ARTICLE VI OF THE STATUTE

Report by the Board of Governors

1. In its resolution GC(40)/RES/20 on the Amendment of Article VI of the Statute adopted on 20 September 1996, the General Conference requested the Board of Governors to develop within a timetable a process of negotiations among Member States through the existing Open-ended Consultative Group. It further requested the Board to take account of the formal proposal submitted by the Kingdom of Morocco, the sub-amendment submitted by Spain and the informal suggestions made by other Member States and of the elements identified by the Chairman of the Open-ended Consultative Group in his report contained in document GOV/2880 of 9 September 1996 (also contained in document GC(40)/20). It also requested the Board to submit its report on a finalized formula for approval by the General Conference at its forty-first regular session in September 1997 in accordance with Article XVIII of the Statute.

2. On 23 September 1996, the Board of Governors endorsed the re-appointment of Ambassador Bøjer as Chairman of the Open-ended Consultative Group on Article VI of the Statute.

3. Ambassador Bøjer held very extensive informal bilateral and group consultations on the subject and established a small ad-hoc 'core group' of Member States all with a view to resolving the long-standing issue on the basic premise that a solution would have to be reached by consensus. In spite of these efforts, the Open-Ended Consultative Group was not able to reach agreement on the issue of expansion of the Board as considerable divergence of view persisted and Ambassador Bøjer reported accordingly to the Board.

4. During discussions in the Open-Ended Consultative Group as well as in the meetings of the ad-hoc core group, the Chairman of the Group stated that in his view the question of expansion of the Board and other issues of Article VI, namely the composition of regional groups and the criteria for designation of members to the Board of Governors were interrelated. Although not within the purview of the mandate of the Open-ended Consultative Group, these other issues were raised by several delegations during the consultations and
meetings. Several others felt that the other issues had no bearing on the question of expansion of the Board and expressed the view that they should be taken up separately.

5. Following on from this discussion, the Chairman of the Board then submitted to the Board of Governors, at its June 1997 session, a package of proposals in which he attempted to address the three issues of the size and composition of the Board, the composition of regional groups and the criteria to be followed in designating Member States for Board membership (see GC(41)/11, Appendices I.A, I.B and Appendix II and Addendum 1).

6. In addition to the Chairman’s package, Sudan also submitted, on behalf of the African Group, a formal proposal for the amendment of Article VI in accordance with Article XVIII of the Statute (see GOV/2932). The proposal was subsequently revised by Sudan and the revised text is contained in Appendix IV of document GC(41)/11.

7. During the discussion in the Board, a number of States welcomed the Chairman’s initiative in association with Ambassadors Bojer and Ikeda in presenting the package of proposals as a possible way of resolving these issues. Even though there were differences of opinion on individual elements of the package, a number of members nevertheless were willing to live with the package and accept it in the interest of a consensus compromise. While motivated by the same spirit, a number of other States felt that the three issues were not inter-linked, that a package approach was inappropriate at the present time and that a renewed attempt should be made to deal with the individual elements separately.

8. The Board, therefore, decided to defer further discussion on the Chairman’s package until its September session with the hope that in the intervening period further informal consultations would take place on the review of Article VI and its various elements.

9. Opinion in the Board was also divided on the Sudanese proposal (on behalf of the African Group) and the Board agreed to defer further discussion on it until its September session.

10. At its pre-General Conference session last week, opinion continued to be divided on the appropriate approach to resolving outstanding issues relating to Article VI. There were some who continued to maintain that the package approach was the only possible way of resolving these issues, and supported the increase proposed by the Chairman in his package on the size of the Board - despite their reservations about Board expansion - only on the condition that other elements of the Chairman’s package are also accepted.

11. On the other hand, some continued to maintain that the three issues in the Chairman’s package were not inter-linked, that the package proposed was inappropriate at the present time and that a renewed attempt should be made to deal with the long-pending issue of the expansion of the Board separately. In the view of some of them, agreement on this issue is now possible given that the two most recent proposals for Board expansion are bridgeable.
12. In these circumstances, the Board stated as its observation under Article XVIII of the Statute, that there was no consensus at this time in favour of either of the proposals for amending Article VI submitted by Canada as a follow-up to the Chairman's package or by Sudan on behalf of the African Group. The Board was therefore unable to make any recommendation to the General Conference.

13. The Board also agreed to transmit the summary records of its discussion to the General Conference. The summary records of the discussion in June is contained in document GC(41)/11/Add.1. The summary records of the discussion at the September session will be issued as Addendum 2 to document GC(41)/11 in time for the forthcoming General Conference.