

Executive Committee

Second Session

Draft Report of Sub-Committee 3 on

Administration

Part II

Draft Memorandum of Understanding between the FAO and ITO

The Sub-Committee recommends the following modifications in the draft contained in document ICITO/EC.2/2/Add.3:

Article I

Paragraph 2 : Delete the last sentence and insert the following new paragraph 3 :

"Such consultation may be undertaken through arrangements at the secretariat level, or through such joint committees as may be established by the two organizations composed of an equal number of persons designated by each organization. The United Nations shall be invited to designate a representative to attend the meetings of such committees and copies of the documents of such committees shall be sent to the Secretary-General of the United Nations for information. Representatives of appropriate specialized agencies of the United Nations may also be invited to attend the meetings of such committees."

Note:

The Sub-Committee considered that provision for joint committees which, in document ICITO/EC.2/2/Add.3, is the

subject of a special Article VI would more appropriately be included in Article I which deals with consultation.

Article II

Paragraph 4: Line 3: For "Articles 82 and 83" read "Article 82".

Line 4: For "shall be entitled" read "may".

The last sentence of this paragraph to read as follows:

"Similarly if FAO at any time establishes commissions or committees, representatives of the ITO shall be invited to attend meetings in which it has an interest and may participate without vote in deliberations in respect of items of interest to it."

Article III

In the title for "International Arrangements" read "Intergovernmental arrangements".

Paragraph 1 (b): for "will" read "shall".

Paragraph 2 (a): The Sub-Committee recommend the following redraft:

"2(a) FAO is recognized by ITC to be competent within the meaning of Article 67 of the Havana Charter and FAO shall, therefore, have the rights and responsibilities set out therein".

Paragraph 2 (b): First line, for "will" read "shall".

Paragraph 3: The Sub-Committee recommend the following redraft:

"As Member Governments of ITO participating in intergovernmental commodity agreements concluded in accordance with the provisions of Chapter VI of the Havana Charter will be exempt from certain other obligations as Members of the Organization, the ITO will be responsible for the administration

of the procedures and the principles involved in the formulation, negotiation, operation and interpretation of such inter-governmental commodity agreements. The ITO will consult FAO on all matters of common concern regarding these activities."

Articles IV and V

The Sub-Committee recommend the amalgamation of these two Articles as follows:

"FAO and ITO shall co-operate, in consultation with the United Nations whenever appropriate, in any studies, surveys or activities which could be most advantageously undertaken on a joint basis, including

- (a) any studies on the relationship between world prices of primary agricultural commodities and manufactured products that may be undertaken in accordance with the functions of the ITO as set out in Article 72, paragraph 1(d) of the Havana Charter;
- (b) activities directed to facilitate and promote agricultural, industrial and general economic development."

The Sub-Committee suggest the insertion of a new Article V on inter-secretariat relationships to read as follows:

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Article V

Inter-secretariat Relationships

The Director-General of FAO and ITO shall, when appropriate, develop inter-secretariat consultations and joint working groups for the purpose of formulating proposals for joint or parallel secretariat studies, or formulating proposals for reference to the governing bodies of the respective organizations."

Article VI

Following the recommendation of the Sub-Committee regarding the incorporation of the substance of Article VI in I, the present Article should be deleted.

Article IX

The Sub-Committee suggest the addition of a new sentence at the end of paragraph 2 to read as follows:

"In particular, the Organizations, in consultation with the Statistical Office of the United Nations, shall arrange whenever possible to submit to governments joint requests, including questionnaires, for statistical information."

New Article X A

The Sub-Committee recommend the insertion of a new Article X A as follows:

"The FAO and the ITO agree to arrange for appropriate consultation and exchange of information with respect to relationships developed between FAO and commodity study groups and councils."

Article XII

Delete the words "the Council of" before "Food and Agriculture Organization".

Article XIII

For the words "the Secretary-General of the United Nations", substitute "the Economic and Social Council".

Article XIV

For "subject" in the first line, read "open".

In the second and third lines, delete "Council of the" before "Food and Agriculture Organization" and "Executive Board of the" before "International Trade Organization".

Minor modifications.

In all references to the FAO, subsequent to that in Article I, paragraph 1, delete the words "of the United Nations". This modification affects Article II, paragraphs 1, 2, 4 and 5, Article VI, paragraphs 1 and 3, Article VII, paragraphs 1 and 2, Article VIII, Article IX, paragraphs 1 and 2, and Articles XI, XII, XIII and XIV.

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≠ Note by the Executive Secretary: Although this is the form in which the Sub-Committee considered this new Article, I venture to suggest that it might well find a more appropriate place as Article III A.

### PART III

#### Relations between ILO and ITO

The Sub-Committee recommend the following modifications in the draft contained in document ICITO/EC.2/2/Add.6:

In the second paragraph of the Preamble, line 4, insert commas between "organizations" and "which" and between "responsibility" and "provide".

#### Article III

Paragraph 1: Add the following words to the end of the paragraph:

"with regard to such matters relating to inter-governmental commodity agreements as are within the competence of the ILO."

Paragraph 2: The Sub-Committee recommend the deletion of this paragraph. The Sub-Committee felt that the paragraph as drafted was too sweeping in its effects and might set an embarrassing precedent. Decisions under paragraph 3 of Article 64 to invite inter-governmental organizations to nominate representatives to a commodity council should be taken ad hoc in relation to each particular case. Moreover, paragraph 2 was probably unnecessary in any event in view of the provisions of Article I regarding consultation on matters of common concern.

#### Article IV

The Sub-Committee took note of the variation of this draft Article from the standard forms of Agreement in making no provision for reciprocal representation on subsidiary organs of either body. They understood that the view of the

Secretariat of the ILO was that the ILO would prefer to rely upon the provisions of paragraph 4 of this Article rather than to insert a provision in permissive form regarding the Executive Board such as appears in the draft agreements between the ILO and the FAO.

Article V

Paragraph 2: For "representatives appointed" read "persons designated".

Paragraph 4 to be deleted as relating to matters of internal organization.

Article VIII

Paragraph 2: Add at the end the following sentence:

"In particular, the Organizations, in consultation with the Statistical Office of the United Nations, shall arrange whenever possible to submit to governments joint requests, including questionnaires, for statistical information".

Article X

Paragraph 1: A suggestion was made that this paragraph should also refer to collaboration and liaison between the staffs of regional offices. The Sub-Committee did not adopt this suggestion since it considered that the Article was broad enough to cover both headquarters and regional offices.

Article XII

Delete the words "Governing Body of the" before "International Labour Organization". In the phrase "International Labour Office" for "Office" read "Organization", and delete the reference before "the International Trade Organization" to "the appropriate body for approving the Agreement".

PART IV

Relations between ICAO and ITO

The Sub-Committee recommend the text contained in document ICITO/EC.2/SC.3/2 as a basis for an exchange of letters between the ICAO and ITO, subject to the following modifications:

Paragraph 1, line 6: For "the" read "their" before "annual conferences".

Line 8: For "likely to be of common interest" read "at which matters of common interest are scheduled for discussion".

Paragraph 2 (i): Third sentence, for "not in conflict with", read "in conformity with". The Sub-Committee suggest that the fourth sentence be deleted as it gives rise to difficulties of drafting and is in any case already covered by implication in the preceding sentence. Fifth sentence, revise to read as follows:

"The ITO will request ICAO's participation, and will take into account the work of ICAO in this field, in the preparation of recommendations on customs formalities insofar as these relate to the carriage of goods by air."

Part V of the Report of Sub-Committee 3 on Administration

The Sub-Committee considered the question of the future procedure to be followed in relation to these Agreements. They considered that the objective should be to achieve as full agreement as possible with the organizations concerned so that upon the ratification of the texts by the Conference of the ITC and the appropriate body of the other organizations concerned, the Agreements could come into force without further negotiation. In the case of the draft Agreement with the United Nations, the Sub-Committee recommend that having regard to the procedures of the United Nations, the Executive Committee instruct the Chairman and the Executive Secretary to consult for this purpose with the appropriate representatives of the United Nations and the Executive Secretary to continue consultations with the other organizations.

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