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Industrial Development Board

Third Session

Vienna, 24 April - 15 May 1969

SUMMARY RECORD OF THE SEVENTY-SEVENTH MEETING

Held at the Neue Hofburg, Vienna,
on Tuesday, 6 May 1969, at 3.35 p.m.

President: Mr. QUAN (Cameroon)

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 fics.

ORGANIZATIONAL MATTERS (ID/E/43, ID/E/55, ID/B/55)

1. The PRESIDENT recalled that four topics had been included for discussion under agenda item 10. In the interests of saving time, he invited the Board to consider all the sub-items together.
2. Mr. PROBST (Switzerland) expressed his delegation's appreciation of the efforts that were being made to improve methods for the recruitment of project personnel and to remedy present procedural shortcomings. The primary aim of such efforts should be to accelerate recruitment procedures, indeed, the more highly qualified an expert was, the more rapidly his application should be handled. The problems listed in paragraph 10 of document ID/B/55 were probably due largely to factors such as lack of administrative flexibility and the distances separating the various offices responsible for recruitment. He stressed the importance of ensuring a regular exchange of information between UNIDO and the appropriate governmental services, to which all requests for experts should be transmitted directly by the Organization.
3. Paragraphs 30-36 of the same document contained interesting proposals for improving the recruitment of experts. However, the procedure mentioned in paragraph 34 for recruitment under long-term contracts for the UNDP/TA programme had not yet proved its worth; the Executive Director might apply it on an experimental basis with a view to determining subsequently whether the possibilities it afforded were advantageous or not. The proposal in paragraph 36 concerning the establishment of contacts with industrial consultant organizations deserved consideration.
4. Mr. ROBERTS (Canada) said that his country had been conducting a review of its activities in relation to organization on a national level. Perhaps the time was ripe for UNIDO to do some similar stock-taking. It was important to consider how best to combine the technical aspect, UNIDO being principally a technical organization, and the political aspect, the Board being largely composed of representatives of Governments, so that UNIDO received the best possible advice on how it should be handling its affairs.
5. It might be useful for the Board to seek some outside expert assistance in its task of formulating the main guidelines for the Organization. Such assistance might be handled in various ways, overseen by a committee of the Board, by an independent expert group, or by a single world-renowned expert, or perhaps by a combination of

such mechanisms. Many suggestions had already been made by delegations, which indicated a wide degree of interest in the matter. It was not his delegation's intention to interfere with the guidelines already established for UNIDO by the Board in its resolutions 1 (I) and 2 (II) or to affect in any way the very wide mandate given to UNIDO under General Assembly resolution 2152 (XXI). His delegation would like the new body to have very specific terms of reference and hoped that its members would wish to be appointed as the time had come for a further examination of the best ways of implementing the basic aims of industrialization.

6. The study group should examine UNIDO and the problems of industrial development in the developing countries so as to be in a position to make comments and recommendations as to the kind of activities necessary to support and encourage the industrialization process in the developing countries and as to which activities were the most appropriate and timely for UNIDO to undertake. Such recommendations would have due regard for the level of resources available to UNIDO, the competence of other organizations within the United Nations system and the urgent need to respond promptly to situations in which the most impact could be achieved.

7. His delegation also hoped that the study group would examine and make recommendations on the different needs and criteria regarding industrialization policies in the different developing countries, taking into full account the prevailing economic factors in a particular country and the immediate surrounding region and the country's overall long-range development plans.

8. The study group would then be in a position to examine ways and means of implementing effective forward planning and functional programming in the industrial development field, and to consider in some detail the complementary facilities of organizations with which UNIDO should co-operate to fulfil its role effectively.

9. The next stage would be to study more directly the Organization itself, and to examine in detail the general structure and organization required by UNIDO. Such an examination might lead to suggestions for far-reaching changes within UNIDO and comments on the need for other ways and means of systematically carrying out an evaluation at various stages during and at the conclusion of projects. That aspect of the examination should include suggestions by the experts regarding the most

appropriate format for in-depth reporting to the Board by the secretariat. The Board would then be able to give the secretariat advice and guidance on policies by means of (a) an analytical review of UNIDO's major activities and policies and (b) a country review of UNIDO's activities together with an assessment of such activities within the context of each country's current economic position and development plans or strategy. Such reviews would naturally be accompanied by the appropriate financial statements.

10. The study group might also make recommendations on the important question of documentation to help the secretariat limit documentation through a system of more succinct standardized and interlocking reports on activities.

11. It would be most useful if the Board could reach an agreement in principle on the desirability of providing the secretariat with outside experts for the examination of future programme objectives, organization and resources. Such a body or group should be under the general supervision of the Board or of some subsidiary organ established for the purpose. His delegation would continue to discuss the question extensively with other interested delegations, as it had done throughout the session of the Working Group and of the Board, with a view to reaching a consensus or at least of keeping the question open for consideration at future sessions of the Board.

12. Mr. SBORSHCHIKOV (Union of Soviet Socialist Republics) said that his delegation agreed with the statement in document ID/B/53 that in the United Nations system the recruitment of experts was faced with considerable difficulties which were particularly apparent with regard to the technical assistance programmes in the industrial field and in the Special Industrial Services programme, which required speedy processing of applications. The secretariat had performed useful work in its efforts to overcome these difficulties, by such measures as establishing a recruitment planning unit and a unit of the Technical Assistance Recruitment Service. It should therefore be possible to overcome certain difficulties caused by the fact that, after UNIDO headquarters had been transferred to Vienna, TARS headquarters had remained in New York.

13. According to document ID/E/53, TARS in New York would continue to select experts from countries of the western hemisphere for all UNIDO posts. It was unnecessary to have such a division of responsibility between New York and the unit of TARS at Vienna. All functions connected with the recruitment of staff for industrial development purposes should be transferred to the unit at Vienna, which should be given the right to recruit experts for UNIDO from all countries of the world, regardless of hemisphere. Certainly TARS in New York and its unit at Geneva could and should assist the unit in UNIDO, but only when the latter so requested and instructed. Only thus would it be possible to avoid cases in which experts on industrial development questions were allocated to developing countries without UNIDO even being informed.
14. Document ID/B/53 mentioned the suggestion that agreements should be concluded with private firms whereby experts would be made available to UNIDO on a permanent basis. Such a procedure would exclude national committees from the recruiting process and therefore his delegation did not agree with the suggestion. The selection of staff to carry out UNIDO projects was not a commercial operation, but a matter of considerable principle. UNIDO, being an inter-governmental organization, should base its activities, on all questions of principle, on dealing with Governments and national committees.
15. It was also difficult to agree with the proposal that firms should be entrusted with the recruitment of experts for posts which might prove difficult for Governments and national committees to fill. Recruitment difficulties would not be overcome in such a way and might be further complicated because the process would be awkward to control.
16. His delegation did not object to the other measures proposed by the secretariat for simplifying and expediting the recruitment of project personnel and hoped that the secretariat would bear in mind that there was a large and still untapped reserve of highly qualified experts, available for UNIDO projects, in the Soviet Union and the other socialist countries.

17. Mr. CASILLI (Italy) associated himself with the view expressed by the representatives of Switzerland and the USSR that the selection of experts fell within the exclusive competence of Governments. He therefore urged the secretariat to address all requests for experts directly to the permanent missions, to Governments or to the national committees, which would themselves, if necessary, refer those requests to other bodies. He could not agree with the statement in paragraph 27 of document ID/B/53 that senior UNIDO officers should establish and maintain contacts with their counterparts in professional associations and institutions.

18. Mr. ENSOR (United Kingdom) emphasized the importance of the role played by the industrial field advisers in the Organization's activities. He was pleased to note that the total number of advisers was to be increased to ten in 1969, and expressed the hope that the number would be increased even further over future years.

19. The document containing proposals for expediting and improving the recruitment of project personnel (ID/B/53) rightly emphasized how essential appropriate recruitment was for effective project implementation, and certain welcome steps had already been taken to improve recruitment procedures. Five suggestions were made in the document for the further acceleration and simplification of those procedures. The first two (paragraphs 32 and 33) concerned the reduction of delays, which often occurred both in obtaining approval of experts from recipient Governments and in the recruitment of SIS experts by national committees. Effective machinery had been set up in his own country for dealing with requests, but his delegation was of course open to any new suggestions for further improvements. Highly qualified experts were hard to find, and contacts with the private sector were often valuable to Governments in their search for suitable persons. The goodwill on which such contacts were based tended to be undermined when delays occurred in administrative procedures and when last-minute changes were made in plans; efforts should be made to reduce such incidents to a minimum and, when they did occur, to provide the national bodies responsible for recruitment with the necessary explanations.

20. The third and fourth suggestions (paragraphs 34 and 35) concerned possible action by the Executive Director with regard to recruitment under long-term contracts or on a retainer basis. Due account should be taken of the experience acquired by UNDP in that respect and it should also be borne in mind that candidates were interested in specific vacancies rather than in vague prospects.

21. The fifth suggestion (paragraph 30) concerned the establishment of contacts between UNIDO and industrial consultant organizations. He would like to know whether the investigations already made indicated that the establishment of such contacts might be rewarding. With regard to the conclusion of contractual arrangements with industrial enterprises as distinct from the recruitment of individual candidates, the document before the Board indicated that more thought was now being given to the question of determining which of the two methods was the most suitable for servicing each specific project. It was indeed essential that the closest possible attention should be paid to that question.

22. Mr. SIMPSON (United States of America), commenting on the organization of the Board's work, said that the Working Group on Programme and Co-ordination had proved a useful innovation and should be maintained. With regard to the timing of meetings, he believed that the ideal arrangement would be to provide for an interval of approximately one week between the end of the Working Group meeting and the beginning of the Board session.

23. The Board's most important single function was to provide the Executive Director with explicit guidance on the priorities to be accorded to the various activities in UNIDO's work programme. At the first Board session, a broad and comprehensive resolution, based on General Assembly resolution 2152 (XVI), had been adopted; the general terms in which that resolution was couched made it difficult to pin-point priorities in the complex field of industrialization. The Board had taken further action at its second session by adopting resolution 9 (II) concerning the work programme and by establishing the Working Group. Those measures, although commendable, had not proved sufficient to solve the most important basic problem facing the Board. Indeed, the Working Group had not been completely successful in providing the Executive Director with the specific guidance he needed in order to accomplish his task. His delegation therefore welcomed the proposal by the Swedish delegation that the Board should have recourse to some type of expert assistance in order to assess past experience and ensure effective programme implementation in the future. The Swedish proposal was, of course, only one of several possible approaches to the problem; however, whatever formula was eventually agreed upon, it was essential that action should be taken forthwith. Only when that issue had been satisfactorily settled would the Board be in a position to fulfil its duty, thus enabling the Organization to discharge its mandate effectively.

24. Mr. SCHEJEN (Observer for Hungary) said that his country took a keen interest in the work of UNIDO and had made a voluntary contribution and set up a national committee. It was already studying ways of co-operating with the secretariat and had submitted proposals for carrying out general surveys and taking part in joint ventures designed to strengthen industrial development in the developing countries and their economic independence. To achieve that aim the Hungarian share in the joint ventures would be handed over to the local partners after an agreed period. Since most of the work his country planned to perform would involve co-operation with several different divisions of the secretariat, he would like to know whether there was a central office within the secretariat that might be entrusted with helping to promote and co-ordinate such complex ideas.
25. He wished to suggest that any action taken by the secretariat should be communicated immediately to the national committees and, in view of a recent unfortunate experience in Hungary, that all information supplied by member countries should be available to every division within the secretariat.
26. With regard to geographical distribution, despite an increase in the number of Hungarian nationals employed by UNIDO, he felt it necessary to point out that the socialist as well as the developing countries were under-represented, particularly at the level of P-5 and above, and that in the higher echelons of the Division of Administration, Conference and General Services there was only symbolic representation. He requested information on the procedure followed for engaging staff from private companies under short-term contracts, and in particular the number at present serving in the secretariat. The note on geographical distribution (ID/E/52/Rev.1) gave information on 167 staff members, which left approximately fifty approved posts unaccounted for. He would like some clarification concerning that discrepancy.
27. He had been pleased to note that recruitment was now partly a responsibility of UNIDO, which should help to accelerate the process and increase the number of available experts, and he hoped that the new procedure would be extended to Special Fund and Technical Assistance projects. It would greatly assist national recruitment

agencies if UNIDO could supply them with advance information on expected requirements. In his view, the problem of finding personnel for short-term missions should not be too difficult to solve, since his own country, for example, could provide highly qualified experts for short periods. By a combination of all the measures he had suggested, he thought that recruitment could be improved at no extra cost.

28. Referring to paragraph 23 of document ID/2/53, he said that to his knowledge no organization in Hungary had yet received a copy of the contract and letter in question.

29. In conclusion, he congratulated the secretariat on the measures it had taken and hoped that it would continue its efforts in the future.

30. Mr. ANGER (Sweden), after expressing support for the views put forward by the Canadian delegation, said he felt sure that it was the wish of all members of the Board to strengthen UNIDO and ensure that it occupied its rightful place within the framework of the Second Development Decade. At the 1970 session of the General Assembly, all countries would be faced with three major issues, namely, the Second Development Decade, the Jackson study and the twenty-fifth anniversary of the United Nations. Sweden would be highly satisfied if, by that time, the Board had succeeded in collaboration with the Executive Director, in establishing precise guidelines for UNIDO's long-term activities, principally with a view to the Second Development Decade.

31. The problems of co-ordination, financing and organization also had to be dealt with. The best procedure might be for the Board to set up a sub-committee to study those questions and submit recommendations to it well in advance of the 1970 session of the General Assembly. He thought that the present session should not be allowed to end until agreement had been reached on that vital issue. The question was of too great importance to brook further delay, since UNIDO must, like other, older members of the United Nations family, have precise goals and a sound organization in time to discharge its responsibilities adequately from 1970 onwards.

32. Mr. BLASZCZYNY (Poland) recalled that the purpose of the principle of geographical distribution was to ensure that the wide experience of all countries, particularly those with differing economic and social systems, was made available to the secretariat. It was therefore important that the principle should be respected not merely in the aggregate, but within each division. The note by the Executive Director (ID/B/52/Rev.1) clearly showed that there were serious shortcomings in respect of the socialist countries, which occupied only twenty-three posts out of 167. The disproportion was even more striking at the higher levels of P-5 and above, in which there were only four representatives of the socialist group, as opposed to 26 from the Western countries. Not a single Polish national was to be found among them. He sincerely hoped that the situation would be rapidly improved and that applications from Poland would receive the most careful consideration. He also wished to draw attention to the failure to make use of experts from Poland, who could be of the greatest assistance to the developing countries in the field of industrialization. Above all, he was concerned at the fact that in certain divisions, and principally in the Division of Administration, Conference and General Services and in the Technical Co-operation Division, the principle of geographical distribution had been almost entirely neglected. That situation was not conducive to harmonious and effective international co-operation. He was also concerned over the fact that out of 270 professional posts, only 167 were subject to the principle of geographical distribution; in other words, 40 per cent of the staff were not included in the calculation. He would like to have some clarification concerning that situation and he hoped that at the next session of the Board the document on the composition of the secretariat would be more detailed.

33. With regard to the structure and rate of increase of the staff, he believed that too little attention was given to the recruitment of personnel at the P-1, P-2 and P-3 levels. In his opinion there were too many high-graded staff members.

34. He welcomed the measures taken to improve procedures for the recruitment of experts, but had doubts about certain of the proposals. In that respect he agreed with the remarks made by the representatives of the Soviet Union and Hungary. In particular, Poland had reservations about the conclusion of contracts with industrial consultant organizations and hoped that the matter would be given careful study and that the Board would be informed of the procedures involved.

35. Mr. TALIK (Pakistan), referring to document ID/51, requested the Executive Director to prepare in due course a detailed report on the work of the recruitment planning unit mentioned in paragraph 4. He welcomed the methods proposed for accelerating recruitment and thought that the system for assessing candidates should be revised along the lines suggested.

36. With regard to the proposal to conclude contractual arrangements with industrial enterprises (paragraph 23), he believed that UNIDO should avoid too rigid a system that might hamper it in its work. He was pleased to note the suggestion in paragraph 26, but hoped that the re-assignment of experts would always be subject to satisfactory standards of work. He agreed that the Executive Director should explore the suggestion contained in paragraphs 34, 35 and 36 and proposed that experts should be recruited on a world-wide basis and not just from the advanced countries.

37. With regard to the organization of the secretariat (ID/P/51), he had been interested to see a description of the functions of the various divisions and he hoped that care would be taken to avoid overlapping.

38. Lastly, he wished to re-emphasize the importance of recruiting staff members on the widest possible geographical basis.

39. Mr. BITENCOURT (Brazil) said he had been pleased to note that ten field advisers had already been appointed to different developing countries; he hoped that that number would be increased in the near future in order to meet the needs of the developing countries.

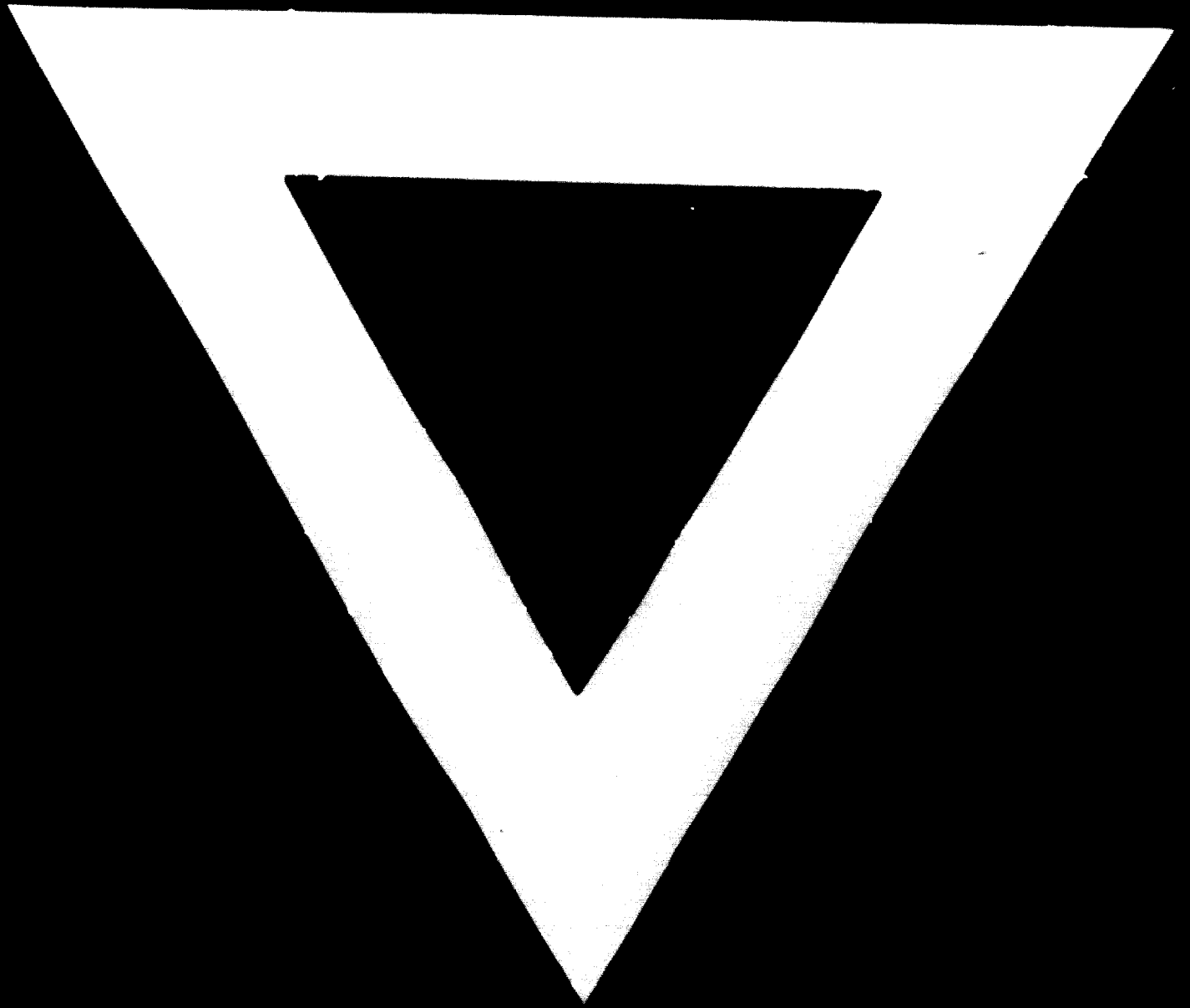
40. As far as the structure and functions of the secretariat were concerned, he would like the Executive Director to explain the criteria for the recruitment of personnel. In his view, it should be based on the principle of equitable geographical distribution, and he would like to see more representatives from the developing countries on the staff of UNIDO.

41. Mr. BRILLANTES (Philippines) said that he still maintained an open mind on the subject of the proposed study group and welcomed the remarks made by the representative of Sweden. Whatever form such a group might eventually take, it was essential that it should be given precise terms of reference, its basic responsibility being to consider how best UNIDO could promote industrial development in the developing countries.

42. A further point which the group might take up was the possibility of converting UNIDO into a fully fledged specialized agency. He recalled the steps that had led to the creation of UNIDO and pointed out that any evaluation of the Organization's effectiveness must be linked to preparations for the Second Development Decade.
43. While realizing that it was not practicable for UNIDO to maintain its own roster of experts, since the main responsibility for recruitment lay with WARC at United Nations headquarters, he thought that it would be helpful if some lists were kept at Vienna and communicated to member Governments.
44. He would suggest that the documents prepared for the Board should be prefaced by a statement of the points on which a decision was required. He also thought that it would be useful if the Executive Director's opening statement could be circulated a few days in advance of the opening of the session, so that delegates could comment immediately on the main points.
45. Mr. VAVASSEUR (France) said that many delegations needed to reflect upon the proposal to establish a study group and discuss the question at group meetings before arriving at a firm conclusion. While the Board had the ultimate responsibility of deciding what UNIDO's aims should be, ideas on the matter could be put forward by the Executive Director and the secretariat. The possibility of participation by independent experts was open to consideration; however, his delegation had reservations about how much should be entrusted to them. It was undesirable to have experts without any precise terms of reference determining what the Board should determine for itself. His delegation earnestly hoped and expected that progress would be made towards a constructive and dynamic definition of UNIDO's activities in conjunction with the Second Development Decade.

The meeting rose at 5.20 p.m.





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