Executive Committee  
Second Session  

Draft Report of Sub-Committee 3 on Administration  

I. DRAFT AGREEMENT ON RELATIONS BETWEEN THE UNITED NATIONS AND ITO  

The Sub-Committee made the following recommendations regarding the draft contained in document IC/ITO/EC.2/2/Add.1:  

Article I  
Paragraph 1. Line 2 should read "a specialized agency and as being responsible for taking such action".  

Note: The Sub-Committee felt that having regard to the broad scope of the Havana Charter, it was inappropriate to refer to the ITO as "the specialized agency" responsible for all appropriate action within the field of the Charter since there were other specialized agencies which had responsibilities for certain aspects of such matters. The text as revised would conform to Article I of the Agreement between the FAO and the United Nations.  

Paragraph 2. In the third line, delete the words in parentheses "hereinafter called the Council".  

Note: The Sub-Committee considered that the text of the Agreement would be clearer if wherever reference was made to the Economic and Social Council, its title appeared in full. The words "Economic and Social" should, therefore, be added before the word "Council" in Article I, paragraph 2, Article II, paragraphs 2, and 6 Article III, Article V, Article VIII, Article XI, and Article XVIII.
Paragraph 3. The Sub-Committee felt that the arguments adduced in the discussion in the Executive Committee for the deletion of paragraphs 3 and 4 were well founded. The position of the Organization regarding political matters was clearly set out in Article 86, paragraphs 2 and 3 of the Havana Charter and the Interpretative Note to that Article. It was, therefore, unnecessary and probably unwise to reproduce in the Agreement a matter which was clearly defined in the basic instrument of the International Trade Organization.

Article II

The Sub-Committee considered a suggestion for limiting the scope of paragraph 1 by the deletion of the phrase beginning "the Commissions...... may convene". The Sub-Committee felt, however, that such a substantial variation from the usual form of Agreement would be undesirable and that the anxieties which had given rise to this suggestion could be met by modifying the provisions of paragraph 3 of Article VII so as to permit the Organization and the United Nations to exempt from the provisions of paragraph 1 of Article II such meetings at which attendance was restricted because of the confidential nature of the discussion.

The Sub-Committee therefore recommends that paragraph 3 of Article VII be deleted and that there be inserted in the draft Agreement a new Article II A reading as follows:


The United Nations and the Organization are subject to certain necessary limitations for the safeguarding of
confidential information furnished to them by their Members or others. Moreover the Havana Charter, lays special emphasis on the highly confidential nature of certain commentations to be undertaken by or through the Organization.

2. Accordingly, nothing contained in this Agreement shall be construed

(a) to require either of them to make available any information, the furnishing of which would in its judgment, constitute a violation of the confidence of any of its Members or any other source from which such information shall have been received, or which would otherwise interfere with the orderly conduct of its operations, or

(b) to give either of them the right to attend meetings held by the other at which attendance is restricted because of the confidential character of the matters to be discussed.

Article IV

In line 6, insert the word "social" between the words "economic" and "cultural". This word was omitted from the draft by inadvertence.

Article VII

Paragraph 2 (a). The last line should be amended to read "organization and an account of its proposed activities and work programmes".

Paragraph 2 (b). The reference to Article XV should be to Article XVII.

Paragraph 3. To be deleted and replaced by a new Article II A, see above.
Article XI

Paragraph 3 should be deleted in that it refers the internal organization of the ITO.

Article XII

Paragraph 2. The reference to the Co-ordination Committee should be to the Administrative Committee on Co-ordination to conform to the decision of the Economic and Social Council regarding the change of name of this Committee.

Article XIV

Paragraph 1. Line 4: The word "effective" should read "efficient". This conforms to the standard form of Agreement and the departure was due to inadvertence.

Article XVI

Paragraph 3. Add the words "and agrees to consult at the appropriate time with the United Nations concerning suitable arrangements for inclusion of the budget of the ITO within such a general budget".

Paragraph 2. Add sub-paragraph (f) as follows:

"The Organization agrees to conform as far as may be practicable to standard practices and forms recommended by the United Nations."

This is in conformity with Agreements with a number of other specialized agencies.

Article XVIII

The last line should be amended to read as follows:

"specialized agencies, inter-governmental organizations or non-governmental organizations."
Article XIX
Paragraph 2. Line 2: Insert "shall" between the words "agreement" and "apply". This omission was a clerical mistake.

Article XX

Line 2: Insert the word "supplementary" between the words "such" and "arrangements".

II. Draft Memorandum of Understanding between ITO and FAO

(see Addendum 1)