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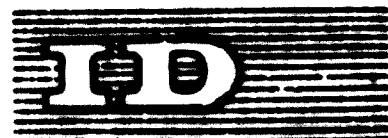
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United Nations Industrial Development Organization

**Industrial Development Board**

Third Session  
Vienna, 24 April - 16 May 1969

**SUMMARY RECORD OF THE SEVENTY-EIGHTH MEETING**

Hold at the Neue Hofburg, Vienna,  
on Wednesday, 7 May 1969, at 11.5 a.m.

**President:** Mr. ORTIZ de ROZAS (Argentina)

**Secretary:** 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.

#### WORKING ARRANGEMENTS

1. The PRESIDENT said that he had ~~discussed~~ with the members of the various geographical groups on the arrangements for the organization of the Board's work and the closure of its session. The final date for the submission of draft resolutions and of conclusions and recommendations based on the report of the Working Group on Programme and Co-ordination was Friday, 9 May, at 1 p.m. Amendments to draft resolutions should be submitted before Monday, 12 May, at 1 p.m. The portions of the Board's report which were ready would be considered on Friday, 9 May, and consideration of draft resolutions would begin on Monday, 12 May, and continue on Tuesday, 13 May, if necessary. The Board's work must in any event be completed by Tuesday, 13 May.
2. If the Board could not complete its work on Friday, 9 May, neither the officers nor the secretariat would be in any way responsible.
3. The President's proposal for the working arrangements was approved.

#### ORGANIZATIONAL MATTERS

- (i) INSTITUTIONAL ARRANGEMENTS
  - (ii) ORGANIZATION OF THE UNIDO SECRETARIAT
  - (iii) GEOGRAPHICAL DISTRIBUTION
  - (iv) PROPOSALS FOR EXPEDITING AND IMPROVING THE RECRUITMENT OF PROJECT PERSONNEL
4. Mr. SHATSKY (Union of Soviet Socialist Republics) thought, after examination of the document submitted by the Executive Director (ID/B/51), that the structure of the secretariat reflected fairly well the various aspects of UNIDO's activities. His delegation attached all the more importance to the secretariat since the success of UNIDO's work very largely depended on it.
  5. It was important that the secretariat should be organized according to strict criteria, especially by application of the collegial principle at various levels. At the highest level, however, it did not possess even a deputy executive director, a post which his delegation would wish to be held by an expert from its country. Likewise at divisional level there was a good deal of overlapping of technical assistance activities, which the Technical Co-operation Division ought to co-ordinate.

6. Two divisions - the Industrial Services and Institutions Division and the Industrial Technology Division - were dealing respectively with small-scale industry and with medium-scale undertakings. It was, however, often difficult to draw a line of demarcation between the two sectors. Not only were their technological problems much the same, but it was not very rational to take the magnitude of undertakings as a criterion and ignore their type of activity. There should be more coherence.
7. Matters of industrial policy, planning and the establishment of small and large undertakings should come under the Industrial Policies and Programming Division.
8. Representatives of developing countries had observed that the dispatch of experts and consultants was subject to lengthy delays. His delegation thought that UNIDO itself must draw up a list of experts and Headquarters must do all recruiting.
9. His delegation saw a plethora of administrative personnel in the secretariat, amounting to half the establishment. A reduction would set free resources that could be more profitably used for the benefit of developing countries. His delegation had already remarked at the Board's second session that it did not consider justifiable the employment of sixteen persons in the UNIDO Liaison Office in New York.
10. He had stressed the secretariat's weaknesses only because he was anxious to see it better organized and able to meet the extremely arduous and complicated tasks awaiting it.
11. Mr. MATSUNAGA (Japan) considered the secretariat efficiently organized. As the representative of India had said, it was absolutely vital that the secretariat should be a vast pool of general and technical knowledge.
12. Information collection should be strengthened, for which purpose the secretariat should include a substantial number of technical experts who could also, if the need arose - as it had already - undertake missions under the Special Industrial Services programme. The secretariat should also keep the Governments of beneficiary and donor countries fully informed of UNIDO's activities. For that purpose it should use the most appropriate means of communication, in particular the permanent missions of Member States.

13. UNIDO had not called sufficiently on the co-operation of the Japanese Government, and his country was under-represented in the secretariat.

14. Mr. MANCHOO (India) judged that the Working Group on Programme and Co-ordination had accomplished some very useful work and its report was excellent. Experience, however, had shown that the Working Group should limit itself to considering details of the programme and that more general matters should remain in the hands of the Board. It would therefore perhaps be useful to set up a plenary committee of the Board, to meet during the first week of the session and, after considering details of the programme, to formulate recommendations which the Board could then endorse.

15. His delegation fully recognized the need for adequate evaluation of the long-term programme of work and UNIDO's objectives, and had no objection in principle to the appointment of experts and consultants to help the secretariat in that task; but it thought that the way in which they were recruited should be examined with particular care. The Board had given the Executive Director a number of guidelines in its three sessions, but the choice of the organization best fitted to attain the objectives fixed by the Board remained with the Executive Director. It would be useful for the Executive Director - after communicating with Governments and perhaps enlisting the help of experts - to submit to the Board at its fourth session a report on the effect given to its guidelines and directives.

16. Referring to the Soviet representative's comment that it was not appropriate to distinguish between small-scale and medium-scale industry, he stressed the importance his delegation attached to activities related to that industry. In India, for instance, more than 200,000 small industrial units had been in existence for ten years or so and had contributed in large measure to its development. Experience showed that articles manufactured in small-scale undertakings were often as competitive and excellent as those manufactured in large ones.

17. Mr. BITTENCOURT (Brazil) recalled that at the second session of the Board his delegation and several others had submitted a draft resolution to decentralise UNIDO's activities and staff and to study the possibility of setting up regional and sub-regional centres in Asia, Africa and Latin America. In paragraph 2 of that draft the Executive Director had been requested to consult with the Governments of the

countries of those regions on that matter and to submit a report to the Board on the result. Certain delegations had, however, felt that the question of decentralization of UNIDO's activities was premature and that it should first consolidate its present structure. The outcome of the discussion was an agreement to postpone consideration of the proposal to the third session of the Board and to include the text in the report of the second session (A/7215, page 73). The draft resolution was therefore re-submitted for consideration.

18. Mr. CASILLI (Italy) whole-heartedly supported the comments made by the representative of Japan on the contacts that the Secretariat should make with the Governments of Member States, and stressed in particular the need for making them through the permanent missions.

19. Mr. KISHI (Union of Soviet Socialist Republics) considered that the recruitment of administrative personnel did not conform to equitable geographical distribution, particularly at grades P.5 and above, in which two thirds of the staff came from western countries. Thus, in UNIDO, the western countries held almost twice as many posts at those grades as all the socialist and all the developing countries together. An unjustifiably large number of posts at grade P.5 and above were held by citizens of the United States of America, who occupied almost twice as many posts at those grades in the UNIDO secretariat as did citizens of the socialist countries.

20. In the opinion of the Soviet delegation the situation was abnormal. According to General Assembly resolution 2152 (XXI) UNIDO was an autonomous organization within the United Nations. As such, it should settle the question of geographical distribution of its personnel autonomously, and not relate it to the geographical distribution of posts in the United Nations Secretariat as a whole. Solution of the problem depended to a great extent on the Executive Director. Although appointments were officially made in New York, it was in Vienna that candidates were selected, in accordance with their nationality, skills and other factors. In that connexion, he called attention to the fact that the secretariat had often rejected without good reason the candidatures of experts from the Soviet Union and other socialist countries for vacant posts in UNIDO. The Soviet delegation hoped that the Executive Director would bear that observation in mind, and take appropriate steps to ensure a more objective approach to candidatures from the socialist countries. The UNIDO field advisers should also include experts from the socialist countries, which had cadres of highly qualified specialists for the posts involved.



21. Mr. SERRAJO (Chile) agreed with the views of the representative of Brazil on decentralization of UNIDO's activities, and also stressed the importance of closer co-operation with the regional economic commissions. At the Board's second session his delegation had submitted a draft resolution requiring UNIDO to employ regional advisers on industrial development, to ensure that its activities were harmonised with those of the regional economic commissions.
22. Furthermore, he agreed with the Soviet delegation that the recruitment of secretariat personnel did not comply with the principle of equitable geographical distribution, for only nine posts were held by nationals of Latin-American countries.
23. Mr. CALLE (Peru) firmly supported the views expressed by the representative of Brazil. His country too favoured the establishment of regional centres and sub-regional offices in Latin America, Africa and Asia. If that matter could not be discussed during the Board's present session, it should at least be mentioned in the report and placed on the agenda for the fourth session.
24. Mr. LORENZI (Uruguay) observed that his delegation had supported at the second session the idea of decentralizing UNIDO's activities and establishing adequate regional and sub-regional representation. He did not consider that discussion of the problem would be premature, and he believed that the Board should discuss it. On the geographical distribution of personnel recruited for the secretariat, he agreed with the representative of Chile.
25. Mr. MASZCZYSSYN (Poland), speaking of the proposal to set up a group of committee of experts to examine UNIDO's structure, held that resolution 2152 (XXI) left no room for doubt and that the matter was one for the Board itself and for its supreme authority the United Nations General Assembly. Since the relatively recent establishment of UNIDO the Board had discharged its duties successfully and, assisted by the secretariat, could solve all the problems arising from UNIDO's structure and make the necessary improvements. The Polish delegation believed that to set up a group of experts would reflect on the capacity and effectiveness of both the Board and the secretariat.



26. Mr. QUAN (Cameroon) maintained the position that his delegation had adopted at the second session of the Board in favour of decentralizing UNIDO's activities. He also regretted that the African countries south of the Sahara were not adequately represented in the secretariat and that their nationals only occupied junior posts.
27. Mr. BUTTECOURT (Brazil) continued to oppose the appointment of experts to examine the structure of the secretariat. He maintained that the matter was one for the Board, composed of representatives of the Member States, and not for a group or committee, whose studies would entail totally unjustified costs.
28. Mr. TUNBIEN (Turkey) held that permanent representatives at Vienna were better able than resident representatives or regional advisers to inform UNIDO of the views and needs of Member States. They had not been appointed for protocol duties or to attend to minor questions; they were capable of giving the secretariat valuable assistance.
29. Mr. BONGERS (Denmark), in common with other representatives, suggested that for the recruitment of experts and for the whole range of operational activities the secretariat should apply to the permanent missions accredited by Member States to UNIDO or to the competent national organizations. The Danish delegation stressed that it wished in no way to hamper or restrict the contacts of the secretariat but on the contrary to facilitate them.
30. Mr. ARCHIBALD (Trinidad and Tobago) supported the suggestions of Latin-American delegations favouring decentralization of UNIDO's activities. He was confident that the Executive Director would arrange for a more equitable geographical representation of the various regions in the secretariat.
31. Mr. BELLANTES (Philippines) reminded the Board that his delegation was one of the co-sponsors of the draft resolution on decentralization, and that it maintained its position.
32. Mr. SIMPSON (United States of America), speaking of the number of posts allotted to his fellow-citizens in the secretariat, said that UNIDO observed the general principles laid down by the General Assembly. Moreover, the important part played by UNIDO in the transfer of technical know-how warranted the recruitment of nationals of a technically very advanced country. The New York Liaison Office,

established in a part of the world abounding in technical and industrial facilities, was an important element in UNIDO's activities and must accordingly employ a staff enabling it to discharge its duties satisfactorily.

33. Mr. BLAISSE (The Netherlands) thought that the appointment of experts to advise on the structure of the secretariat, though not originally proposed by his delegation, would furnish the Board with technical advice on which it might later have to take decisions.

34. Mr. LOPEZ MUÑO (Cuba) said he would reserve his position on the appointment of experts until the Board had received the text defining their powers and duties. There could be no question of giving them duties belonging to the Board; their work would merely be technical assessment.

35. Mr. BOLING (Chief of Personnel Services), speaking on geographical distribution, observed that the UNIDO secretariat was an integral part of the United Nations secretariat and was thus bound by the general principles laid down by the General Assembly. The Secretary-General was also endeavouring to ensure wide, representative geographical distribution within the UNIDO secretariat. The secretariat's policy had conformed to those principles and it had made every effort to fill posts in accordance with the desirable proportional representation of the different regions of the world in the United Nations secretariat as a whole. The regions of Asia and the Far East and Latin America were admittedly still under-represented; but the secretariat was striving to put right a situation which was already notably better than in 1966 and was expected to improve further. It was noteworthy that even if a given nationality was over-represented in the United Nations Secretariat as a whole, that did not preclude an appointment to UNIDO if the same nationality was not represented there.

36. One delegation had asked to know the criteria adopted in staff recruitment. He replied that they were those laid down in Article 101, paragraph 3, of the United Nations Charter:

"The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible;"

and in Staff Regulation 4.4:

"Subject to the provisions of Article 101, Paragraph 3, of the Charter, and without prejudice to the recruitment of fresh talent at all levels, the fullest regard shall be had, in filling vacancies, to the requisite qualifications and experience of persons already in the service of the United Nations."

37. The last-mentioned consideration and the provisions of General Assembly resolution 2152 (XXI) relating to the Secretariat explained the geographical distribution in the Divisions of Administration and of Technical Co-operation. The elements of continuity and of experience had been essential at UNIDO's foundation and throughout its first years of work; but now that it was gaining stability the geographical distribution in those two Divisions could be improved.

38. On 31 March 1969, against an authorized manning table of 270 professional posts, there were twenty-two vacancies, 210 posts filled by staff members holding regular appointments of one year or more, 20 more by staff members on short-term appointments of less than one year. Eighteen posts were under active recruitment, consisting of eight posts for which offers had been made to candidates, seven for which appointments were in process, and three for which candidates had been selected. Of the twenty-two vacant posts, nine were in the language sector, mainly for translators, leaving thirteen substantive vacancies. On that same date, 31 March, there had been 176 staff members representing 59 nationalities in the professional and higher categories in posts subject to the principles of geographical distribution.

39. The only posts not subject to the principles of geographical distribution were linguistic and technical posts in the area of Conference Services and short-term appointments of less than one year. The latter appointments, made directly from Vienna, had been a purely transitional measure designed to ease recruitment problems.

40. With regard to the appointment of experts, several delegations had stressed the need to centralise recruitment in Vienna. That was indeed the policy of the Secretariat, which had encountered certain practical difficulties but was fully aware of the fundamental importance of the immediate proximity of Personnel Services to the substantive divisions and the Technical Co-operation Division. The distance from

the Technical Assistance Recruitment Service in New York caused by UNIDO's move to Vienna had indeed created problems, but the secretariat hoped to overcome them soon.

41. Several delegations had declared that UNIDO should channel contacts with candidates through the national recruitment authorities rather than make them directly. A distinction should be made in that respect which was not perhaps brought out clearly enough in paragraph 27 of document ID/B/53: there was a strategic difference between the part senior officers of the UNIDO substantive divisions could play in stimulating the supply of candidates, and the contacts initiated with candidates by Personnel Services through the national authorities in order to ascertain their interest in specific posts and their availability. In any case, when senior officers from UNIDO visited countries the secretariat would take care that the national authorities were informed beforehand.

42. During 1969 the secretariat would provide Governments with a list of priority fields for the rostering or recruitment of experts, and with lists of their experts showing the personal details included in the roster already established by the secretariat. Governments would thus be able to check the accuracy of the data maintained by UNIDO and to complete the roster with information on additional experts in those industrial sectors in which they might make a positive contribution to UNIDO's technical co-operation programmes.

43. Means of achieving closer contacts with national recruitment authorities were currently under study, as was the desirability of enlisting the co-operation of UNIDO National Committees with a view to promoting the recruitment of well-qualified experts on a world-wide basis.

44. Mr. LORENZI (Uruguay) thought that the Executive Director might convene regular meetings of the permanent representatives of the States Members of UNIDO in order to keep them informed of its activities.

45. Mr. ABDEL-RAHMAN (Executive Director) said that the presence of representatives of Member States in or near Vienna facilitated the regular exchange of information and consultations which were vital to UNIDO's smooth operation. The secretariat was, however, required to follow certain established procedures: for example, all official requests for assistance relating to operational activities and UNDP projects had to be passed through the resident representatives; in matters such as selection

of experts and award of fellowships the secretariat made decisions for which it must account to the Board, a duty which it could not delegate. The establishment of national committees for UNIDO in every country was bound to facilitate the secretariat's task by enabling it quickly to identify the developing countries' exact needs for technical assistance.

46. Mr. BIRCKHEAD (Director of the Division of Administration, Conference and General Services) observed that UNIDO had had to maintain a certain establishment at the New York Liaison Office to keep in touch with United Nations services and in particular with UNDP. That situation also was becoming more stable, and three posts - two in the general services and one in the professional category - had thus been suppressed.

The meeting rose at 1.10 p.m.





**17.7.74**