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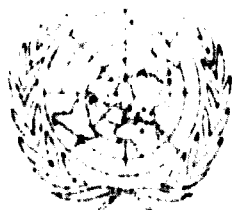
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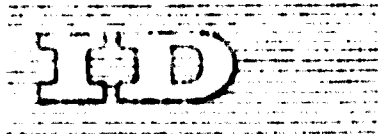
## CONTACT

Please contact [publications@unido.org](mailto:publications@unido.org) for further information concerning UNIDO publications.

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## Industrial Development Board

Third Session

Vienna, 24 April - 15 May 1969

### SUMMARY RECORD OF THE SEVENTEETH MEETING

Held at the Neue Hofburg, Vienna,  
on Wednesday, 30 April 1969, at 10.40 a.m.

President: Mr. ORTIZ de ROZAS (Argentina)  
Reporteur: Mr. BILLNER (Sweden)

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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.

EXAMINATION OF CREDENTIALS

1. The PRESIDENT announced that with the exception of the rules of procedure the Bureau of the Board had examined the credentials of representatives and found them to be in order.

GENERAL DEBATE (continued)

2. Mr. SICHANAKA (Thailand) considered that for the time being UNIDO should concentrate on field activities, avoiding research work which had already been carried out by other bodies. He expressed concern at the rapid depletion of the Special Industrial Services fund and requested the Executive Director to make every effort to replenish it. He hoped that those countries which had so generously contributed to the fund in the past would continue to do so.

3. So that projects could be initiated and implemented more rapidly, UNIDO regional representatives and field advisers should be given as much authority as possible in their dealings with the countries and organizations within their competence. In addition, measures should be taken to strengthen and improve liaison between representatives and advisers and UNIDO headquarters.

4. He had been pleased to note that co-operation agreements had been signed with a number of United Nations organizations and that others were on the way. Nevertheless, he felt somewhat concerned by the delay that had occurred and was anxious to see agreement reached between UNIDO and ECAFE. The Asian Industrial Development Council (AIDC) had recently been established as the body responsible for the development and integration of industries in the vast Asian region. He felt sure that, once agreement had been reached with ECAFE, UNIDO could make effective use of AIDC, which could become its regional arm, as recommended by the International Symposium on Industrial Development. The Symposium had also recommended that UNIDO should appoint regional liaison officers at the headquarters of the regional commissions and participate actively in their survey missions, action groups and feasibility studies. Without wishing to limit the Executive Director's freedom of action, he would suggest that a full-time regional liaison officer should be appointed to ECAFE and that a few regular UNIDO staff members should be detached to work with the ECAFE secretariat. Co-operation between the two organizations might eventually lead to the establishment of a joint division or unit within the ECAFE, organized on the lines of those set up for FAO, ITU and WHO.

5. While on the subject of co-ordination, he wished to draw attention to the preparations now being made by AIDC for a long-term perspective study for industrialization and regional co-operation in the Middle East region. Thanks to the generous contributions offered by certain Governments and the Asian Development Bank, it should be possible to launch that important project in the near future, and he hoped that UNIDO would be able to co-operate in it.

6. To enable members of the Board to have a more direct knowledge of field problems, he would like to suggest that future sessions of the Board be held in the various regions, perhaps in rotation.

7. Mr. NADOUH (Kuwait) said that the primary duty of Board members at the present session was to advise the Executive Director on the programme for the coming year and on its implications for the two following years. Members should also do all in their power to help the Executive Director to secure increased financial resources. In that respect, the statement by the representative of UNDP had been encouraging; Kuwait wished to suggest that the Board should adopt a resolution requesting UNDP to increase its financial assistance for industry to a level at which UNIDO's commitments could be adequately met. In addition, he would suggest that the developed countries should increase their contributions at the second Pledging Conference. His own country intended to make available additional resources as soon as its heavy financial responsibility arising from the Zionist war of aggression and the continued occupation of Arab lands came to an end. The amount involved, approximately \$155 million per annum, was extended to Arab sister countries whose economies had been adversely affected by the war. Under normal circumstances the money would have been used to develop Kuwait's economy.

8. The Special Industrial Services programme had met with remarkable success and should be continued. He therefore urged all the developed countries to make contributions to the programme until a permanent arrangement could be reached with UNDP. He supported the position taken by the Executive Director regarding the waiving of local costs of SIS, as that would make the programme simpler and more flexible.

9. Decentralization had its advantages and disadvantages, and he therefore suggested that the only measure for the time being should be to increase the number of field advisers and to send a permanent representative to the office of every UNIDO resident representative.

10. In conclusion, he pledged his country's continued support for UNIDO and announced that his Government had assumed the functions of administering UNIDO to the Industrial Development Committee.

11. Mr. ARKADIEV (Union of Soviet Socialist Republics) said that he felt obliged to reply to certain remarks made at the previous meeting. A representative had stated that UNIDO's primary function was to encourage foreign capital investment in the developing countries. The Soviet Union strongly objected to that definition of UNIDO's aims, which was contrary to General Assembly resolution 2152 (XXI). The results of foreign investment in Europe, for instance, were well known: certain branches of industry had been almost entirely taken over by foreign overseas companies which made enormous profits. He was glad to note that the developing countries had recognized the danger, for they had clearly stated that the fundamental responsibility for their economic development lay with themselves and should be based primarily on their own internal resources.

12. A somewhat naive apology had been made for unplanned, as opposed to planned, economies; it had been stated that they were more natural. However, it should be noted that even States with so-called market economies made wide use of economic advisers who were concerned with such questions as long-term planning and forecasting. He felt sure that the developing countries, with their needs and limited resources to satisfy them, would develop their economies on the basis of scientific development plans and programmes. UNIDO should play a major part in assisting the developing countries to draw up long-term and current industrial development plans. The principle of long-term planning was fundamental to the work carried out by the United Nations, in particular for the preparation of the Second Development Decade.

13. The Soviet Union's contribution to the Special Fund had been criticized as inadequate, on the grounds that it was not made available in foreign currency. In fact, only 25 per cent of it was in convertible currency, and if the Soviet contribution was not properly utilized, it was because of the definite political line taken by the UNDP management towards the Soviet Union. During its entire existence, UNDP built practically no pilot plants in the developing countries, although such work could have been financed from the Soviet contribution. His delegation objected to that attitude and hoped the UNIDO administration would not take up a similar stand towards the Soviet Union contribution to UNIDO. As for the allegation that there were strings attached to Soviet contributions, that was not so. Soviet Union assistance was disinterested and without strings. On the other hand, there was documentary evidence to show that 80 per cent of United States aid to Latin America in 1954-1957 was earmarked for the purchase of products from the United States.

14. Mr. CASILLI (Italy) considered that the Board should continue itself by laying down guidelines for the work of the Organization during the present year and those immediately following. A choice had to be made among the priority activities studied by the Working Group, which should in his view become a permanent body with an agreed membership. In that connexion, he thought it would be useful to arrange for an interval between meetings of the Working Group and the Board. With regard to priorities, he personally favoured programmes designed to improve the efficiency of existing industries, including repair and maintenance, and training for technicians and managers. His country had taken a keen interest in training even before the creation of UNIDO, having organized courses for representatives of the developing countries at leading institutes in Italy. That activity would be extended during the next few years through the voluntary contributions pledged by Italy in December 1968.

15. Priority should also be given to the development of industries which were directly related to conditions in the developing countries, and to agricultural production, the use, preservation and processing of food products and the production of fertilizers. Another important priority was the development of small and medium-scale enterprises, which formed an essential part of the economic structure of all countries.

16. Generally speaking, he thought that in formulating industrial policies UNIDO should pay the greatest possible attention to the wishes expressed by the developing countries themselves. It was for those countries to make their own choices, which should be based on their actual economic and financial possibilities. UNIDO's task was to provide assistance and guidance in the implementation of their chosen programmes.

17. After congratulating the secretariat on the documentation, he expressed his bewilderment at the fact that proposals were already being made for the creation of a group of experts to study UNIDO's long-term programme and re-organization. Finally, he supported the suggestion that the Working Group's report should be annexed to the Board's report.

18. Mr. TÜRELMEN (Turkey) said that not only the efficient implementation by UNIDO of the two important UNDP Special Fund projects in Turkey, and the volume of technical assistance that was being received by his country, but also the sincerity and earnestness of the Organization's efforts to deal with complex industrialization



problems had convinced his Government that UNIDO, even at an early stage, was successfully performing its assigned functions. Increased support of the Pledging Conferences by countries able to contribute would go far towards solving UNIDO's problems. His Government, for one, intended to contribute, in local currency, 50,000 T.L. at the coming Pledging Conference. The diminishing volume of IDI funds was a matter of concern and it was to be hoped that advanced countries would continue to contribute to them.

19. One of the major problems facing UNIDO was that of co-ordination with other United Nations bodies. Where it was difficult to assign responsibilities for certain activities or projects, UNIDO and the organizations concerned should act in harmony, rather than compete, to ensure the implementation of the project. A useful step might be to establish joint divisions in the United Nations agencies concerned.

20. His country planned to set up a national committee for UNIDO during the present year. UNIDO should establish closer contacts with such committees by strengthening its relations with permanent missions in Vienna and by increasing the number of regional advisers.

21. With regard to UNIDO's future work programme, his delegation considered that the indication of priorities and provision of guidelines, although useful, was not enough. UNIDO's primary task should be to propose feasible strategies to the developing countries, taking into account their particular situations and relative stages of development.

22. UNIDO's contribution to the Second Development Decade, to be made in close co-operation with United Nations and governmental bodies, would be more effective if the implementation follow-up system was improved in the light of past experience, with continual readjustment of annual operational programmes. The need of a long-term plan based on the specific goals of the developing countries should also be borne in mind. During the Second Development Decade, UNIDO should place particular emphasis on export-oriented industries, acting in collaboration with the United Nations agencies which dealt with trading patterns and preferential tariff arrangements.



23. Mr. McCORDICK (Canada) drew attention to an observation by the Executive Director that the creation of UNIDO in its present form represented a compromise between two divergent but valid opinions which had been expressed concerning the appropriateness of establishing such an organization in the light of the complexity of the industrialization process. Although the complexities of industrial development had not decreased, developed countries were becoming increasingly aware of the view that the industrialization of the developing countries was a vital and urgent task. Canada, the fifth largest contributor to the voluntary and technical assistance funds of the United Nations family of organizations, had undertaken to increase its foreign aid to one per cent of its gross national product by the early 1970's; a significant portion of that aid would be directed to the developing countries through multilateral economic activities managed by well organized international agencies and funds. UNIDO should, of course, feature prominently in any expanded United Nations aid efforts to which his country contributed through UNDP, and consequently Canada welcomed the efforts that were being made to increase the effectiveness, efficiency and importance of the Organization. Although the resources made available thus far by UNDP had been modest, there was no doubt that once the Organization's role had been more clearly defined and its human resources fully mobilized, recognition of its abilities would be greatly enhanced. That task was the responsibility of the Executive Director, of Member Governments and of Board members. It was for the Executive Director to propose the most effective means of using available financial and human resources, and for Governments to make the final policy decisions. A situation in which each party sat back and waited for guidance from the other was to be avoided at all costs.

24. Emphasis had been placed in document ID/B/45 on the need for the Board to start looking beyond 1971 with a view to providing certain long-term guidelines. The Executive Director had told the Working Group that the UNDP capacity study, to be completed and examined early in 1970, would undoubtedly have far-reaching repercussions for UNIDO. A comprehensive review of development aid by IBRD would also be available in the following year. Furthermore, many of the principle donor countries, including Canada, were currently reviewing their policies and programmes of aid to the developing countries. The Executive Director had concluded that all those factors indicated that a review and re-orientation, for which preparations would have to be started very shortly, might appropriately be undertaken by UNIDO at the fourth session of the Board.

25. Various suggestions had been made regarding the most appropriate means of effecting the necessary studies. The fact that UNIDO was principally a technical organization and that the Board was essentially a political body made the task somewhat complicated. The Canadian delegation had thought that an initial examination of the questions concerned might be entrusted to a small group of highly qualified experts. The proposal that a study of future priorities and requirements should be carried out by a small committee of government representatives, assisted by experts and consultants, deserved careful consideration although it entailed some complexities. Another suggestion was that a single expert should be appointed to assist the Board in its examination of future requirements.

26. Any study of the kind envisaged should include comments and recommendations concerning the type of activities necessary to support and encourage the process of industrialization in the developing countries, identifying those which were most appropriate and timely for UNIDO to undertake. As it would be difficult for a largely political body of forty-five members to take quick and effective decisions on complex technical issues, Canada was inclined to favour the formula of a study by experts. It was perfectly appropriate for a body such as the Board to enlist outside expertise to facilitate its work; such a step would certainly not detract from the authority of the Board or imply that it was admitting failure.

27. The previous year his delegation had suggested the creation of inter-sessional machinery to maintain in contact with the secretariat, so that the Board could be better informed and thus work more effectively. Participation in an inter-sessional committee would enable the developing countries, which were not widely represented in Vienna, to maintain closer contact with the secretariat. His delegation again commended that suggestion to the consideration of the Board.

28. If the Working Group was to be of value, delegations must be better prepared, there must be more inter-group consultation, and efforts must be concentrated on more significant issues with a view to formulating conclusions and recommendations for submission to the Board. The Group ought to meet well in advance of the Board to provide time for adequate reflection on its findings and thus enable the Board to hold a shorter session. Should the Group meet immediately before the Board, all necessary steps should be taken to ensure that time was saved and that the same representatives attended both meetings in the interests of continuity.

29. Mr. BERENA (Argentina) said that it had taken time for the international community to see the justice of the aspirations of the developing countries and to incorporate within the institutional framework of the United Nations programs designed to meet the needs of more than one third of mankind. The Organization, although young, had already done much to establish an appropriate infrastructure for the mobilization and channelling of national resources for overall development. The Board must provide the secretariat of UNIDO with the ways and means of discharging its duties and achieving the Organization's objectives. In particular, operational and supporting activities must be strengthened.

30. His delegation commended the Executive Director's efforts to promote co-operation with other organizations active in the industrial field, with a view to avoiding duplication of work, unnecessary expenditure and wasted effort. UNIDO was supposed to be the central co-ordinating body for all United Nations activities in the field of industrial development, and care should be taken to ensure that the requirements of co-ordination did not entail any restriction of the powers on UNIDO under General Assembly resolution 2152 (XXI). Moreover, co-ordination should aim at the progressive transfer of specific activities without detriment to the assistance received by the developing countries. The question of collaboration at the governmental level was also important, and a national committee would shortly be established in his country.

31. His delegation considered that the Working Group had satisfactorily performed its task of examining the programme and co-ordination. Argentina attached particular importance to operational field activities and was gratified to note that satisfactory foundations had already been laid for future work in that sphere. It was, however, disquieting to learn that there was no correlation between the resources available for project implementation and the feasible projects for assistance drawn up by Governments. In the circumstances there was no choice but to act on the basis of priorities; some guidelines had already been laid down by the Working Group, but it might subsequently be necessary to have more precise criteria. That question might be dealt with at another Board session, when the results of the various studies on development aid projects and on the Second Development Decade were available. In any case the Board should reaffirm the need to obtain more resources for UNIDO's programmes by all the means provided for in General Assembly resolution 2152 (XXI).

It was particularly important to obtain a larger share of the funds administered by UNDP; at present UNIDO's share in those funds amounted to only 3 to 5 per cent and there seemed to be a tendency for UNDP to give preference to projects submitted by other agencies. The parsimony of UNDP in allocating funds to UNIDO accorded ill with the vital responsibilities assigned to the Organization by the General Assembly.

32. Although the situation had been somewhat alleviated by the development of the Special Industrial Service, it was alarming to note that the funds available for that service would begin to decrease in 1970.

33. UNIDO had an important role to play, in co-operation with the ILO and UNESCO, in the field of technical training and recruitment of experts. However, his delegation could not endorse the view that some form of international control of the emigration of technicians trained in the developing countries should be instituted; experience in his country had shown that the exodus of professional and technical specialists decreased as industrial and economic development progressed. The problem was a purely national one and must be solved at the national level.

34. The question of promoting foreign investment should be approached with caution, and UNIDO should simply act as a catalyst, by investigating opportunities and facilitating contacts. The action of the Organization should not interfere with the bilateral activities in which the receiving countries were involved. It was for Governments themselves to adopt the necessary measures to ensure that investments were channelled to appropriate sectors in the country.

35. With regard to the preparatory work for the Second Development Decade, General Assembly resolution 2411 (XXIII) provided an adequate basis for defining UNIDO's contribution in drawing up the strategy. National and international action to achieve the objectives set should be concentrated on such aspects as the encouragement of national industrialization efforts, improved access for manufactures and semi-manufactures to the markets of the developed countries, increased financial assistance and better conditions governing its provision, stimulation of the flow of foreign private capital and access for all countries to advanced technology.

36. The question of UNIDO's participation in the Second Development Decade should be examined by the Board in close connexion with the structural and institutional problems entailed in the elaboration and development of long-term programmes.

UNIDO's action in that respect should not be hasty; the large number of ideas put forward and the close interrelation between many of them made it necessary to proceed cautiously on a step-by-step basis. In principle, his Delegation favoured the establishment of a group of government representatives from all geographical areas to examine the guidelines for a long-term programme as well as problems of financing and institutional organization. The important studies at present being undertaken by various international bodies would obviously have to be taken into account by UNIDO; consequently no definite decision should be taken on the subject at the present session. In the meantime, the secretariat might usefully prepare a preliminary study for the consideration of the Board which, at its fourth session, could set up the study group it considered most appropriate. The conclusions of the group could then be submitted to the Board at its fifth session; as its recommendations would no doubt imply important changes in the structure and policy of UNIDO, they would have to be considered by a special conference of Member States which might be convened immediately after the fifth session of the Board.

37. Mr. ILEOUDO (Upper Volta), said that UNIDO's very existence was proof of the fact that the United Nations saw industrialization as one of the most efficient means of reducing the ever increasing gap between the developed and the developing countries, although his own country tempered its optimism concerning UNIDO's role with certain reservations. First of all, the resources of the Organization would always be limited and inadequate. Secondly, the developing countries on their own were generally unable to meet the many pre-requisites of industrialization.

38. The problems of his country would serve as examples of the difficulties encountered. Suffering from a lack of national funds, Upper Volta was obliged to seek foreign capital for investment, and the cost entailed both compromised the profitability of its industries and increased its foreign public debt. Moreover the difficulties encountered by the developing countries in placing their products on the markets of the developed countries posed a constant dilemma: should they embark on the industrialization process and brave the international market with all its risks, or confine themselves to the export of raw materials and prepare to face a steady deterioration in terms of trade?

39. The Government of Upper Volta had approached the problem in a sensible and responsible fashion, concentrating on the promotion of agriculture and livestock-raising and on the processing and marketing of the produce derived from these activities. Its primary objectives were: to produce enough of such foods to meet all its subsistence needs and leave an increasing surplus for export, to extract and process the country's abundant mineral resources, and to train the necessary technical and management personnel. Its industrialization strategy consisted in: giving priority to industries processing domestic raw materials, avoiding the installation of industries to process imported materials, pursuing a liberal policy regarding investments, increasing marketing and export possibilities and, finally, ensuring the progressive harmonization of national policy with that of neighbouring States.

40. Although the programme was modest, the efforts required exceeded national possibilities. But although Upper Volta lacked personnel, finance and know-how, it was determined to escape from the vicious circle imposed by the interdependence of those three factors, and to move prudently and consistently towards industrial development on the basis of clear yet flexible choices.

41. The development of the poor countries was one of the major necessities of the age. Its achievement required co-operation on a universal scale, and in that connexion UNIDO could play an important role, ensuring the transfer both of knowledge and of finance. It could also play a major part in the training and promotion of national industrial cadres.

42. The effect on human health of the social changes and adjustments implicit in industrial development was a problem which appeared to have been neglected. The Executive Director might well consider studying that subject, in liaison with other competent specialized agencies.

43. In conclusion, he recalled that the Board, in resolution 3 (II) establishing the Working Group on Programme and Co-ordination had required the Group to examine past activities and current and proposed programmes, to assess the financial implications of activities, and to identify and comment on problems of co-ordination.



Considering that during the present session the Group had not been able to give these subjects the attention they deserved, he suggested that in future its task might be facilitated if each main topic were entrusted to a sub-group. The report of the Working Group was a valuable document and should be annexed to the report of the Board. He considered that the Working Group should be kept in existence, but that it might be better for it to meet at least three months before the session of the Board, so that Governments might have the opportunity of examining its report during the intervening period.

44. Mr. NSEANZIRANA (Rwanda) said that despite its youth, UNIDO had already aroused great expectations on the part of the poor countries.

45. Much had already been done, but even more remained to be achieved. UNIDO's responsibilities were enormous, but its mission was an exciting challenge. The industrialization of the developing countries was not an end in itself; it was perhaps the only means of enabling the people of the Third World to lead more dignified and human lives, and to become - as the Executive Director had said - true partners in the fullest sense of the term.

46. UNIDO had already rendered substantial services in a number of crucial fields. Its promotion of small-scale industry met with the full approval of the Government of Rwanda, which was taking special steps to promote that sector nationally. Rwanda believed that UNIDO could do still more to promote small-scale industry which, because of its modest requirements in terms of capital and management techniques, was of particular interest to the developing countries whose domestic markets and local purchasing power were limited.

47. Foreign markets were necessary to the developing countries not only as outlets for goods which could not be absorbed at home, but also as a source of foreign exchange. The developing countries were obliged to export their produce, but the problems involved were enormous and could not be solved through improvisation. UNIDO could play a decisive role in helping them to find markets, as well as in quality control and standardization.



48. The crux of the matter was capital. The creation or improvement of local finance agencies was only a partial solution to the problem. For - as Rwanda had discovered in the case of its own development bank - their funds were not sufficient to meet the demand. It was essential to increase the flow of international capital into the developing countries, and it would seem that UNIDO had as yet done little more than express its good intentions. The matter was, of course, extremely difficult and even controversial, but he was convinced that it could not be neglected if a real attack was to be made on the problem of industrialization in the Third World.

49. The developing countries had a particular interest in 'motivation' industries, whose aim was to provide the public both with elementary technical knowledge and with the incentive to produce the means of raising their own standard of living. He was thinking particularly of the manufacture of cheap radio receivers, the improvement of housing through simple techniques and materials and the improvement of agricultural output through the use of fertilizers. Activities of that type had been undertaken in Rwanda, and assistance from UNIDO would be most welcome.

50. On the subject of future activities, and in particular UNIDO's role in the Second Development Decade, he thought that although the future was largely a matter for conjecture, the Organization should look ahead with realism and with courage, and prepare its own specific strategy. The obstacles encountered by the developing countries in their efforts at industrialization had very varied origins, and their elimination depended on prudent planning, selectivity, and concentration on what could be rather than on what should be achieved. In that connexion, much could be learned from the failures of the first Development Decade.

51. UNIDO's material resources were limited, but its knowledge and confidence were great. It should prepare a plan whose very modesty would ensure its success and whose execution would thus make a real impact on world development.

52. In conclusion, he said that he had no objection to the maintenance of the Working Group with its present functions, but could not agree that it was necessary to set up a new expert group. National committees, and the Board itself were capable of providing the secretariat with advice and guidance.

53. Mr. QUAY (Cameroon) said that one of the principal and unequivocal decisions required of the Board concerned the Working Group. He himself doubted the necessity for that body, since apart from the fact that it had held no formal debate, it appeared to be virtually indistinguishable from the Board itself. While conceding that there might be some merit in the present arrangement, he recalled the General Assembly's misgivings on the subject and said that he supported the suggestion that the meetings of the two bodies should be telescoped.

54. His Government's experience at many international conferences at the highest economic levels inclined it towards scepticism. It was approaching the Second Development Decade in a realistic and not unduly optimistic spirit. UNIDO's promotional role should be an active rather than a passive one. It was not enough to be told that from 1971 onwards UNIDO's work would consist merely of involvement in policies and decision-making at the country level, or that the choice of projects for implementation was largely determined by the funds available and that the latter could not always be anticipated in advance. Moreover the reminder that, as UNEP was the main source of funds, the recommendations of the UN capacity study would have far-reaching implications for UNIDO had an ominous ring. Was the secretariat anticipating the recommendations of that study, and did it have reason to believe that it would recommend a lessening of funds? On the basis of statements at previous meetings, he doubted that there would be a decrease in funds, but even if there was, it should be possible to make projections on the basis of the present level. Some flexibility in programming and implementation would obviously be necessary, but he could not agree with the secretariat that a long-term programme for UNIDO could not consist of an enumeration of projects. The assertion that the long-term programme would only consist of general considerations would, he feared, have a regrettably cramping effect on the scope of UNIDO's activities.

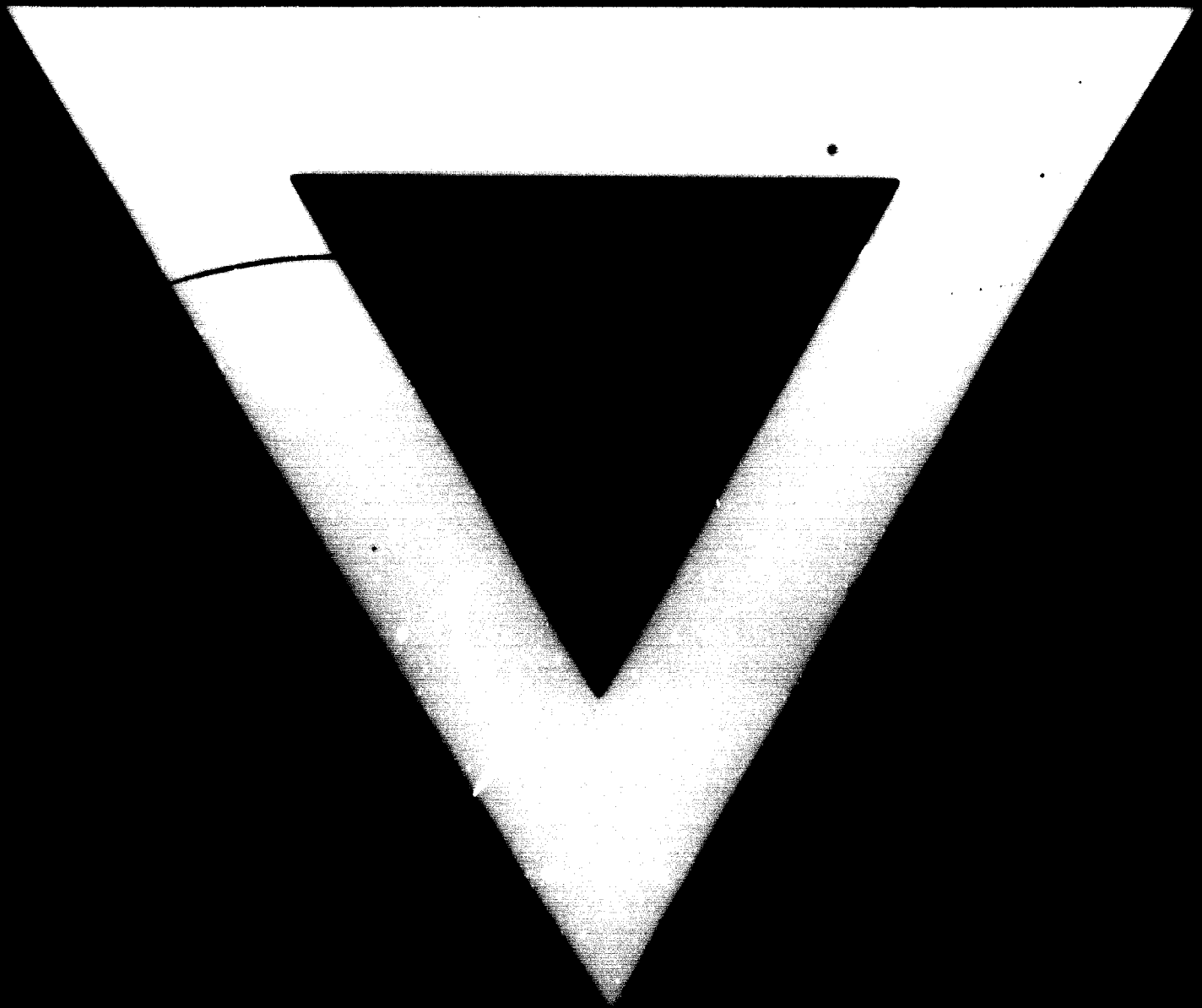
55. He wondered whether it might be possible to use the studies in industrialization conducted by the regional economic commissions, and the plans prepared by individual countries, in the preparation of a long-term programme of work. UNIDO would not, of course, be expected to implement all the projects. After all, only a tiny proportion of current industrialization could be ascribed to UNIDO's intervention. What UNIDO could and should do was to draw the attention of both the private and public sectors to investment possibilities, and to act as a reference centre for matters pertaining to the industrialization of the Third World.

56. He noted with some concern that not all the voluntary contributions of member countries to UNIDO were being utilized. No one could assert that such contributions could not with advantage be used in the service of the developing countries. Indeed, UNIDO's emphasis upon a particular point of view might lay it open to charges of partisanship. The secretariat was composed of international civil servants who should apply themselves to the problem. On the general subject of finance, he shared the views expressed by the representatives of Nigeria and the Ivory Coast.

57. Those who had spoken in favour of a reappraisal of the functions and structure of UNIDO had doubtless given close attention to the matter. The proposal deserved consideration, but he wondered whether a separate study was necessary in view of the fact that the United Nations system as a whole was jointly engaged on a capacity study which would doubtless take account of the views of the Executive Director.

The meeting rose at 1.10 p.m.





**16. 7. 74**