



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



D02117

United Nations Industrial Development Organization

PROVISIONAL

ID/B/SR.23

3 May 1967

ENGLISH

ORIGINAL: FRENCH

INDUSTRIAL DEVELOPMENT BOARD

First Session

PROVISIONAL SUMMARY RECORD OF THE TWENTY-THIRD MEETING

Held at Headquarters, New York,
on Friday, 28 April 1967, at 3.15 p.m.

CONTENTS

Organizational matters, including the structure and functions of the secretariat (ID/B/L.1-4) (continued)

Corrections to this record should be submitted in one of the three working languages (English, French or Spanish), preferably in the same language as the text to which they refer. Corrections should be sent in triplicate within three working days to the Chief, Conference and Meetings Control, Office of Conference Services, Room 1104, and also incorporated in mimeographed copies of the record.

AS THIS RECORD WAS DISTRIBUTED ON 3 MAY 1967, THE TIME-LIMIT FOR CORRECTIONS WILL BE 8 MAY 1967.

67-36066/A

/...

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

PRESENT:

<u>President:</u>	Mr. TELL	(Jordan)
later,	Mr. DUMITRESCU	(Romania)
<u>Rapporteur:</u>	Mr. MBAYE	(Guinea)
<u>Members:</u>	Mr. BRADLEY)	Argentina
	Mr. ETCHEVERRY)	
	Mrs. SAILER)	Austria
	Mr. REISCH)	
	Mr. DELVAUX	Belgium
	Mr. REGO MONTEIRO)	Brazil
	Mr. PATRIOTA)	
	Mr. VIADOV	Bulgaria
	Mr. BELEOKEN	Cameroon
	Mr. ABELL	Canada
	Mr. FIGUEROA	Chile
	Mr. HERRAN-MEDINA	Colombia
	Mr. SANCHEZ	Cuba
	Mr. SCHEJBAL)	Czechoslovakia
	Mr. MUZIK)	
	Mr. SCHMIDT-HORIX	Federal Republic of Germany
	Mr. TORNVIST	Finland
	Mr. CESAIRE	France
	Mr. THERSON-COFIE	Ghana
	Mr. DIABATE	Guinea
	Mr. GUPTA)	India
	Mr. CHADHA)	
	Mr. MARTONEGORO	Indonesia
	Mr. YEGANEH)	Iran
	Mr. NASRE-ESFAHANI)	
	Mr. PISANI MASSAMORMILE	Italy
	Mr. KOFFI	Ivory Coast
	Mr. ABE	Japan
	Mr. ISTAMBULI	Jordan

PRESENT (continued):

Members (continued):

Mr. AL-RIFAE	Kuwait
Mr. LUBBERS) Mr. BODDENS HOSANG)	Netherlands
Mr. OIUMIDE	Nigeria
Mr. AHMED	Pakistan
Mr. FERNANDINI) Mr. CACERES)	Peru
Mrs. KODIKARA	Philippines
Mr. BARAC	Romania
Mr. RYABONYENDE	Rwanda
Mr. WARSAMA	Somalia
Mr. SAHLOUL	Sudan
Mr. KALDEREN) Mr. HULTNER)	Sweden
Mr. DAHINDEN	Switzerland
Mr. BARPUYAWART	Thailand
Mr. ARCHIBALD	Trinidad and Tobago
Mr. ALTINEL	Turkey
Mr. ANANICHEV	Union of Soviet Socialist Republics
Mr. BADAWI	United Arab Republic
Sir Edward WARNER	United Kingdom of Great Britain and Northern Ireland
Mr. BLAU) Mr. STIBRAVY)	United States of America
Mr. MONTERO	Uruguay
Miss CAMPBELL	Zambia

Observers for Member States:

Mr. RAHMANI	Algeria
Mr. BENSON	Australia
U BA YIN	Burma

PRESENT (continued):Observers for Member States (continued):

Mr. MULONGO	Congo (Democratic Republic of)
Mr. MAKAYA-CASTANOUL	Gabon
Mr. ALI	Iraq
Mr. CARRANCO AVILA	Mexico
Mr. STANGHOLM	Norway
Mr. HENEMAN	Poland
Mr. DELGADO	Senegal
Mr. LAVCEVIC)	Yugoslavia
Mr. SKATARETIKO)	

Representatives of specialized agencies:

Mr. F. ABDEL-RAHMAN	International Labour Organisation
Mr. ATEN	Food and Agriculture Organization of the United Nations

Representatives of other United Nations
bodies:

Mr. GEOGHEGAN	United Nations Development Programme
---------------	---

Representative of the General Agreement
on Tariffs and Trade:

Mr. HORTLING	
--------------	--

Secretariat:

Mr. ABDEL-RAHMAN	Executive Director, United Nations Industrial Development Organization
Mr. GRIGORIEV	Director, Industrial Technology Division
Mr. QUIJANO-CABALLERO	Director, Technical Co-operation Division

PRESENT (continued):

Secretariat (continued):

Mr. LACHMANN

Department of Economic and
Social Affairs

Mr. MULLER)
Mr. STORDEL)

United Nations Conference on
Trade and Development

Mr. SYLLA

Secretary of the Board

/...

ORGANIZATIONAL MATTERS, INCLUDING THE STRUCTURE AND FUNCTIONS OF THE SECRETARIAT
(ID/B/L.1-4) (continued)

Mr. ANANICHEV (Union of Soviet Socialist Republics) thought that UNIDO should obviously have a centralized structure. The new organization had been born of the need to co-ordinate and centralize United Nations industrial development activities. It was therefore odd that an attempt should have been made to dispute that principle, although it was essential to create a closely knit organization and avoid encouraging the proliferation of branches and departments whose activities would subsequently have to be co-ordinated. The organization should meet the needs of the developing countries and accede to their requests. It could, of course, do so by sending "travelling salesmen" to those countries to find work for it. It could also, like the fire brigade, provide them with emergency assistance and then leave them to fend for themselves. However, the only scientific way of helping the developing countries was to acquire a thorough knowledge of their industrial development plans - in other words, their long-term needs. The organization should help those countries to define their industrial policies and formulate the principles which would govern its own action in that sphere. It was therefore obvious that the structure of the secretariat should be both sectoral and territorial. In that regard, the creation of a Technology Division and a Policies and Programming Division was quite justified. The former was fully competent to solve problems affecting the different branches of industry. The latter would concentrate on determining the relative importance of industry in the economy of a country or region. On the other hand, the Technical Co-operation Division posed some problems. One might wonder why that division, which for some mysterious reason did not have a European unit, was responsible for the programming, implementation and over-all co-ordination of field activities (ID/B/L.1). That arrangement, which did not suit an action-oriented organization, condemned the first two divisions to conduct studies and research unrelated to the practice of industrialization. In fact, the Technology Division should deal directly with each industrial project and have competent specialists and technicians able to solve the specific problems of the different industrial branches. Almost all the tasks involved in the execution of a project concerned one specific branch of industry.

/...

(Mr. Ananichev, USSR)

The Technology Division should be geared to give technical assistance to the different branches and play a leading role in the organization's operational activities. The variety of functions entrusted to the Industrial Services and Institutions Division was also disturbing. Document ID/B/4 (para. 139) stated that in 1967 greater attention would be devoted to technologies for small-scale industries. Admittedly the problems of those industries were just as real as those of iron and steel or machine-building but they were the responsibility of the Technology Division. Policy questions in that field and, consequently, the whole section on small-scale industries should thus be the concern of the Policies and Programming Division. In addition, it was not clear why the Industrial Services and Institutions Division had a section on patents and licences and a section on industrial standards and quality control. Many questions relating to patents and standards were purely technical and could be entrusted to the Technology Division.

His delegation had not been able to devote as much time as it would have wished to the study of the documents on the general structure of the secretariat. It felt, however, that the inclusion in the secretariat of highly skilled specialists - and not, as some had suggested, Jacks-of-all-trades - was the key to success.

Mr. Dumitrescu (Romania), Vice-President, took the Chair.

Mr. GUPTA (India) said that the structure and functions of UNIDO should be such as to reflect its operational character. For that purpose, it should recruit well-qualified personnel with practical field experience and intimate knowledge of the problems posed by industrialization for the developing countries. He supported the Turkish representative's suggestion that preference should be given to technicians from the developing countries. It was particularly important that an increasing number of nationals of those countries which had reached a relatively advanced stage of industrialization should be appointed to posts at the director level. The developing countries should be adequately represented at the highest level of the UNIDO secretariat. At present, however, apart from the Executive Director's post, only two of the eight D-1 and D-2 posts were held by nationals of developing countries; he hoped that situation would be remedied shortly. The activities of UNIDO should be decentralized and close contacts established with the industrial departments of the recipient Governments.

/...

(Mr. Gupta, India)

The scarcity of operational activities had often been attributed to the shortage of sound projects or requests. In order to remedy those shortcomings, UNIDO should not only apprise Governments of the types of assistance it could provide but should also help them to formulate their requests. The ideal solution would be to have UNIDO offices in the various developing regions. The appointment of industrial advisers to the offices of UNDP resident representatives in Africa had been a first step in that direction; that measure should be extended to other regions. The organization could then send to the capitals of a number of developing countries representatives who would also cover the neighbouring countries. They would have to be non-specialists able to study the needs of the countries concerned. On the basis of those preliminary studies, experts could then be sent to the countries to make more detailed studies which would ultimately lead to specific requests for technical assistance or pre-investment projects.

Mr. SCHEJBAL (Czechoslovakia) said that the experience gained by the Centre for Industrial Development should not be neglected. Even if the Centre was vulnerable to criticism, it deserved better than the unfounded and even superficial criticism that some had levelled at it. No form of organization was static; it must be constantly adapted to the requirements of the organization as a whole. To meet the expectations of all members of the Board, the secretariat would have to draw upon the collective wisdom and experience of its staff, particularly of its leading officials. The composition of the staff was important in that respect and it would be unwise to have too few administrators, since that would hinder the work of the specialists. Increasing the number of the latter was not the only way of achieving better results; special care should be taken to recruit the best qualified specialists able to serve both at Headquarters and in the field. The professional staff must also be correctly distributed among the various divisions, taking due account of the central role of the Technology Division, which should be given sufficient resources. He would like to hear the views of the Executive Director on those matters.

The question of centralization could be solved only in a pragmatic way as specific needs developed. Efforts must be made to utilize fully both the Headquarters and field staff. The secretariat could ask for the assistance of

/...

(Mr. G. ...)

experts from various countries and could, if necessary, extend the assignment of any particular official wherever his presence was needed.

The Board should pay close attention to the work of the secretariat, its methods of work and its composition. His delegation supported the proposal made at the previous meeting by the Romanian and Bulgarian representatives. It was convinced that Europe should also participate in technical co-operation.

Mr. TELL (Jordan) recalled that his delegation had asked the Executive Director for further information on the changes he intended to make in the structure of UNIDO and the measures he had taken to transfer to it only those officials and branches of the Centre that were really essential. However, documents ID/B/L.1 and L.3 on the structure of UNIDO gave the impression that the Centre for Industrial Development was arising reborn from its ashes. Moreover, the proposed structure was too big for the organization's present resources. He agreed with the United States representative that the structure of UNIDO should be related to the needs which were reflected in its programme of work and which, moreover, should govern all its activities both at Headquarters and in the field. Its main objective was to promote the accelerated industrialization of the developing countries and it should not, for example, interfere in the relations between the advanced market-economy countries and the centrally planned countries which could regulate their own relations bilaterally. Naturally, UNIDO could not secure the services of the best specialists in all branches of industry. The experts it needed should be "generalists", able to decide where the technical know-how needed to satisfy the requests of the developing countries could be found and how it could be mobilized.

The comments of the USSR representative on the Technical Co-operation Division were very much to the point. That Division should perform the purely administrative function of liaison with field operations and should be reorganized along the lines of BTAO. Research, which was unquestionably useful, should not be the responsibility of a separate branch, but should be split up among the different divisions.

With regard to administrative matters, a balance must of course be maintained between administrative and technical services. The Executive Director might perhaps draw up a new manning table after UNIDO's transfer to Vienna and might

/...

(Mr. Tell, Jordan)

consider using some services (such as documentation, conferences, etc.) jointly with IAEA. Autonomy should never be obtained at the price of duplication.

UNIDO needed new blood, but it should not become an employment agency for unattached international personnel or a place where other organizations might dump incompetent bureaucrats avid for promotion.

Mr. BADAWI (United Arab Republic) considered that the Board should lay down general guidelines on the structure of the secretariat which should enable it to do its work with the greatest possible efficiency.

As far as the structure of Headquarters was concerned, care should be taken to secure the services of highly qualified technical personnel, whose fields of specialization should correspond to the manifold aspects of industrial development. As far as field services were concerned, the complexity of the industrialization process and the variety of problems it involved must also be taken into account. The developing countries did not have all the knowledge and skills they needed. Thus, industrial advisers should be assigned to them to help them get their projects started. Moreover, a kind of liaison must be established with the industrialized countries to ascertain what assistance was available to meet industrial development needs. As for the Peruvian proposal concerning the decentralization of UNIDO's activities he feared that the Board lacked sufficient time to study it; it could be dealt with later at a different session.

Mr. ABDEL-RAHMAN (Executive Director) said that he had never considered UNIDO as being action-oriented. For him, it was more of a promotional organization. In the statement he had made at the Board's third meeting (ID/B/12, para. 42), he had said that, in a very schematic way, UNIDO could be viewed as a kind of central co-operative pool through which it was possible to draw on the reserves of experience, technical knowledge and tangible resources of all participating countries; thus, its future role could be envisaged as the central point in a vast network of international co-operation for sound, orderly and rapid industrial progress.

/...

(Mr. Abdel-Fahman, Executive Director.)

While field operations were of course of vital importance, they were merely one aspect of UNIDO's many functions. With the financial resources at its disposal, UNIDO could not hope to industrialize the developing countries. It was the leverage effect of those resources combined with the effectiveness of the Board and UNIDO itself that would help to create a mutual exchange of knowledge and data gained from experience. He could not be a party to efforts to transform UNIDO either into an employment agency for international officials and experts or into a kind of dinosaur with an enormous body and a tiny brain. It was precisely intelligence and wisdom which UNIDO would need to identify the accumulated reserves of experience of the participating countries and to stimulate the exchange of knowledge and skills.

As an organ of the General Assembly, UNIDO had to serve the Assembly, the Economic and Social Council, the regional economic commissions and other United Nations bodies. Thus, its staff must in principle be able to follow the discussions in those bodies, prepare the necessary documents and take part in the activities of the United Nations family. However, UNIDO's present facilities made it absolutely incapable of executing those functions adequately. It was a great difficulty in sending staff members to meetings of the regional economic commissions and other bodies which discussed questions of vital importance to UNIDO.

With regard to the co-ordination of the work of the United Nations family in the field of industrial development, UNIDO had been made responsible for a variety of tasks, including that of undertaking negotiations. It was asked to do many things but at the same time it must take care not to encroach on the field of competence of other agencies. How had the specialized agencies acquired their competence and experience that were so greatly admired? By recruiting generalists or specialists? What kind of personnel did the Board intend to give UNIDO so that it could discharge its responsibility for co-ordination?

If UNIDO could not carry out its other duties as it should, the effectiveness of its operational activities in the field would suffer. In that respect, it received requests for assistance, considered them and sought the necessary financial resources, and finally took the necessary action. In questions of industrial promotion, its activities could not be limited to a narrow range of questions; it must be able to act in all fields. That was the source of most of the problems with which UNIDO was now confronted. It should be able to fulfil requests for

/...

(Mr. Abdel-Rahman, Executive Director)

assistance, which could relate to a wide variety of specific fields, from aluminium and small-scale industry to industrial planning, project evaluation and research. It must be strongly emphasized that since the industrialization of a large number of highly diverse countries was involved, UNIDO could not restrict those countries to a particular field of industrial development or limit requests for assistance to fields that UNIDO itself would select.

In the documentation on the programme of work and activities, some thirty areas had been identified. That number was a minimum if requests for assistance were to be adequately met. It was impossible to engage all the specialized staff required for those thirty areas of activity. A nucleus of specialists in each area must therefore be set up to serve as the mainstay of UNIDO action. All the areas listed under research activities in document ID/B/4 were also listed in the first part of that document, which dealt with operational field activities. Those two spheres of action complemented and supported each other. What kind of staff, then, should UNIDO have? It surely needed the generalists, who would be responsible, among other things, for analysing requests, identifying problems and setting up the necessary liaison, but it would also need specialists in highly varied fields. Within the limitations and practicalities of recruitment, the UNIDO secretariat should include both types of staff, the generalist and the specialist, who would work closely together. UNIDO's work depended on the supply of and demand for assistance, the former originating frequently but not always in the advanced countries, the latter in the developing countries.

He had noted with interest the suggestion concerning UNIDO's field service. Such staff were very important for UNIDO; they should co-operate closely with the regional economic commissions and UNDP resident representatives. It would be useless, however, to create a demand for assistance without a system of supply. The manifold functions of UNIDO required highly varied aptitudes on the part of the staff, which should include both members experienced in United Nations work and new members, account being taken in the case of the latter of the limitations of an essentially political organization such as the United Nations.

/...

(Mr. Abdel-Fahman, Executive Director)

Referring to the comments made by delegations, he expressed surprise at the fact that some delegations did not seem to remember the information he had already given. He did not think that it would be fifteen years before UNIDO would have need of the proposed staff; unlike the Jordanian representative, he believed that that period should not exceed two or three years. On the other hand, he shared the Czechoslovak delegation's view that UNIDO must be a dynamic organization. It was not true that UNIDO should limit itself to the technical aspects of a question. For example, the problem of small-scale industry could be considered from several points of view, such as the technological and economic aspects. But as matters now stood, it was more rational, at least in UNIDO's opinion, to regard small-scale industry as a structure within a country, a group which needed organization and assistance. UNIDO wanted to encourage the establishment of small-scale industry extension services, analogous to those in agriculture. It therefore regarded that institutional aspect of small-scale industry as essential at present in most of the developing countries. Centres must be established at which small producers could obtain the advice and assistance they needed. For all those reasons, the question of small-scale industry had been entrusted to a special section; that did not mean that UNIDO intended to neglect the technological or other aspects of such industry.

One delegation had criticized the terms of reference of one division as summarized in document ID/B/L.1. He pointed out, first, that the UNIDO secretariat's use of such brief summaries had been motivated by the criticism expressed by some delegations at the start of the session concerning the volume of documentation. Secondly, he wondered whether two or three sentences taken out of context ought to be used as a reason for halting recruitment. For his own part, he believed that recruitment should not be stopped until the organization was able to operate effectively and had acquired the minimum staff it needed to be viable.

Another delegation had said that there was a division for operational activities, distinct from the substantive divisions. That was not so; the division in question did not have sole control over operational activities, but was responsible for channelling them. Every request for assistance was referred to the competent substantive division. It might be possible to find a better formula; in any event, the UNIDO secretariat was prepared to consider all relevant suggestions.

/...

(Mr. Abdel-Rahman, Executive Director)

The crisis of UNIDO was the result of expectations that the organization would automatically acquire the necessary resources to fulfil at once its very broad responsibilities under General Assembly resolution 2152 (XXI). While such a display of interest was certainly encouraging, the hard facts must be faced, and UNIDO should tread on solid ground by a succession of practical and well-considered steps.

Mr. TELL (Jordan) proposed that the Executive Director's statement should be circulated as an official Board document. He continued to believe that the organization should be action-oriented and felt that the wishes of Member States should be borne in mind.

Mr. OLUMIDE (Nigeria) and Mr. WARSAMA (Somalia) supported the proposal that the Executive Director's statement should be circulated in its entirety.

It was so decided.*

Mr. KOFFI (Ivory Coast) asked for some clarification of the Romanian delegation's proposal to establish a European group in the Technical Co-operation Division. Would that group be responsible for channelling the efforts of the industrialized countries of Europe to aid the developing countries, or would it be a beneficiary of UNIDO activities? General Assembly resolution 2152 (XXI) was clear on that point: it declared that the purpose of the organization was to promote and accelerate the industrialization of the developing countries.

Sir Edward WARNER (United Kingdom) noted with satisfaction that, in the Executive Director's opinion, the tentative manning table (ID/B/L.3) represented the needs of UNIDO in two or three years' time and not in the immediate future. As to the latter, his views were close to those of the Jordanian representative. He was afraid that the Executive Director's views were somewhat doctrinaire.

* The text of the statement made by the Executive Director of UNIDO will be circulated in extenso.

Mr. BLAU (United States of America) recalled that when UNIDO had been established, the Italian representative had pictured the organization as a group of consultants with a relatively small staff sufficiently familiar with technical problems to discuss them with specialists, to whom they would assign specific tasks and whose reports they would evaluate. That was a correct conception of UNIDO. Furthermore, he did not believe that the organization was currently being used as a placement agency. Its structure was viable and efficient and it had been planned not in the abstract but with a view to carrying out a definite programme. He hoped that the Executive Director would devote his energies to that programme and set up the machinery for turning it into a tangible reality in the developing countries.

Mr. REGO MONTEIRO (Brazil) supported the Executive Director. Of course, there were disagreements about the structure to be given to the organization but that was not exceptional. In any event, he hoped that the divergences of interpretation would not interfere with the activities of UNIDO.

Mr. AHMED (Pakistan) expressed his confidence in the Executive Director. There was no contradiction between what he had said and the opinion of certain delegations. In mentioning the promotional role of UNIDO, the Executive Director meant that, as the organization itself lacked the resources to assume responsibility for industrialization, it should seek to encourage the initiation of projects. The structure as it emerged from document ID/B/L.3 seemed likely to satisfy the needs which would certainly appear as soon as UNIDO was really launched. The work programme was being prepared in the form of guidelines. If UNIDO wished in the future to attain the objectives which had been assigned to it, it should have a specialized staff capable of evaluating the requests for assistance formulated by the various industrial sectors. In that respect, UNIDO was indeed to some extent a consulting firm, for the Executive Director proposed to base the organization on a common pool of experience and knowledge.

The research activities had been heavily criticized, but, as the Executive Director had pointed out, they were a necessary adjunct to operational activities.

Document ID/B/4 showed that seventy administrators were to organize and co-ordinate at Headquarters the activities of 469 experts in the field. Since

/...

(Mr. Ahmed, Pakistan)

the administrators at Headquarters must also participate in outside activities and prepare documents, the ratio between them and the experts was excellent. It would perhaps be useful to compare UNIDO in that respect with other United Nations bodies. He therefore felt that the criticisms which had been addressed to the Secretariat were unjustified. The tentative manning table was really an absolute minimum which should be increased in relation to the needs.

His country was not represented in the secretariat and he expressed the hope that the Executive Director, while not alone responsible for recruitment, would try to ensure a certain balance in the geographical distribution of staff.

Mr. Tell (Jordan) resumed the Chair.

Mr. OLUMIDE (Nigeria) said he was aware of the difficulties encountered by the Executive Director. They were due to a large extent to the fact that many countries had placed great hopes in UNIDO and that the lack of resources did not enable those hopes to be achieved. Certain representatives seemed to forget the financial difficulties when it was a question of setting up regional offices of UNIDO. That was a very costly measure for the organization and would not really be necessary until the needs became pressing.

Mr. MUZIK (Czechoslovakia) recalled that under General Assembly resolution 2152 (XXI) the purpose of the organization was to promote industrial development. The Executive Director was therefore right to consider UNIDO as a promotional body. Since resources were limited, it was in that role that it would exercise the strongest influence. As for the functions of the organization, it should not be merely another executing agency responsible for operational activities. That point had been discussed at length and its interpretation had remained somewhat vague. UNIDO was a United Nations organization and should act in accordance with the provisions of the Charter which stipulated that the United Nations should encourage international co-operation among all nations. As long as UNIDO retained that mandate, that would also be its function.

/...

Mr. LUMITRESCU (Romania) said, in reply to the representative of the Ivory Coast, that Europe was a region among others, with highly industrialized countries and others that were somewhat backward in that field. The same was true of Asia and even of North America. Of course, in Europe, the number of highly developed countries was very high but it should be remembered that among the highly industrialized countries and those that were only in the first stages of industrialization there were some which had attained different levels of development and which could give the less developed countries the benefit of their experience, although they still required co-operation from the highly developed ones. For that reason a European unit should be set up within the secretariat. It would have the task of channelling aid to the developing countries but at the same time would benefit from the activities of UNIDO. The organization would not be weakened thereby, for the beneficiary countries could in their turn assist the developing countries, thus offsetting the advantages that they would derive from their participation in the activities of the organization.

Mr. WARSAMA (Somalia) said he was surprised at the turn which the discussion had taken on such an uncontroversial issue. At times, the deliberations had taken the form of accusations levelled against the secretariat. Of course, the Board was free to censure the Executive Director but it was obvious that the manning table he had submitted was a minimum and that perhaps it was not even adequate to allow the organization to meet the needs and to work effectively in the fields which the Board was to determine. Naturally, UNIDO should not become an employment agency, but it needed specialists not only for specific projects but also on a permanent basis. In that respect, UNIDO should study the socialist market.

The structure of UNIDO was defined in resolution 2152 (XII) but in document ID/B/L.1 there was no mention of a unit responsible for professional activities. The establishment of such a unit could be envisaged as part of the Industrial Services and Institutions Division. The Executive Director could take that suggestion into account and the Board could consider establishing the unit.

Mr. KOFFI (Ivory Coast) noted the clarifications made by the representative of Romania and suggested that the Secretariat should go into the question in greater detail. The unit could be called "European and North American Unit" and could be given the functions outlined by the representative of Romania. The Executive Director could initiate a study on the concept of under-development which so far had merely a restrictive character.

Mr. SAHLOUL (Sudan) said he was satisfied with the statement by the Executive Director. It had been the subject of unjustified and inappropriate criticisms. His delegation endorsed the views which Mr. Abdel-Rahman had expressed on the structure necessary for the organization.

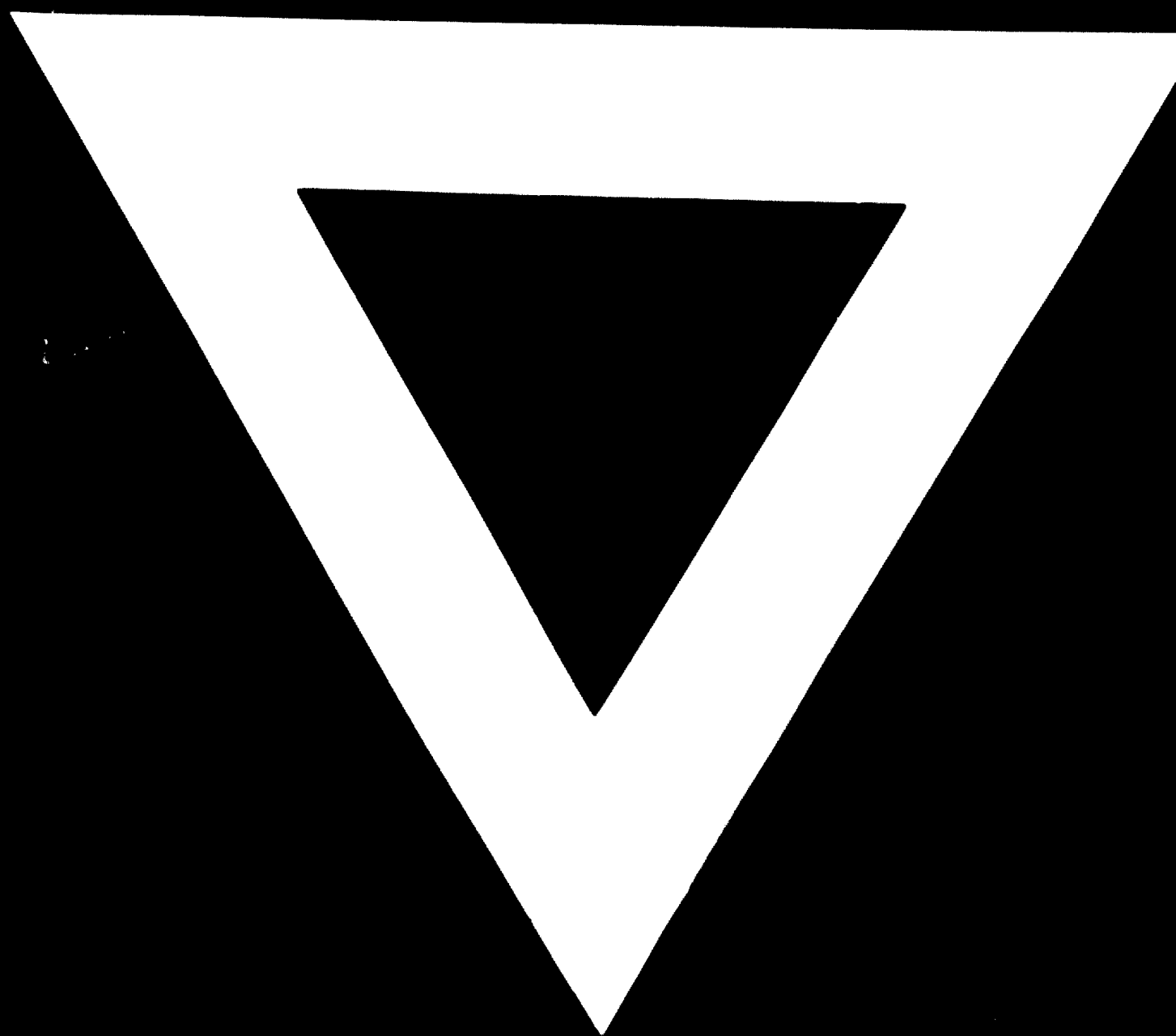
Mr. YEGANEH (Iran) supported the Executive Director. The organization needed a solid structure if it was to accomplish its heavy task. It must have "brains" to direct its research and operational activities in a balanced manner.

Mrs. SAILER (Austria) noted with satisfaction that the programme envisaged by the Executive Director was well conceived to respond to the aims of the organization. In order to be constructive, it must acquire a knowledge of the problems and stimulate requests. However, the resources were limited and in that respect prudence and wisdom were necessary. The views expressed by the Executive Director fulfilled those requirements and the Board should give him a free hand to reinforce the structure of the organization as the needs increased.

Mr. VLADOV (Bulgaria) said that in general he shared the views of the Executive Director which were not contrary to General Assembly resolution 2152 (XXI).

The meeting rose at 6.5 p.m.





5 . 10 . 71