implementation of the approved programme of work and of the corresponding regular budget and operational budget, as well as of other decisions of the Conference;

(b) Recommend to the Conference a scale of assessments for regular budget expenditures;

(c) Report to the Conference at each regular session on the activities of the Board;

(d) Request Members to furnish information on their activities related to the work of the Organization;

(e) In accordance with the decisions of the Conference and having regard to circumstances arising between sessions of the Board or the Conference, authorize the Director-General to take such measures as the Board deems necessary to meet unforeseen events with due regard to the functions and financial resources of the Organization;

(f) If the office of Director-General becomes vacant between sessions of the Conference, appoint an Acting Director-General to serve until the next regular or special session of the Conference;

(g) Prepare the provisional agenda for the Conference;

(h) Undertake such other functions as may be required to further the objectives of the Organization subject to the limitations stipulated in this Constitution.

5. The Board shall adopt its own rules of procedure.

6. Each member of the Board shall have one vote. Decisions shall be made by a majority of the members present and voting unless otherwise specified in this Constitution or in the rules of procedure of the Board.

7. The Board shall invite any Member not represented on the Board to participate without vote in its deliberations on any matter of particular concern to that Member.

Article 10

Programme and Budget Committee

1. The Programme and Budget Committee shall consist of 27 Members of the Organization elected by the Conference, which shall give due regard to the principle of equitable geographical distribution. In electing the members of the Committee the Conference shall observe the following distribution of seats: 15 members of the Committee shall be elected from the States listed in Parts A and C, 9 from the States listed in Part B, and 3 from the States listed in Part D of Annex I to this Constitution. In designating their representatives to serve on the Committee, States shall take into account their personal qualifications and experience.

2. Members of the Committee shall hold office from the close of the regular session of the Conference at which they were elected until the close of the regular session of the Conference two years thereafter. Members of the Committee may be re-elected.

3. (a) The Committee shall hold at least one session each year. Additional sessions shall be convened by the Director-General at the request of the Board or the Committee.

(b) Sessions shall be held at the seat of the Organization, unless otherwise determined by the Board.

4. The Committee shall:

(a) Perform the functions assigned to it in Article 14;

(b) Prepare the draft scale of assessments for regular budget expenditures, for submission to the Board;

(c) Exercise such other functions with respect to financial matters as may be assigned to it by the Conference or the Board;

(d) Report to the Board at each regular session on all activities of the Committee and submit advice or proposals on financial matters to the Board on its own initiative.

5. The Committee shall adopt its own rules of procedure.

6. Each member of the Committee shall have one vote. Decisions shall be made by a two-thirds majority of the members present and voting.

Article 11 *Secretariat*

1. The Secretariat shall comprise a Director-General, as well as such Deputy Directors- General and other staff as the Organization may require.

2. The Director-General shall be appointed by the Conference upon recommendation of the Board for a period of four years. He may be reappointed for a further term of four years, after which he shall not be eligible for reappointment.

3. The Director-General shall be the chief administrative officer of the Organization. Subject to general or specific directives of the Conference or the Board, the Director-General shall have the over-all responsibility and authority to direct the work of the Organization. Under the authority of and subject to the control of the Board, the Director-General shall be responsible for the appointment, organization and functioning of the staff.

4. In the performance of their duties the Director-General and the staff shall not seek or receive instructions from any government or from any authority external to the Organization. They shall refrain from any action that might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Director-General and the staff and not to seek to influence them in the discharge of their responsibilities.

5. The staff shall be appointed by the Director-General under regulations to be established by the Conference upon recommendation of the Board. Appointments at the level of Deputy Director-General shall be subject to approval by the Board. The conditions of service of staff shall conform as far as possible to those of the United Nations common system. The paramount consideration in the employment of the staff and in determining the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting staff on a wide and equitable geographical basis.

6. The Director-General shall act in that capacity at all meetings of the Conference, of the Board and of the Programme and Budget Committee, and shall perform such other functions as are entrusted to him by these organs. He shall prepare an annual report on the activities of the Organization. In addition, he shall submit to the Conference or to the Board, as appropriate, such other reports as may be required.

CHAPTER IV

PROGRAMME OF WORK AND FINANCIAL MATTERS

Article 12 *Expenses of Delegations*

Each Member and observer shall bear the expenses of its own delegation to the Conference, to the Board or to any other organ in which it may participate.

Article 13 *Composition of Budgets*

1. The activities of the Organization shall be carried out in accordance with its approved programme of work and budgets.
2. The expenditures of the Organization shall be divided into the following categories:
 - (a) Expenditures to be met from assessed contributions (referred to as the “regular budget”); and
 - (b) Expenditures to be met from voluntary contributions to the Organization, and such other income as may be provided for in the financial regulations (referred to as the “operational budget”).
3. The regular budget shall provide for expenditures for administration, research, other regular expenses of the Organization and for other activities, as provided for in Annex II.
4. The operational budget shall provide for expenditures for technical assistance and other related activities.

Article 14 *Programme and Budgets*

1. The Director-General shall prepare and submit to the Board through the Programme and Budget Committee, at a time specified in the financial regulations, a draft programme of work for the following fiscal period, together with the corresponding estimates for those activities to be financed from the regular budget. The Director-General shall, at the same time, submit proposals and financial estimates for those activities to be financed from voluntary contributions to the Organization.
2. The Programme and Budget Committee shall consider the proposals of the Director-General and submit to the Board its recommendations on the proposed programme of work and corresponding estimates for the regular budget and the operational budget. Such recommendations of the Committee shall require a two-thirds majority of the members present and voting.
3. The Board shall examine the proposals of the Director-General together with any recommendations of the Programme and Budget Committee and adopt the programme of work, the regular budget and the operational budget, with such modifications as it

deems necessary, for submission to the Conference for consideration and approval. Such adoption shall require a two-thirds majority of the members present and voting.

4. (a) The Conference shall consider and approve the programme of work and the corresponding regular budget and operational budget submitted to it by the Board, by a two-thirds majority of the Members present and voting.

(b) The Conference may make amendments in the programme of work and the corresponding regular budget and operational budget, in accordance with paragraph 6.

5. When required, supplementary or revised estimates for the regular budget or operational budget shall be prepared and approved in accordance with paragraphs 1 to 4 above and the financial regulations.

6. No resolution, decision or amendment involving expenditure, which has not already been considered in accordance with paragraphs 2 and 3, shall be approved by the Conference unless it is accompanied by an estimate of expenditures prepared by the Director-General. No resolution, decision or amendment in respect of which expenditures are anticipated by the Director-General shall be approved by the Conference until the Programme and Budget Committee and subsequently the Board, meeting concurrently with the Conference, have had an opportunity to act in accordance with paragraphs 2 and 3. The Board shall submit its decisions to the Conference. The approval by the Conference of such resolutions, decisions and amendments shall require a two-thirds majority of all Members.

Article 15

Assessed Contributions

1. Regular budget expenditures shall be borne by the Members, as apportioned in accordance with a scale of assessment established by the Conference by a two-thirds majority of the Members present and voting, upon the recommendation of the Board adopted by a two-thirds majority of the members present and voting, on the basis of a draft prepared by the Programme and Budget Committee.

2. The scale of assessments shall be based to the extent possible on the scale most recently employed by the United Nations. No Member shall be assessed more than twenty- five per cent of the regular budget of the Organization.

Article 16

Voluntary Contributions to the Organization

Subject to the financial regulations of the Organization, the Director-General, on behalf of the Organization, may accept voluntary contributions to the Organization, including gifts, bequests and subventions, made to the Organization by governments, intergovernmental or non-governmental organizations or other non-governmental sources, provided that the conditions attached to such voluntary contributions are consistent with the objectives and policies of the Organization.

Article 17

Industrial Development Fund

In order to increase the resources of the Organization and to enhance its ability to meet promptly and flexibly the needs of the developing countries, the Organization shall have an Industrial Development Fund which will be financed through the voluntary contributions to the Organization provided for in Article 16, and other income as may be provided for in the financial regulations of the Organization. The Director-General shall administer the Industrial Development Fund in accordance with the general policy guidelines governing the operations of the Fund that are established by the Conference, or by the Board acting on behalf of the Conference, and in accordance with the financial regulations of the Organization.

CHAPTER V

CO-OPERATION AND CO-ORDINATION

Article 18

Relations with the United Nations

The Organization shall be brought into relationship with the United Nations as one of the specialized agencies referred to in Article 57 of the Charter of the United Nations. Any agreement concluded in accordance with Article 63 of the Charter shall require the approval of the Conference, by a two-thirds majority of the Members present and voting, upon the recommendation of the Board.

Article 19

Relations with other Organizations

1. The Director-General may, with the approval of the Board and subject to guidelines established by the Conference:

(a) Enter into agreements establishing appropriate relationships with other organizations of the United Nations system and with other intergovernmental and governmental organizations,

(b) Establish appropriate relations with non-governmental and other organizations the work of which is related to that of the Organization. When establishing such relations with national organizations the Director-General shall consult with the governments concerned.

2. Subject to such agreements and relations, the Director-General may establish working arrangements with such organizations.

CHAPTER VI

LEGAL MATTERS

Article 20

Seat

1. The seat of the Organization shall be Vienna. The Conference may change the seat by a two-thirds majority of all Members.

2. The Organization shall conclude a headquarters agreement with the Host Government.

Article 21

Legal Capacity, Privileges and Immunities

1. The Organization shall enjoy in the territory of each of its Members such legal capacity and such privileges and immunities as are necessary for the exercise of its functions and for the fulfilment of its objectives. Representatives of Members and officials of the Organization shall enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organization.

2. The legal capacity, privileges and immunities referred to in paragraph 1 shall:

(a) In the territory of any Member that has acceded to the Convention on the Privileges and Immunities of the Specialized Agencies' in respect of the Organization, be as defined in the standard clauses of that Convention as modified by an annex thereto approved by the Board;

(b) In the territory of any Member that has not acceded to the Convention on the Privileges and Immunities of the Specialized Agencies in respect of the Organization but has acceded to the Convention on the Privileges and Immunities of the United Nations,² be as defined in the latter Convention, unless such State notifies the Depositary on depositing its instrument of ratification, acceptance, approval or accession that it will not apply this Convention to the Organization; the Convention on the Privileges and Immunities of the United Nations shall cease to apply to the Organization thirty days after such State has so notified the Depositary;

(c) Be as defined in other agreements entered into by the Organization.

Article 22

Settlement of Disputes and Requests for Advisory Opinions

1. (a) Any dispute among two or more Members concerning the interpretation or application of this Constitution, including its annexes, that is not settled by negotiation shall be referred to the Board unless the parties concerned agree on another mode of settlement. If the dispute is of particular concern to a Member not represented on the Board, that Member shall be entitled to be represented in accordance with rules to be adopted by the Board.

(b) If the dispute is not settled pursuant to paragraph 1 (a) to the satisfaction of any party to the dispute, that party may refer the matter: either, (i) if the parties so agree:

(A) to the International Court of Justice; or

(B) to an arbitral tribunal; or, (ii) otherwise, to a conciliation commission. The rules concerning the procedures and operation of the arbitral tribunal and of the conciliation commission are laid down in Annex III to this Constitution.

2. The Conference and the Board are separately empowered, subject to authorization from the General Assembly of the United Nations, to request the International Court of Justice to give an advisory opinion on any legal question arising within the scope of the Organization's activities.

Article 23 Amendments

1. At any time after the second regular session of the Conference any Member may propose amendments to this Constitution. Texts of proposed amendments shall be promptly communicated by the Director-General to all Members and shall not be considered by the Conference until ninety days after the dispatch of such communication.

2. Except as specified in paragraph 3, an amendment shall come into force and be binding on all Members when:

(a) It is recommended by the Board to the Conference;

(b) It is approved by the Conference by a two-thirds majority of all Members; and

(c) Two-thirds of the Members have deposited instruments of ratification, acceptance or approval of the amendment with the Depositary.

3. An amendment relating to Article 6, 9, 10, 13, 14 or 23 or to Annex II shall come into force and be binding on all Members when:

(a) It is recommended by the Board to the Conference by a two-thirds majority of all members of the Board;

(b) It is approved by the Conference by a two-thirds majority of all Members; and

(c) Three-fourths of the Members have deposited instruments of ratification, acceptance or approval of the amendment with the Depositary.

Article 24 Signature, Ratification, Acceptance, Approval and Accession

1. This Constitution shall be open for signature by all States specified in subparagraph (a) of Article 3, until 7 October 1979 at the Federal Ministry for Foreign Affairs of the Republic of Austria and subsequently at United Nations Headquarters in New York until the date this Constitution enters into force.

2. This Constitution shall be subject to ratification, acceptance or approval by signatory States. Instruments of ratification, acceptance or approval of such States shall be deposited with the Depositary.

3. After the entry into force of this Constitution in accordance with paragraph I of Article 25, States specified in subparagraph (a) of Article 3 that have not signed this Constitution, as well as States approved for membership pursuant to subparagraph (b)

of that Article, may accede to this Constitution by depositing instruments of accession.

Article 25
Entry into Force

1. This Constitution shall enter into force when at least eighty States that had deposited instruments of ratification, acceptance or approval notify the Depositary that they have agreed, after consultations among themselves, that this Constitution shall enter into force.

2. This Constitution shall enter into force:

(a) For States that participated in the notification referred to in paragraph 1, on the date of the entry into force of this Constitution;

(b) For States that had deposited instruments of ratification, acceptance or approval before the entry into force of this Constitution but did not participate in the notification referred to in paragraph 1, on such later date on which they notify the Depositary that this Constitution shall enter into force for them;

(c) For States that deposit instruments of ratification, acceptance, approval or accession subsequent to the entry into force of this Constitution, on the date of such deposit.

Article 26
Transitional Arrangements

1. The Depositary shall convene the first session of the Conference, to be held within three months following the entry into force of this Constitution.

2. The rules and regulations governing the organization established by United Nations General Assembly resolution 2152 (XXI)' shall govern the Organization and its organs until such time as the latter may adopt new provisions.

Article 27
Reservations

No reservations may be made in respect of this Constitution.

Article 28
Depositary

1. The Secretary-General of the United Nations shall be the Depositary of this Constitution.

2. In addition to notifying the States concerned, the Depositary shall notify the Director-General of all matters affecting this Constitution.

Article 29

Authentic Texts

This Constitution shall be authentic in Arabic, Chinese, English, French, Russian and Spanish.

ANNEX I

LISTS OF STATES

1. If a State that is not listed in any of the lists below becomes a Member, the Conference shall decide, after appropriate consultations, in which of those lists it is to be included.
2. The Conference may at any time, after appropriate consultations, change the classification of a Member as listed below.
3. Changes in the lists below that are made in accordance with paragraph I or 2 shall not be considered amendments within the meaning of Article 23.

LISTS

[The lists of States to be included by the Depositary in this Annex are the lists determined by the General Assembly of the United Nations for the purpose of paragraph 4 of section II of its resolution 2152 (XXI), as in effect on the date this Constitution enters into force.]

ANNEX II

THE REGULAR BUDGET

A. 1. Administration, research and other regular expenses of the Organization shall be deemed to include:

- (a) Interregional and regional advisers;
- (b) Short-term advisory services provided by the staff of the Organization;
- (c) Meetings, including technical meetings, provided for in the programme of work financed from the regular budget of the Organization;
- (d) Programme support costs arising from technical assistance projects, to the extent that these costs are not reimbursed to the Organization by the source of financing of such projects.

2. Concrete proposals conforming to the above provisions shall be implemented after consideration by the Programme and Budget Committee, adoption by the Board and approval by the Conference, in accordance with Article 14.

B. In order to improve the effectiveness of the Organization's programme of work in the field of industrial development, the regular budget shall also finance other activities heretofore financed out of Section 15 of the United Nations Regular Budget, in the amount of 6 per cent of the total of the regular budget. These activities shall strengthen the Organization's contribution to the United Nations development system taking into account the importance of utilizing the United Nations Development Programme country programming process, which is subject to the consent of the countries concerned, as a frame of reference for these activities.

ANNEX III

RULES CONCERNING ARBITRAL TRIBUNALS AND CONCILIATION COMMISSIONS

Unless otherwise agreed by all the Members parties to a dispute that has not been settled pursuant to paragraph 1 (a) of Article 22 and that has been referred to an arbitral tribunal pursuant to subparagraph 1(b) (i) (B) of Article 22 or to a conciliation commission pursuant to subparagraph I (b) (ii), the following rules shall govern the procedures and operation of such tribunals and commissions:

1. Initiation. Within three months of the conclusion by the Board of its consideration of a dispute referred to it pursuant to paragraph 1 (a) of Article 22 or, if it does not conclude its consideration within eighteen months of such referral, then within twenty-one months of such referral, all the parties to the dispute may notify the Director-General that they wish to refer the dispute to an arbitral tribunal or any such party may notify the Director-General that it wishes to refer the dispute to a conciliation commission. If the parties had agreed on another mode of settlement, then such notification may be made within three months of the conclusion of that special procedure.

2. Establishment. (a) The parties to the dispute shall, by their unanimous decision, appoint, as appropriate, three arbitrators or three conciliators, and shall designate one of these as President of the tribunal or commission.

(b) If within three months of the notification referred to in paragraph 1 above one or more members of the tribunal or commission have not been so appointed, the Secretary-General of the United Nations shall, at the request of any party, within three months of such request designate any members, including the President, then still required to be appointed.

(c) If a vacancy arises on the tribunal or commission, it shall be filled within one month in accordance with paragraph (a) or thereafter in accordance with paragraph (b).

3. Procedures and Operation. (a) The tribunal or commission shall determine its own rules of procedure. All decisions on any question of procedure or substance may be reached by a majority of the members.

(b) The members of the tribunal or commission shall receive remuneration as provided in the financial regulations of the Organization. The Director-General shall provide any necessary secretariat, in consultation with the President of the tribunal or commission. All expenses of the tribunal or commission and its members, but not of the parties to the dispute, shall be borne by the Organization.

4. Awards and Reports. (a) The arbitral tribunal shall conclude its proceedings by an award, which shall be binding on all the parties.

(b) The conciliation commission shall conclude its proceedings by a report addressed to all the parties to the dispute, which shall contain recommendations to which these parties shall give serious consideration.

**DECLARATIONS MADE UPON RATIFICATION, ACCEPTANCE (A) OR
NOTIFICATION UNDER ARTICLE 25(1) (N)**

AUSTRALIA

“In accordance with section 43 of the Convention on the Privileges and Immunities of the Specialized Agencies, UNIDO will be accorded the same privileges and immunities as are accorded by Australia to other specialized agencies. Until the Constitution enters into force the Government of Australia will continue to accord to UNIDO the privileges and immunities in accordance with the Convention on the Privileges and Immunities of the United Nations, adopted by the General Assembly of the United Nations on 13 February 1946.”

BULGARIA

[TRANSLATION]

“The People’s Republic of Bulgaria ratifies the Constitution of UNIDO proceeding from the consensus confirmed in General Assembly resolution 39/231 concerning the conditions for the conversion of UNIDO into a specialized agency of the United Nations. My Government attaches particular importance to the consensus on equitable geographical representation in the Secretariat post allocation, including the employment of one Deputy Director-General from the group of socialist countries. The People’s Republic of Bulgaria is of the opinion that the strict and complete observance of this consensus would furnish the conditions for respecting the interests of all members of UNIDO on the basis of the principle of universality. The activities of UNIDO on behalf of the industrial development of the developing countries should be aimed at promoting international co-operation in the field of industrial development and should be based on the principles and norms of the Charter of Economic Rights and Duties of States, the Declaration on establishing the New International Economic Order, [and] the Lima and New Delhi Declarations on international co-operation in this field. The activities of UNIDO should pursue as a lasting goal the attainment of economic independence for the developing countries. The Bulgarian Government is of the view that in order to achieve the above goals, international economic relations, including those in the industrial field, should be based on their radical restructuring through strengthening the state-owned and cooperative sectors of the economy and the creation of diversified industry in the developing countries which serves their national objectives as well as their plans for economic and social development.

The maintenance of international peace and security are a prerequisite for the accelerated industrial development of the developing countries and for fostering international co-operation. Through its decisions and practical activities, UNIDO should actively contribute to the strengthening of world peace and security, to the cessation of the arms race and the achievement of disarmament, as well as to the creation of conditions for the re-channeling of non productive expenditures for the purposes of economic development and international cooperation in the industrial field.

UNIDO should vigorously oppose the use of economic measures and sanctions as a means of exerting political and economic pressures against sovereign States and should resist the attempts of the imperialist forces to preserve and expand their exploitation of the developing countries. For this purpose, of particular importance is the active cooperation of UNIDO in establishing an effective control over the activities of transnational corporations for limiting the negative consequences of their activities for the overall socio-economic development of the developing countries.

The People's Republic of Bulgaria is of the opinion that UNIDO should not allow the spending of resources under programmes and projects which might be used to facilitate the penetration by foreign private capital of the developing countries to the detriment of their national interests.

It is the view of the People's Republic of Bulgaria that the resources of UNIDO's regular budget should be expended in a rational and economic fashion, whereas the amount of the regular budget should be maintained at the predetermined level. I avail myself of this opportunity to reaffirm the position of my Government, as expressed on 7 April 1979 in the statement made by the delegations of the socialist countries at the United Nations conference on conversion of UNIDO into a specialized agency, with regard to the question of using the resources of UNIDO's regular budget for providing technical assistance.

As in the past, the People's Republic of Bulgaria will continue to give active support to the efforts of the developing countries for their industrialization, as well as to the activities of UNIDO in this field, aimed at the restructuring of international economic relations and international industrial cooperation on a just and democratic basis. The People's Republic of Bulgaria hopes that in its practical work UNIDO would strive after realizing the foregoing considerations, as well as the considerations voiced by my Government during the consultations on the conversion of UNIDO into a specialized agency."

BYELORUSSIAN SSR

[TRANSLATION]

In ratifying the Constitution of UNIDO, the Byelorussian SSR assumes that the agreements on the condition for the establishment of UNIDO as a specialized agency that were confirmed in General Assembly resolution 39/231 of 18 December 1984 will be fully and strictly observed, including the agreement on the equitable geographical distribution of posts and, in particular, the allocation of one of the posts of Deputy Director-General to the socialist countries. Fulfilment of those conditions will make it possible to ensure the universal character of UNIDO's activities in the interests of all its member countries.

The determination of the members of UNIDO, as expressed in the Organization's Constitution, to contribute to international peace and security and to the prosperity of all nations should be reflected in its decisions and its practical activities, since only under conditions of peace, and only when real disarmament measures are implemented, can significant additional resources be released for the needs of

economic and social development, including the industrialization of the developing countries.

In our view, UNIDO activities aimed at promoting industrial development in the developing countries and at those countries' attainment of economic independence must be based on the progressive provisions and principles of the Charter of Economic Rights and Duties of States, the Declaration on the Establishment of a New International Economic Order and the Lima and New Delhi Declarations on international industrial development co-operation. Those goals can be achieved only by means of a fundamental restructuring of the existing unjust international economic relations, the conduct of progressive social and economic reforms, the strengthening of the State sector of the economy and the implementation of national plans and programmes for social and economic development.

UNIDO must oppose the policies of those States that are striving not only to maintain but also to increase the neo-colonialist exploitation of the developing countries, must combat the acts of economic aggression, diktat, blackmail and interference in the internal affairs of States that are perpetrated by the forces of imperialism, and must promote the establishment of effective control over the activities of transnational corporations with a view to restricting their negative influence on the economies of developing countries and on international economic relations and development as a whole.

The Byelorussian SSR bases its position on the need to apply consistently in practice the provision of the UNIDO Constitution that relates to the purposes for which the regular and operational budgets of the Organization may be utilized, and on the need not to permit the expenditure of resources for programmes and projects, including "advisory services", that could serve for the penetration of foreign private capital into the economies of the developing countries. In order to ensure the effective and economical use of the resources of the regular budget, the level of that budget must be established on a stable basis.

At the United Nations Conference on the Establishment of the United Nations Industrial Development Organization as a Specialized Agency, the delegations of the socialist countries announced on 7 April 1979 their opposition in principle to the use of funds from the Organization's regular budget for the provision of technical assistance.

In connection with the provision of the UNIDO Constitution on the allocation of 6 per cent of the regular budget to technical assistance, the Byelorussian SSR states that the corresponding portion of its convertible currency contribution to the UNIDO budget will be credited to a separate account in the Foreign Trade Bank of the USSR. The Republic will make use of those funds to participate in the provision through UNIDO of technical assistance to interested countries.

The Byelorussian SSR firmly expects that its position of principle on the activities of UNIDO, as contained in this statement and as expressed in the course of the consultations on the establishment of UNIDO as a specialized agency, will be duly taken into account and acted upon.

The nature and extent of our co-operation with UNIDO will depend on the implementation of the agreements reached, on the nature and direction of the practical activities of UNIDO and on that Organization's real observance of the basic United Nations decisions relating to international economic development and the restructuring of international economic relations on an equitable and democratic basis.

CZECHOSLOVAKIA

"The Czechoslovak Socialist Republic proceeds herein from the assumption that in its activities the United Nations Industrial Development Organization will fully respect the United Nations General Assembly resolution 39/231 on the transformation of UNIDO into a specialized agency, including the mutual agreement of States on their just geographical representation and the distribution of senior posts in the Secretariat of that new Organization, with the understanding that the socialist countries will be represented in the leadership of the Organization by a representative in the post of one of the Deputies of the Director-General. A basis should be created in that way for this Organization to develop its activities to the benefit of all its member States. The Czechoslovak Socialist Republic expects that the activities of the new United Nations Industrial Development Organization in support of the industrial development of developing countries and in the process of their advancing economic independence will unfold in accordance with the progressive provisions and principles of the Charter of Economic Rights and Duties of States as well as of the Declaration on the Establishment of a New International Economic Order and declarations adopted at Lima and New Delhi on international cooperation in the field of industrial development.

These objectives can only be attained by means of restructuring the present international economic relations, strengthening confidence among all States, securing conditions for the implementation of progressive socio-economic changes in the world, and strengthening the state sector in the economies of the developing countries. The United Nations Industrial Development Organization must play an important role in strengthening the national sovereignty of the developing countries in the economic sphere and in the process of struggle against all forms of neocolonialist oppression and exploitation by some States. Care must be taken that funds from the regular and operational budgets of the Organization be not expended on such activities of the Organization that could facilitate the penetration of private capital, especially that of transnational corporations, into the developing countries.

The activities of the United Nations Industrial Development Organization can be much more productive if they unfold in a climate of universal peace and disarmament. In such case a part of the means now so unproductively spent on ever new rounds of the arms race could be used for social and economic development, including the process of industrialization. The importance and the timeliness of this task have been reaffirmed in the Declaration on the Maintenance of Peace and International Economic Cooperation 1 adopted at the economic summit meeting of the member countries of the Council for Mutual Economic Assistance held in June 1984. The United Nations Industrial Development Organization must play an important role in strengthening peace, international security, disarmament and cooperation among nations.

The current complicated international situation urgently requires that the United Nations Industrial Development Organization implement its activities while striving for maximum effectiveness, maintaining its regular and operational budgets on just and well-balanced principles, fully in accordance with the principal tasks of the Organization.

At the Conference of the United Nations Industrial Development Organization on the transformation of UNIDO into a specialized agency, the delegations of the socialist countries expressed their fundamental disagreement with the use of funds from the regular budget for the granting of technical assistance.

The Statute of the United Nations Industrial Development Organization provides that six per cent of the Organization's regular budget will be allocated for technical assistance. In this context, the Czechoslovak Socialist Republic wishes to advise that it will deposit the corresponding part of its contribution to the budget of the United Nations Industrial Development Organization into a special account with the Czechoslovak Commercial Bank to be used for technical assistance by the United Nations Industrial Development Organization. These funds will finance technical assistance provided by the Czechoslovak Socialist Republic to developing countries through the United Nations Industrial Development Organization.

The Czechoslovak Socialist Republic earnestly trusts that the mentioned positions of principle concerning the activities of the Organization and the conclusions reached in consultations on the transformation of UNIDO into a specialized agency will be taken into account and will be implemented in the activities of the Organization. It is convinced at the same time that the implementation of these positions will create a basis for the continued successful activities of the United Nations Industrial Development Organization and for Czechoslovakia's cooperation with the Organization."

GERMAN DEMOCRATIC REPUBLIC

"With regard to the conversion of the United Nations Industrial Development Organization into a specialized agency the German Democratic Republic declares its intention to contribute constructively to the implementation of the objectives embodied in the Constitution concerning the international co-operation in the field of industrial development. It expresses the expectation that the new organization's activities should be conducted on a universal basis and that all States should be enabled to co-operate on an equal footing. In this light the GDR considers it necessary that the consensus confirmed in resolution 39/231 of the General Assembly at its thirty-ninth session concerning the conditions for the conversion of UNIDO into a specialized agency, including the consensus on an equitable geographical representation in the Secretariat structure, in particular the employment of one Deputy Director-General from the Group of socialist countries, will be completely and strictly honoured.

The GDR regards it as an essential task for the new organization to perform its activities consistently in accordance with the recommendations and principles of the Charter of Economic Rights and Duties of States, of the Declaration on the

Establishment of a New International Economic Order, and of the Lima and New Delhi Declarations regarding international cooperation in the field of industrial development. The accelerated industrialization requires, as a matter of priority, such activities as will assist the developing countries in strengthening the public sector in industry, State planning, and the implementation of progressive socio-economic transformations. The GDR holds the position that UNIDO should act against neocolonialist exploitation and work for overcoming the developing countries' disadvantaged situation in international economic relations. Of particular significance will be UNIDO's active support in the establishment of effective control over the operations of transnational corporations in order to restrict their negative influence on the industrial development of developing countries.

It ought to be an essential obligation for UNIDO, the GDR believes, to make appropriate efforts for fulfilling a task embodied in its Constitution: to contribute to international peace and security and the prosperity of all nations. Steps to this end in full conformity with United Nations General Assembly resolutions, in particular 39/151 E1 and 39/10,2 would have a favourable impact on the general conditions for industrialization and international industrial co-operation. Only with the implementation of effective disarmament measures will it be possible to reallocate significant additional resources for economic and social purposes, including the industrialization of developing countries. The importance and topicality of this task was reaffirmed by the GDR together with the other member countries of the Council for Mutual Economic Assistance in the Declaration on the Maintenance of Peace and International Economic Co-operation of 16 June 1984.

From the GDR's point of view it is necessary that in the conduct of its programme activities and budget operations UNIDO will faithfully observe the relevant provisions of its Constitution, notably in regard to the specific use of the regular and operational budgets, and take care that the regular budget resources at a stable level will be used effectively and economically. The German Democratic Republic expects that the foregoing considerations of principle, already expressed in the consultations on the conversion of UNIDO into a specialized agency, will be duly taken into account in UNIDO's activities."

ISRAEL

[TRANSLATION]

"The Government of the State of Israel, in accordance with article 21 [2] (b) of the said Constitution, will not apply the Convention on the Privileges and Immunities of the United Nations to the United Nations Industrial Development Organization."

ITALY

[TRANSLATION]

The Italian Government will apply the Convention on the Privileges and Immunities of the United Nations of 13 February 1946, in accordance with article 21, paragraph 2 (b), of the Constitution. The Italian Government reserves the right to take into account

the tax-free emoluments paid by the United Nations Industrial Development income from other sources.

MONGOLIA (A)

[TRANSLATION]

The Mongolian People's Republic has always attached and continues to attach great significance to the activities of the United Nations in the field of industrial development. For this reason, it supports the proposal to convert UNIDO into a specialized agency of the United Nations, on the understanding that this step will enhance its capability for the promotion of industrial development and for the attainment and consolidation of the economic independence of the developing countries on the basis of the progressive provisions and principles of the Charter of Economic Rights and Duties of States, the Declaration on the Establishment of a New International Economic Order and the Lima and New Delhi Declarations on international co-operation in the field of industrial development.

In supporting UNIDO as a specialized agency of the United Nations, the Government of the Mongolian People's Republic considers that, for the full attainment of the purposes and the performance of the functions specified in the Constitution, UNIDO should actively promote a radical restructuring of the existing unjust international economic relations, the introduction of progressive social and economic transformations, the strengthening of the State sector of the economy and the implementation of national plans and programmes of social and economic development.

UNIDO must oppose any form of economic aggression, diktat, blackmail, interference in the internal affairs of States and neocolonialist exploitation of the developing countries practised by the forces of imperialism and in particular by the transnational corporations.

UNIDO is also called on to promote the solution of the key problems of today—the establishment and strengthening of international peace and security and the adoption of practical disarmament measures, which will release additional resources for the development of the developing countries.

In the light of the above considerations, the Mongolian People's Republic is prepared to support the activities of UNIDO and the development of co-operation between its member countries. It is confident that the fruitful co-operation between the Mongolian People's Republic and UNIDO which has already existed for many years will be further expanded.

UKRANIAN SSR

[TRANSLATION]

The Ukrainian SSR supports the purposes and principles of UNIDO's activities, as stated in the UNIDO Constitution, and believes that their implementation requires a fundamental restructuring of the existing unjust international economic relations, the

establishment of a new international economic order on an equitable and democratic basis, the conduct of progressive social and economic reforms, the strengthening of the State sector of the economy and the carrying out of national plans and programmes for economic and social development.

UNIDO's activities aimed at promoting industrial development in the developing countries and at those countries' attainment of economic independence must be based on the progressive provisions and principles of the Charter of Economic Rights and Duties of States, the Declaration on the Establishment of a New International Economic Order, and the Lima and New Delhi Declarations on international industrial development co-operation.

To these ends, UNIDO must actively and firmly oppose the attempts of imperialist forces to interfere in the internal affairs of States and must combat acts of economic aggression, diktat and blackmail. UNIDO should work against the policies of those States and economic circles which are endeavouring not only to continue but also to expand the neocolonialist plundering of the developing countries. In this connection, UNIDO should take active steps to establish effective control over the activities of transnational corporations with a view to restricting their negative influence on the economic development of the developing countries and on international economic relations in general.

The Ukrainian SSR attaches primary importance to the need for implementing the provisions of the UNIDO Constitution which declare the determination of member countries to promote international peace and security and the prosperity of all peoples. It is firmly convinced that a cessation of the arms race and a transition to real disarmament measures would make possible the release of significant additional resources to meet the needs of social and economic development, including the industrialization of the developing countries.

The Ukrainian SSR emphasizes that it is essential to comply strictly, in the practical activities of UNIDO, with the provisions of its Constitution concerning the purposes for which the regular and operational budgets of the Organization may be utilized. UNIDO should take steps to prevent the expenditure of resources on programmes and projects, including "advisory services", that could be used for the penetration of foreign private capital into the economies of the developing countries. Fixing the levels of the regular budget on a stable basis will enable the Organization to make sure that the budget is more effectively and rationally used.

With regard to the expenditure of UNIDO regular budget resources for technical assistance, the Ukrainian SSR's position of principle has been stated in the joint declaration issued by the delegations of the socialist countries on 7 April 1979 at the United Nations Conference on the Establishment of UNIDO as a Specialized Agency. In connection with the provision in annex II of the UNIDO Constitution that 6 per cent of the regular budget of the Organization should be allocated to technical assistance, the Ukrainian SSR declares that the corresponding portion of its convertible currency contribution to the UNIDO budget will be credited to a separate account at the Foreign Trade Bank of the USSR. The Ukrainian SSR will make use of that portion of its contribution to participate in the provision through UNIDO of technical assistance to interested countries.

The Ukrainian SSR advocates keeping the new Organization's activities universal in character in the interests of all its member countries. The realization of this very important principle would help to ensure the full implementation of General Assembly resolution 39/231 of 18 December 1984, which confirms the agreement on the conditions for the establishment of UNIDO as a specialized agency, including the agreement on the equitable geographical distribution of posts and, in particular, the allocation of one of the posts of Deputy Director- General to the socialist countries. The Ukrainian SSR wishes to express its conviction that the considerations with regard to the activities of the new Organization put forward in this statement and expressed in the course of the consultations on the establishment of UNIDO as a specialized agency will be duly taken into account and reflected in UNIDO's practical activities.

UNION OF SOVIET SOCIALIST REPUBLICS

In taking this action, the Soviet side assumes that the agreements on the conditions for converting UNIDO into a specialized agency which were confirmed in General Assembly resolution 39/231, including the agreement on the equitable geographical distribution of posts and, in particular, the allocation of one of the posts of Deputy Director-General to the socialist countries, will be fully and strictly observed. This will ensure the universal character of the new organization's activities in the interest of all countries members of UNIDO.

UNIDO activities aimed at promoting industrial development in the developing countries and at those countries' attainment of economic independence must be based on the progressive provisions and principles of the Charter of Economic Rights and Duties of States, the Declaration on the Establishment of a New International Economic Order and the Lima and New Delhi Declarations on international industrial development co-operation.

The Soviet Union believes that those goals can be achieved only by means of a fundamental restructuring of the existing unjust international economic relations, the conduct of progressive social and economic reforms, the strengthening of the State sector of the economy and the implementation of national plans and programmes for social and economic development.

UNIDO must combat the acts of economic aggression, diktat, blackmail and interference in the international affairs of States which are perpetrated by the forces of imperialism. It must oppose the policies of those States which are striving not only to maintain but also to increase the neocolonialist exploitation of the developing countries.

Of particular significance is UNIDO's active promotion of the establishment of effective control of the activities of transnational corporations with a view to restricting their negative influence on the economy of developing countries and on international economic relations and development as a whole. In the Constitution of the United Nations Industrial Development Organization, the members of UNIDO express their determination to contribute to international peace

and security and to the prosperity of all nations; that determination should be reflected in the Organization's decisions and in its practical activities. Only under conditions of peace, and only when real disarmament measures are implemented, can significant additional resources be released for the needs of economic and social development, including the industrialization of the developing countries. The importance and urgency of that task was reaffirmed in the Declaration entitled "Maintenance of peace and international economic co-operation" adopted at the high-level Economic Conference of the member countries of the Council for Mutual Economic Assistance held in June 1984.

The Soviet Union bases its position on the need to apply consistently in practice the provision of the Constitution of UNIDO with regard to the purposes for which the regular and operational budgets of the Organization may be utilized, and on the need not to permit the expenditure of resources for programmes and projects, including "advisory services", which could serve for the penetration of foreign private capital into the economies of the developing countries. In order to ensure the effective and economical use of the resources of the regular budget, the level of that budget must be established on a stable basis.

At the United Nations Conference on the Establishment of the United Nations Industrial Development Organization as a Specialized Agency, the delegations of the socialist countries announced, on 7 April 1979, their opposition in principle to the use of funds from the regular budget of UNIDO for the provision of technical assistance. In connection with the provision of the Constitution of UNIDO on the allocation of 6 per cent of the regular budget to technical assistance, the Soviet Union states that the corresponding promotion of its convertible currency contribution to the UNIDO budget will be credited to a separate account in the Foreign Trade Bank of the USSR. The Soviet Union will make use of those funds to participate in the provision through UNIDO of technical assistance to interested countries.

The Soviet Union firmly expects that its positions of principle on the activities of UNIDO, as contained in this statement and as expressed in the course of the consultations on the conversion of UNIDO into a specialized agency, will be duly taken into account and acted upon. The nature and the extent of the Soviet Union's co-operation with UNIDO will depend on the implementation of the agreements reached, on the nature and direction of the practical activities of UNIDO and on that organization's real observation of the basic United Nations decisions relating to international economic development and the restructuring of international economic relations on an equitable and democratic basis.

UNITED STATES
OF AMERICA

"(1) As used in Article 1 of the Constitution, the phrase 'new international economic order',

(A) Is an evolving concept with no fixed meaning;

(B) Reflects the continuing goal of members of the United Nations to find new or more effective ways of handling international economic relations and is subject to interpretation by all such members; and

(C) Is not legally defined by the Constitution or by any resolution of the sixth or seventh special session of the General Assembly of the United Nations or by the Lima Declaration and Plan of Action of the United Nations Industrial Development Organization.

(2) The entry into force of the Constitution with respect to the United States of America does not abrogate or rescind any reservation made by the United States of America to any resolution, declaration, or plan of action referred to in the Constitution.”

UNITED STATES
OF AMERICA (N)

“In connection with the aforesaid notification, the United States wishes to draw the attention of the Secretary-General to the understandings set forth in its instrument of ratification of the new UNIDO Constitution, deposited with the Secretary-General on September 2, 1983.

Article 25, paragraph I, of the Constitution provides for its entry into force ‘when at least eighty States that had deposited instruments of ratification, acceptance or approval notify the Depositary that they have agreed, after consultation among themselves, that the Convention shall enter into force.’ The Permanent Missions of several States, including the Czechoslovak Socialist Republic, the German Democratic Republic, the People’s Republic of Bulgaria and the Union of Soviet Socialist Republics, have inserted in their Article 25 notices or otherwise indicated their individual views as to how the organization’s goals should be achieved, characterizations of the results of the consultations, and statements as to how those States intend to apply certain articles of the Constitution. The United States considers that such unilateral statements cannot vary the legal rights or obligations of the Parties to the Constitution or of UNIDO. The United States also considers that such statements do not modify the provisions established for the functioning of the organization or in any way prejudice the decisions to be adopted by UNIDO.”