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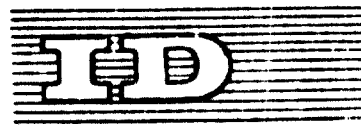
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## Industrial Development Board

Fourth Session

Vienna, 20 - 30 April 1970

### SUMMARY RECORD OF THE NINETY-SECOND MEETING

Held at the Neue Hofburg, Vienna  
on Tuesday, 21 April 1970, at 10.25 a.m.

President: Mr. SEDIVÝ (Czechoslovakia)

Rapporteur: Mr. ARCHIBALD (Trinidad and Tobago)

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GENERAL DEBATE (ID/B/74, ID/B/77; ID/B/L.61, ID/R/L.66) (continued)

1. Mr. MAKIEDO (United Nations Development Programme), expressing satisfaction at the progress achieved by UNDP in its collaboration with UNIDO, observed that any difficulties encountered were due to a positive factor, namely the accelerated growth and rapid extension of the activities of both organizations. The problem of adapting UNDP activities to the changed conditions provoked by such acceleration was a major preoccupation, and had been one of the reasons for commissioning the Capacity Study ("A Study of the Capacity of the United Nations Development System", DP.5). The Governing Council of UNDP had already had the opportunity of considering the recommendations of that Study, and, pending the decisions which it would take at its forthcoming session in June, had made a number of basic proposals concerning the principles of country programming and implementation. He could not anticipate the decisions of the June session, but believed that further impetus would be given to the trend towards the decentralization of country programming, with the Resident Representatives in the field assuming a central role in such an exercise. The importance of UNIDO's activity in that context had been recognized in January 1970, when the Governing Council of UNDP had authorized the Administrator to increase the number of UNDP/UNIDO industrial field advisers from ten to twenty. These advisers should possess the highest qualifications, together with wide industrial experience. The adviser would be regarded as a key member of a team in the office of the Resident Representative.
2. In 1970 UNIDO would be taking a larger share in the programme of UNDP. Indeed, the organization now ranked third in the list of agencies handling approved projects, and had been assigned a total of fifty-three, with an estimated cost of \$100 million, of which \$41 million would be provided by UNDP. UNIDO's share in the UNDP Technical Assistance component showed a similar increase, and had amounted to \$2.5 million in 1969.
3. Such rapid growth understandably imposed a certain strain on UNIDO, but UNDP was confident that the organization would be able to carry out its task, and would find new methods of accelerating the implementation of projects, particularly through a simplification of its procedures for recruiting project personnel, which might be set in motion even before the Governing Council had formally approved a given project.

4. The importance which the Administrator of UNDP accorded to the deliberations of the Industrial Development Board was reflected in his recommendation of repair and maintenance projects in the Democratic Republic of the Congo and Cameroon, and of a second group of projects for the high-level training of personnel from the developing countries in the more industrially advanced countries, in Poland and the Netherlands. The latter projects were considered to be experimental, and account would also be taken of the facilities available at the training centre maintained by the International Labour Organisation at Turin.

5. Turning to the subject of the Special Industrial Services programme, he recalled the assurances given by the Administrator that there would be no interruption to that programme when existing Trust Funds were exhausted. The Governing Council of UNDP had examined the matter in June 1969, and had incorporated into the Revolving Fund of UNDP provisions for ensuring the continuity of such high-priority, high-level assistance. It had recognized that industrial projects could not always be programmed in advance and that it was necessary to provide funds for the relatively short-term assignments of high-level experts to assist governments in eliminating industrial bottle-necks. It had also recognized that other specialized agencies besides UNIDO had an important role to play, and had consequently provided for their participation in the SIS programme. In taking that decision, the Council had been guided by the principle that in allocating Special Fund, Technical Assistance or SIS projects to agencies, the Administrator of UNDP should take account of the right of the developing countries to receive the latest technology in the most expeditious manner possible. Since the initiation of the new SIS programme on 1 December 1969, more than \$1 million had been earmarked for projects, and the fact that \$2 million had already been expended on SIS-type projects in 1969 was also an indication of the number of experts provided under the programme. Moreover, UNIDO had been allocated \$1.5 million under the United Nations regular programme of technical assistance.

6. Such figures illustrated the efforts made jointly by UNDP and UNIDO to accelerate industrial development. Other co-operative ventures included the short-term assignment of UNIDO staff to work on the industrial programme of UNDP and thus familiarize themselves with procedures for presenting requests to the Governing Council.

7. In June 1970, representatives of UNDP and UNIDO would meet in Vienna to review the requests for future programming to be presented by the Administrator. Such a joint review would assist UNIDO in planning ahead, and in establishing the "pipeline" of well-prepared requests which was essential if UNDP was to intensify its preparation of important industrial programmes.

8. In conclusion, he stressed the complexity of industrial development, which could not easily be planned on a long-term basis. The fact that industrial opportunities had to be seized rapidly meant that planning must be of a relatively short-term nature, and that the approach of international organizations dealing with industrial development must be a flexible one. The normal procedures of the United Nations were not always dynamic enough to meet the challenges of the age. New approaches must be found and subjected to constant review if the developing countries were to see the establishment of the industries they needed. It was not only in outer space that imagination and forcefulness were required; the challenge of making the world itself a better place for all to live in demanded the exercise of those same qualities.

9. Mr. SZITA (Hungary) said that his country, as a new member of the Board, wished to make an active contribution to its deliberations, and to share with others its experience in moving from a predominantly agricultural economy to one in which industry was the most dynamic sector. Indeed, he believed that it was important for the developing countries, and significantly so in a year when the centenary of the birth of Lenin was being celebrated, to learn more about the experience of the socialist countries as they moved towards industrialization. The session of the Board should provide the opportunity for an exchange of views concerning UNIDO's development in response to the needs and requirements of the developing countries. It should, moreover, be remembered that industrialization was not a goal in itself but a means of ensuring economic growth and independence; the fact that conditions varied greatly from country to country made it all the more important that decisions should be influenced by the principles both of national sovereignty and of economic rationality.

10. In order to achieve such rationality, it was essential for the developing countries themselves and for UNIDO to take account both of the development of the world economy as a whole and of the new type of international division of labour

which was a precondition of economic independence. Indeed, the industrial monopoly of the advanced countries must be replaced by a situation in which industrial activity became the principal basis of development in every country. In that connexion, one of UNIDO's most important tasks was to help the developing countries select technologies suited to their particular conditions.

11. Economic independence should be one of the main criteria for industrial development projects. In the context of its meetings on investment promotion, UNIDO should bear in mind that although it might be possible in some cases to reach agreements between developing countries and private firms on the basis of mutual advantages, there were examples to prove that monopoly interests, once implanted, could obstruct independent action by the country concerned.

12. The developing countries should establish their own goals and priorities. Whilst agreeing with the statement in the report of the Working Group (ID/B/L.73) that the development of engineering industries was fundamental to industrial growth, he pointed out that not every sub-sector of the engineering complex was equally suited to the circumstances of every country.

13. Training was of particular importance, as was also assistance in industrial planning and projections. With regard to the latter, the State should play a leading role in directing the economy and mobilizing national resources. With regard to the more general question of UNIDO's role in the co-ordination of industrial development activities throughout the United Nations family, in accordance with General Assembly resolution 2152 (XXI), the importance of such co-ordination was made very clear in the Capacity Study, in the preparation of which he had been associated. Whilst generally approving the conclusions drawn therein with regard to the development activity of members of the United Nations system, including UNIDO, he wished to sound a note of caution against taking premature decisions on the basis of its recommendations, and more particularly to record his opposition to the recommendations concerning a closer relationship between the United Nations development system and the International Bank for Reconstruction and Development. That opposition was based not only on the fact that by virtue of its more limited membership the Bank could not

truly be placed on the same footing as the United Nations, but more especially on the fact that the Bank's primary interests were governed by banking considerations, whilst those of the United Nations family should be governed by the needs of the developing countries. As far as UNIDO was concerned, he maintained his opposition with regard to the Executive Director's proposals to establish closer contact with the Bank. Stressing the need to create a system of evaluating the implementation and success of UNIDO projects, he proposed that at its fifth session the Board should make a detailed examination of UNIDO activities in the field of Special Fund projects.

14. His delegation, which believed that savings could be made through a reduction of overhead expenses, more effective co-ordination and better use of available resources, could not approve the proposed budget increase. It further believed that there should be a more equitable geographical distribution of posts in the secretariat, and that the German Democratic Republic, which was one of the major industrial countries of the world, should be allowed to take its due place in UNIDO. For its own part, Hungary had given expression to its willingness to co-operate with UNIDO by increasing its voluntary contribution, and also by suggesting ways and means whereby its national organizations could play an even greater part in UNIDO's development activities.

15. Mr. ENSOR (United Kingdom) said that his country's belief in the importance of industrialization for the developing world had been strengthened through its experience both of official bilateral programmes and of private investment arrangements. Private investment abroad was considered not as an alternative but rather as a complement to official aid programmes, and those who were suspicious of such investment would do well to take account of the social benefits which it provided and to remember the disastrous examples of projects planned without due attention to profitability.

16. The United Kingdom Government, which was channelling an increased proportion of its growing aid programme through multilateral aid organizations, was a major contributor to UNDP (£5.9 million in 1970). It had helped to bring about an increase in the flexibility of UNDP to enable it to finance SIS-type activities, and was also playing an active role in the discussions of the reform of the United Nations development system. It was also helping to formulate the most ambitious world planning exercise ever undertaken - the Second Development Decade, in whose implementation UNIDO was clearly destined to play a most important role.



17. The United Kingdom Government, which was an active supporter of and participant in UNIDO's activities, would welcome a growth in those activities provided that quality was not sacrificed for the sake of quantity. It was very satisfied with the progress made in 1969, and particularly with the signs of improved collaboration with other international organizations. The growth in the number of projects executed by UNIDO seemed to reflect not only its own increasing capacity, but also a growing confidence in UNIDO on the part of the developing countries.

18. The maintenance and enhancement of the quality of UNIDO's operational work were closely related to the efficiency of its machinery. The surveys and studies being carried out with a view to improving that efficiency, together with the burden of preparing for the sessions of the Board and Working Group, and the tasks of preparing an ever-growing operational programme were already imposing a heavy load upon the secretariat. The United Kingdom delegation shared what it believed to be the Executive Director's hope that the organization might enjoy a brief period of rest from further studies and reviews by outside experts, as well as from any abnormal activity in the form of a special conference. Not only would a year's respite permit progress in the internal reorganization of UNIDO, but at the end of that period a clearer idea would also have emerged of the implications for the organization of the reorganization of the United Nations development system as a whole and of the Second Development Decade.

19. Turning to chapter II of document ID/B/74, concerning the objectives, priorities and activities of UNIDO, he said that his delegation believed the suggested approach to be, broadly speaking, the right one. It considered, however, that the priorities set out in paragraph 15 might be further refined, since as UNIDO did not have the resources to enable it to meet all the requirements mentioned in the documentation before the Board, some selectivity would have to be applied. Areas of concentration for operational activities should be identified on the basis of two criteria: the areas must correspond to the principal wishes of the developing countries; and due account should be taken of the existence or otherwise of another body capable of providing the assistance required in a particular field. The identification of priority areas should not, however, lead to a situation in which all UNIDO's funds were tied up for years ahead, leaving no possibility of flexibility in response to

new and unforeseen requests of a particularly urgent nature. In the light of those considerations, his delegation hoped that the secretariat might take the initiative of proposing areas of concentration for operational activities. It believed that such an initiative would help to ensure that the developing countries obtained the best value from the multilateral funds available for the support of industrialization. Moreover, by strengthening its own internal expertise, and acquiring a better knowledge of the outside expertise available, UNIDO might ensure the improvement of both operational and supporting activities. Systematic selectivity should reduce the amount of wasted effort on the part of the developing countries in preparing their requests.

20. Turning to chapter VII of ID/B/74, on the projection of resources, he said that his delegation's doubt concerning the basis for forecasting had not been entirely allayed by the explanation provided during the meeting of the Working Group. Further, and in connexion with chapter VIII, paragraph 72, he believed that the subject of high-level confidential advice to Governments should be further discussed at the international level, with due attention to the views of the developing countries, and to the closely related problem mentioned in chapter VII of the Pearson Report.

21. In connexion with paragraph 74 of ID/B/74, he reiterated his delegation's concern that UNIDO should not engage extensively in research, but should rather extend its role as a clearing-house for information on the research work of other organizations.

22. Finally, and in connexion with the procedure of the Board, he suggested that decisions which were clearly within its competence and which could be implemented by UNIDO alone need not be embodied in resolutions of the traditional United Nations type, which required the drafting and discussion of preambles. The simple embodiment of such decisions in the Board's report could, in his view, achieve the desired results.

23. Mr. ASHRAFI (Iran) said that his Government believed that there could be no adequate economic development without complementary social reforms. Iran maintained an independent economic policy, promoting and expanding economic co-operation with developed and developing countries, irrespective of their political and social systems. Iran's industrial growth rate had averaged 12 per cent during the past three years

without sacrificing consumer demand and was planned to rise to 15 per cent for the period of the Fourth Five-Year Development Plan, which had commenced in March 1968. His Government regarded industrialization as the most dynamic factor in Iran's economic development. The rapid pace of industrial development in Iran, notably during the past five years, had led to a shift in the structure of the Iranian economy as the industrial sector now predominated over the agricultural in terms of the Gross National Product and investment was concentrated on heavy and intermediate industries with a view to developing export-oriented industries. The rapid rate of growth was not, however, without its attendant problems, and his delegation felt that UNIDO had an important role to play in that connexion.

24. UNIDO, with its central role of co-ordinating the activities of the United Nations in the field of industrial development, should act still more vigorously in assisting developing countries. It was encouraging, however, to note that the industrial needs of the developing countries had found a certain measure of recognition in the increasing number of Special Fund projects of which UNIDO was the executing agency.

25. As the pattern of industrial development and priorities naturally differed from one developing country to another, global priorities would be impractical. The prevailing conditions in the developing countries had to be taken into account and must serve as a basis for determining priorities, which should be left to the judgement of the countries concerned.

26. No less important than the inflow of foreign capital and the transfer of technological know-how were those services which gave the industries of developing countries access to the international facilities provided by international fairs and related events, which enabled representatives of developing countries to meet representatives of developed countries and work out various arrangements of mutual benefit, including contractual agreements concerning management, training, marketing contracts, purchases of licences, transfer of technology, joint ventures and so forth. In that connexion UNIDO's promotional activities at the Second Asian International Trade Fair in 1969 in Teheran had proved most valuable.

27. His country appreciated UNIDO's efforts in the expansion of the training programme and was particularly happy to note that the in-plant training programmes for middle and top-level engineers and managerial personnel would be further increased in future.

Iran noted with satisfaction that UNIDO was putting some of those programmes on a more permanent basis and was expanding their scope to serve as the focal contact point between the technical and managerial personnel of industries in developing and developed countries. It was hoped that the programmes taking the form of UNDP Special Fund three-year projects, which were at present organized for two industries, would soon be extended to other industries.

28. UNIDO should take more vigorous measures to help the developing countries work out comprehensive industrial planning and policies.

29. The need for developing long-range programmes of technical assistance had been stressed at the third session of the Board. Careful long-range assessment of the needs of the developing countries would provide a useful and practical base on which UNIDO could plan its future programmes and activities. Iran had been among the first countries to request UNIDO's assistance and greatly appreciated the valuable services rendered.

30. One of the significant and invaluable contributions of UNIDO to the development efforts of the developing countries had been its quick response to special and emergency requests through SIS. His country hoped that UNIDO might receive further financing from that source and that the voluntary contributions to UNIDO would be augmented so that it could respond to such urgent requests from developing countries.

31. Mr. SEYDOU KEITA (Guinea) paid tribute to the Austrian Government and people for providing excellent working conditions for the UNIDO secretariat and meetings thereby making an important contribution to understanding between industrialized and developing countries.

32. Economic backwardness had come to be generally regarded as the greatest problem challenging the international community because lasting peace was impossible in a world where the deprived majority continued to live in destitution side by side with the increasingly wealthy minority. Economic development through industrialization was being ever more widely accepted as the only way of enabling developing countries to improve the standard of living of their populations which legitimately aspired to better material conditions based on freedom and dignity.

33. UNIDO should provide a new and dynamic impetus for United Nations efforts to help the developing countries exploit their immense natural resources for the benefit of their peoples.

34. There could be no doubt that the economic backwardness of the developing countries, which was the result of foreign domination and exploitation, could only be overcome by applying the proper economic policies at the national and the international levels. The developing countries, through their integration in foreign economic and social systems, had been left with structures unpropitious for their economic growth. Hence the most urgent need was to recast those structures. At the national level the solution of the problem rested exclusively with the peoples and governments concerned. At the international level it was the task of organizations such as UNIDO to apply principles based on the international division of labour which were more just and favourable to the developing countries. Those countries were suffering far more from exploitation in international trade than from lack of resources. UNIDO should defend their interests uncompromisingly and in co-operation with other organizations.

35. His country regarded industrialization as a process of economic and social development which progressively mobilized an increasing share of national, natural and human resources to give a country a diversified, modern structure characterized by a dynamic manufacturing sector possessing and producing capital and consumed goods and able to impose a high growth rate on the whole economy, thus constituting a steady factor in economic and social progress. As economic development was the foundation of independence of any kind, Guinea, since acquiring national sovereignty, had mobilized an all-out offensive against underdevelopment by creating the appropriate social and economic structures in place of the colonial ones it had inherited. It was resolutely pursuing a course of planned economic development based on its hitherto untapped resources and directed towards satisfying the essential needs of its people and establishing reserves so as to ensure steady and balanced economic growth. Industrialization would ensure that his country was truly independent and free. It was fully aware of its potential and determined to overcome all obstacles. In the ten years since his country had won independence, steady effort and firm administration had ensured that every economic sector had its own trained domestic personnel.

36. His delegation noted with satisfaction the increase in the operational activities in the three categories of field projects (experts, fellowships and equipment), though it thought that more attention might be paid to the provision of equipment. Co-operation between UNIDO and the other United Nations organizations in field projects should be encouraged and strengthened because this enabled considerable savings to be made and allowed the projects concerned to benefit from the experience of staff from different organizations.
37. As the resources put at UNIDO's disposal by UNDP were clearly insufficient for the industrialization needs of the developing countries, the Board should reiterate its appeal for more funds and for larger grants for the SIS programme in particular.
38. With regard to priorities for operational activities, the secretariat, while taking due account of the Board's directives, should base its action above all on the requests of different countries, taking into consideration the advantages each of them would reap from the assistance requested. Priorities established for a general programme of action would not necessarily correspond with national priorities. UNIDO's technical assistance programmes, with each country taken individually in accordance with the recommendations of the third session of the Board, could be effective if the programmes were based on national development plans and offered better opportunities for harmonizing UNIDO's priorities with those of the country concerned. In that connexion field advisers could play a useful role by acquiring a thorough knowledge of national plans, programmes and priorities. Field advisers should have an adequate acquaintance with their region and be able to work harmoniously with the industrial institutions of the developing countries.
39. With regard to the engineering and metallurgical industries, the regional approach was preferable because of the large investments required and the limited domestic markets of most developing countries.
40. In the majority of developing countries the establishment, with UNIDO's assistance, of pilot plants for the production of agricultural implements would be particularly beneficial at the present stage.
41. The programme for the repair and maintenance of industrial equipment was wholly justified and was receiving his Government's full attention. In recent years many developing countries had succeeded in setting up industrial units which for their

efficient operation needed constant maintenance and an adequate and steady supply of spare parts. UNIDO should, therefore, help such countries set up central workshops for the production of spare parts.

42. UNIDO's investment promotion activities should be aimed at improving external financing conditions in favour of the developing countries and at setting up joint companies in which the State had a majority holding, thereby enabling such countries to give more effective direction to their economic development.

43. As Governments alone were responsible for shaping industrial policies, UNIDO should help countries to decide on projects, to evaluate their economic and financial implications, and to carry them out.

44. His delegation congratulated the Executive Director on his unremitting skill and energy, which had made the young organization more and more capable of keeping abreast of the tasks assigned to it.

45. His delegation hoped that UNIDO would resolutely defend the just cause of the developing countries. It was essential that UNIDO should have a philosophy of industrial development enabling it to carry out projects which could play a dynamic and decisive part in accelerating the industrialization of the developing countries.

46. Mr. TACHIBANA (Japan) said that it was indeed gratifying to note that UNIDO had been expanding its activities and was being called upon to bear a greater share of responsibility in the United Nations development system. That was amply reflected in the fact that requests from the developing countries for UNIDO's assistance were gaining momentum. His delegation was also pleased with the tangible improvement in the presentation of the documents for the present session.

47. There was need for an evaluation of UNIDO's activities. Despite its growing capacity and efficiency, the organization was still in the formative stage. He certainly recognized the responsibility of aid recipients themselves in assessing the eventual social and economic impact of UNIDO's programmes, but he considered that

there were work programmes which could and should be evaluated by UNIDO itself. He noted with satisfaction from document ID/B/64 that such evaluations were already under way for some supporting activities. UNIDO, which was not lacking in courage and practical wisdom, should be encouraged to intensify such efforts in future.

48. With regard to the UNDP Capacity Study, his delegation did not yet wish to commit itself. There already seemed, however, to be widespread recognition of the need for establishing a system of long-term country programming. The discussions which had taken place only confirmed the Japanese delegation's convictions that UNIDO's primary responsibility lay in field activities, and that it should be able to respond to a variety of requests from individual developing countries in different stages of development. Such country programming procedures as might emerge from the discussions at present taking place within the United Nations framework would have an important bearing on the future planning and activities of UNIDO. He welcomed the proposal to expand the industrial field adviser programme as a way of decentralizing UNIDO's activities. The expansion of UNIDO's own field establishment, however, as proposed in paragraph 7 of document ID/B/77, required careful study; it might be preferable to establish a closer link between headquarters and the developing countries through technical assistance country missions.

49. Recognizing the importance of industrial development in the 1970's his delegation agreed that the target of industrialization should be related to the over-all targets for the Second Development Decade. The development strategy in the industrial field should be worked out by the Preparatory Committee for the Second United Nations Development Decade. While he considered the target of an annual industrial growth rate of over 8 per cent too high, he had no objection to the policy measures agreed upon at the fifth session of the Preparatory Committee. He supported the sectoral and country level approach as outlined in paragraphs 116 and 117 of document ID/B/64. In particular, he commended the secretariat for its practical country level approach. The participation of an agency in the Second Development Decade should be no gradiose undertaking leading only to frustration without any tangible results.



50. He welcomed the realistic statement by the secretariat that the role of UNIDO should be confined, for the time being, to surveying the needs of the developing countries, assessing their performance and their progress towards the achievement of industrial targets, and providing assistance in the formulation of appropriate policies and measures. Within that framework a number of survey and advisory missions were expected to bring about closer consultation with the developing countries. He was particularly pleased that the country survey missions were being conducted as field projects at the request of the countries concerned. Such missions should be well co-ordinated with missions already initiated by the secretariat under the long-range country programming. His delegation believed that UNIDO's work for the Second Development Decade and long-range country programming could and should supplement each other.

51. For country programming procedures to be effective, a more systematic information system based on a country file technique was needed. Such a system could give more effective backing to field operations. His delegation continued to support a larger role for UNIDO as a clearing-house of industrial information.

52. One of the major themes of the Pearson Report was the flow of resources. While he was aware that industrial pre-investment studies were of particular importance in that connexion, he had some reservations as to their forming a major part of UNIDO's operational programme. UNIDO had been active and had gained much experience in the field of general technical co-operation, the development of human resources and the transfer of industrial technology. Such technical co-operation activities were a most important part of UNIDO's work and should not gradually be sacrificed to make way for pre-investment studies. Co-ordination of pre-investment studies with the financing of industrial projects, and of technical aid with capital supply, was both an old and a new problem. Practical difficulties arose from the fact that financing institutions, public or private, national or multinational, tended to have different patterns of work and interest from institutions such as UNIDO.

53. With regard to priorities for UNIDO's work programmes, he considered that the conclusions and recommendations of the third session of the Board were still of value. They included the formulation of industrial strategies; improving the

efficiency of existing industry; the fuller development of human resources; small-scale industry; and the wider use of domestic raw materials. There were also a number of welcome statements on priorities by the secretariat in the documentation.

54. His delegation considered it important that the secretariat should establish a set of priorities or criteria based on its experience so that the resources at its disposal would be utilized to the greatest possible advantage of developing countries. Obviously, such priorities or criteria should be reviewed from time to time with sufficient flexibility to meet the changing country requirements and UNIDO's growing experience and capacity.

55. With reference to the Second Asian Industrialization Conference to be held in Tokyo in September 1970, his delegation commended the work being done by ECAFE to promote regional co-operation in the field of industrialization and sincerely hoped that UNIDO would fully co-operate with ECAFE in making the Conference a success.

56. He much appreciated the efforts of the secretariat under the Executive Director to co-ordinate its work programmes with those of other international organisations. He hoped that more joint actions would be identified and promoted by way of follow-up to the first phase of establishing agreements and arrangements for co-operation. In that context his delegation looked forward to UNIDO's contribution to the United Nations Conference on Human Environment to be held in Stockholm in 1972.

57. Mr. SVENNEVIG (Norway) said he would limit himself to expressing some preliminary views on the scope and content of UNIDO's activities, on co-ordination, and on long-term planning.

58. It was important to establish the correct balance between operational and supporting activities. It was obvious that many of the latter were directly related to the former; it seemed, however, that a not inconsiderable part of UNIDO's work was concerned with general studies, meetings and publications. The organisation should be judged above all on the basis of its success in its operational tasks, those resulting from specific requests by developing countries. UNIDO's efforts in every sphere should therefore be increasingly concentrated on operational activities, particularly projects financed under the UNDP/Special Fund component; in that

connexion, it was gratifying to note the statement by the representative of UNDP regarding the prospective increase in the number of projects assigned to UNIDO, and the co-operation between UNIDO and UNDP on the improvement of UNIDO's capacity to execute a large number of projects. The usefulness and impact of supporting activities not directly related to operational activities was more difficult to assess. While the wishes and views of the developing countries must obviously be decisive, UNIDO should exercise great caution in undertaking general activities which did not arise directly out of concrete requests.

59. Co-ordination in the context of UNIDO might mean avoidance of duplication of work, co-ordination by UNIDO of other organizations' activities in the industrial field, and co-ordination at the country level. He welcomed the inter-agency arrangements already concluded between UNIDO and other organs and stressed the importance of keeping such arrangements under constant review. The need for co-ordination by UNIDO of the industrial activities of other organizations would appear in a new light if the co-ordination and programming procedures envisaged in the UNDP Capacity Study were introduced. UNIDO had been the first United Nations organ to adopt a system of field advisers integrated with the UNDP Resident Representatives, and it was gratifying to note that those advisers had already contributed much towards co-ordination in the field.

60. While he did not wish to take a formal position on the Capacity Study at the present time, he considered that the Board might usefully give some attention to discussing its possible implications; it was to be hoped that the conclusions to be drawn from the Study would provide a basis for the continued long-term planning of UNIDO's activities. In connexion with the suggestions made in document ID/B/77, his delegation assumed that the final decisions taken by the General Assembly on the recommendations in the Study might require further modification of UNIDO's procedures. Although UNIDO was in a good position to precede other agencies in the adoption of rational new methods of work, he did not recommend a special status for the organization in that respect. It would no doubt be possible to work out a procedure applicable to all United Nations agencies and tailored to meet the requirements of individual developing countries, and it was gratifying to note that the Executive Director emphasized the need for flexibility in that respect (document ID/B/74).

61. Both the Norwegian Government and Norwegian industrial and business circles had a positive interest in the work and activities of UNIDO. A joint committee, the Committee for Industrial Co-operation with Developing Countries, had been designated as the Norwegian National Committee for UNIDO; its aim was, inter alia, to enable UNIDO to draw to an increasing extent on the know-how of Norwegian industry.
62. Mr. STEDTFELD (Federal Republic of Germany) said that the improved documentation, and in particular the well-conceived presentation of the programme of work, had considerably facilitated the task of the Working Group on Programme and Co-ordination. However, the Group's discussions would have been even more valuable if the programmes had been evaluated in the light of the conclusions and recommendations made by the Board at its previous session. Of course, those conclusions and recommendations might require readjustment in the light of new developments.
63. Comparison of UNIDO's operational activities during the period under review with the Board's conclusions and recommendations showed that considerable progress had been made with regard to field activities. These were likely to become increasingly important in the future. UNIDO's role as an executing agency had also been considerably improved, and the Organization's share in UNDP projects, particularly Special Fund projects, had been substantially increased. The rate of implementation of SIS projects had also grown; he agreed with the Executive Director that those projects were highly effective and should be expanded. The increased rate of implementation of SIS projects was due to a large extent to the fact that UNIDO was fully responsible for recruiting the necessary experts; such a system of direct recruiting might usefully be introduced in the other branches of UNIDO's field programme. In that connexion, experience had shown that consultant firms were often better qualified to perform advisory functions than individual experts. He supported the long-term field mission programme and stressed that country missions would have to be integrated into such country programming procedures as might emerge from the implementation of the recommendations made in the Capacity Study.
64. Field activities inevitably implied the performance of an advisory function, giving rise to the problem of priorities. While each developing country had the sovereign right to set its own priorities and to base its requests thereon, UNIDO

should draw the attention of the countries concerned not only to the full range of its assistance facilities but also to those areas in which it was specially qualified. The maintenance and repair campaign and the growing number of in-plant training programmes were encouraging steps in that direction.


65. With regard to supporting activities, both the work done so far and the activities planned for 1970 and future years were in conformity with the recommendations adopted by the Board at its previous session. Supporting activities at headquarters must be designed to back up the field programme as a whole as well as individual projects. In general, the headquarters programme seemed to be an accurate reflection of what was happening in the field. The importance of UNIDO's promotional role should be stressed. The establishment of contacts between developing countries and potential investors from industrialized countries was a valuable activity which should be continued and improved.

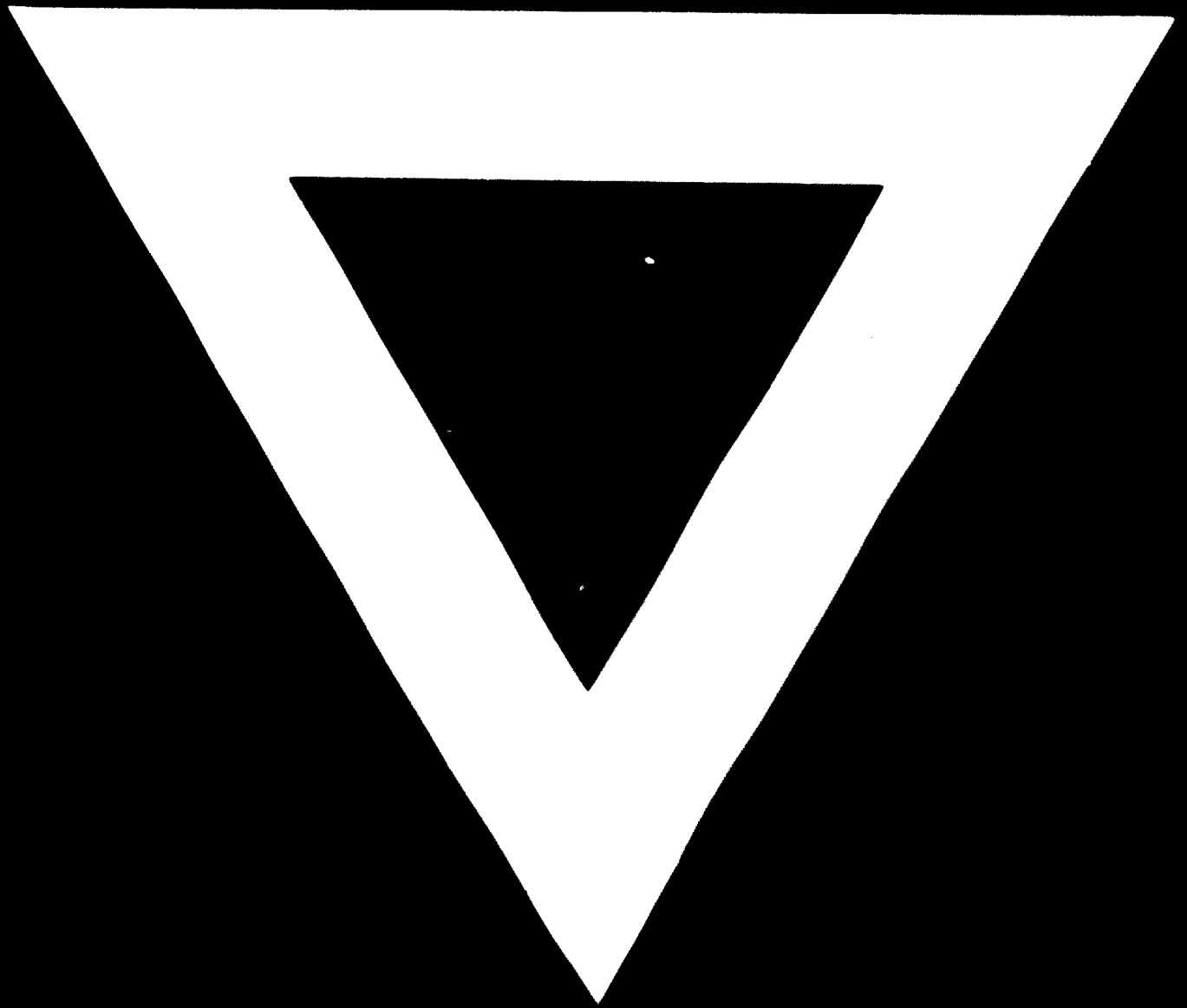
66. His delegation welcomed the realistic approach adopted by UNIDO to the Second Development Decade. He agreed with the Executive Director that UNIDO should concentrate its efforts on preparing practical assistance measures rather than establishing a world-wide industrialization plan.

67. With regard to the observations made by the Executive Director in document ID/B/77 concerning the Capacity Study, the discussions in the Governing Council of UNDP were still at an initial stage and it would not be advisable for the Board to express firm views on the matter at the present time; however, he could see no harm in transmitting the secretariat's opinions, as contained in the document concerned, to the appropriate bodies. Over the previous three years, UNIDO had succeeded in improving its standing and strengthening its position in the United Nations development system. His Government, which had always adopted a positive attitude towards the Organization, had recently made available a further sum of \$750,000 for the implementation of SIS projects, had enabled UNIDO to organize an interregional symposium on maintenance and repair in the Federal Republic, and would continue to assist UNIDO in its vital task as central promoter and catalyst in the field of industrial development.

68. Mr. VOYAME (United International Bureau for the Protection of Intellectual Property) said that many delegations had stressed the importance of co-ordination of activities between intergovernmental organizations in order to avoid overlapping and duplication of work. In that connexion, the activities of BIRPI and UNIDO could usefully be co-ordinated and harmonized in such a way as to render them complementary.
69. BIRPI's task was to ensure adequate protection for inventors, owners of trademarks, authors and artists. Its work consisted in administering and bringing up-to-date various existing international conventions, and in drawing up new conventions designed to adapt the protection of intellectual property rights to present-day conditions and to rationalize such protection through international co-operation. BIRPI's activity was of value to both the developing and the developed countries, for effective protection of inventions and trademarks was a prerequisite for investment and thus for industrial and economic development.
70. For several years, BIRPI's efforts had been more specifically concentrated on helping the developing countries to modernize their legislation and to set up rational, well-organized industrial property offices. To achieve that end, it engaged in the following activities: the drawing up of model laws adapted to the needs of the developing countries; the provision of highly qualified experts in the field of industrial property; the organization in industrialized countries of annual refresher courses for officials from developing countries; the organization of specialized symposia and seminars. The World Intellectual Property Organization, which would gradually take over the tasks of BIRPI, was due to begin operations soon; that event would make it possible further to expand the assistance being rendered to developing countries.
71. Over the years, BIRPI had acquired considerable experience and authority in a limited field consisting essentially of legal and administrative work, and it should not be difficult to co-ordinate that work with UNIDO's economic activity. It would be only rational for UNIDO to concentrate its efforts in the field of industrial property on the many relevant economic problems, such as that of the transfer of technology, and on questions concerning licensing. In that respect, it was most gratifying that the Executive Director had consented to joint UNIDO/BIRPI conversations with a view to co-ordinating the activities and efforts of both organizations and promoting active co-operation between them.

The meeting rose at 12.45 p.m.





**28.3.74**