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*for a sustainable future*

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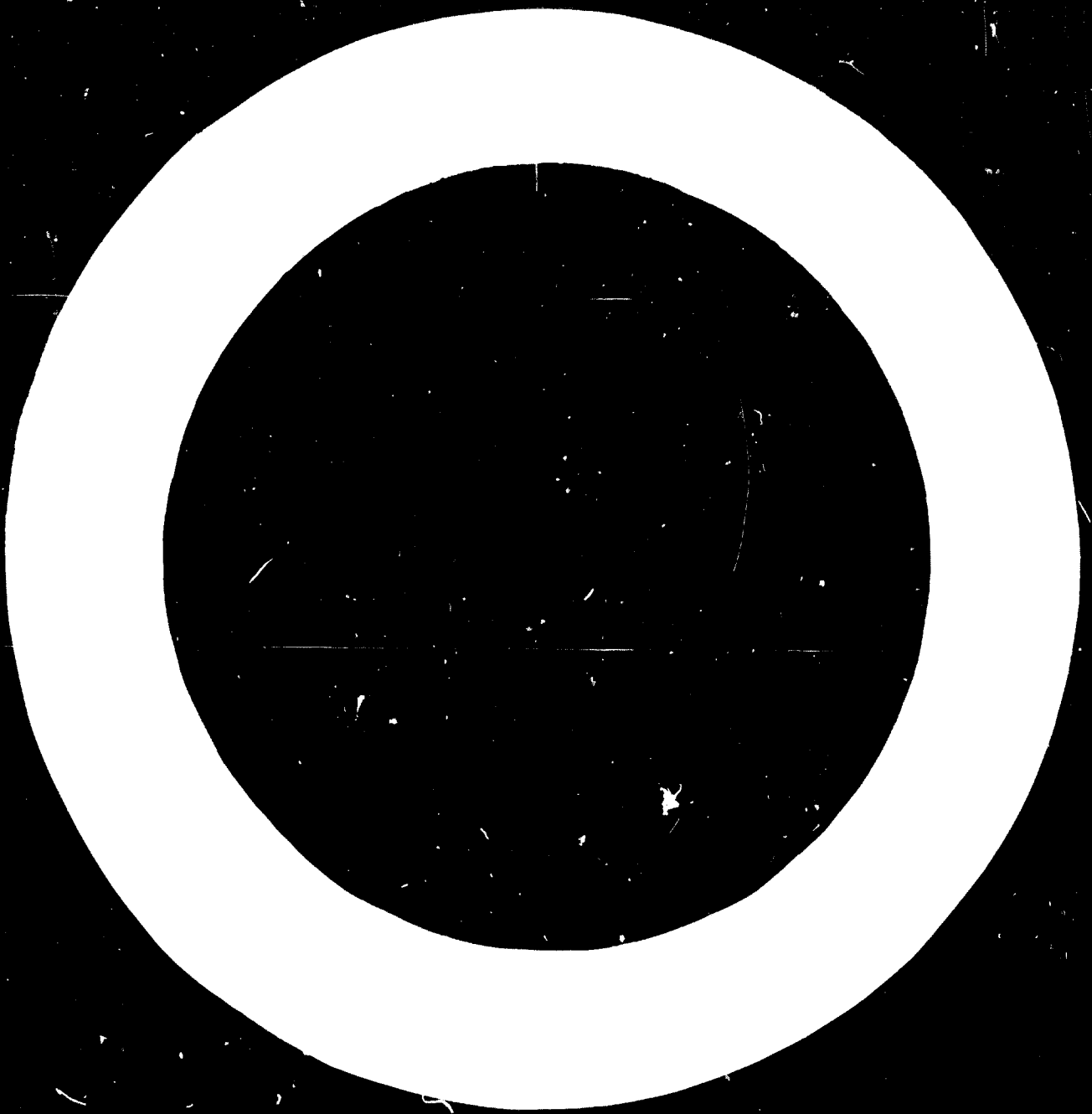
Meeting on Industrial Investment Promotion Services  
Vienna, Austria, 23 - 26 September 1968

CONCLUSIONS AND SUGGESTIONS FOR  
FOLLOW-UP ACTION<sup>1/</sup>

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I. Efforts at the national level in the field of Industrial Investment Promotion

1. National effort was unanimously considered by the participants at the Meeting to be the basic element which assistance from international organizations like UNIDO could supplement.
2. The participants were in agreement that national efforts undertaken in the field of investment promotion by developing countries should be intensified.
3. The participants agreed that appropriate machinery for this purpose must be established in accordance with the requirements and policy of each individual country.
4. The Meeting felt that the availability of skilled and experienced personnel was the backbone of any successful programme of Industrial Investment Promotion.
5. It was generally felt that pre-investment functions (identification and preparation of feasibility studies) and promotional functions were complementary; however, as regards the machinery to carry out these functions some participants felt that national Industrial Investment Promotion agencies should cover pre-investment and promotional functions; others were of the opinion that these agencies should confine themselves to the promotional functions.
6. Although opinion was divided on the question of the institutional status (governmental, non-governmental and semi-governmental) of such machinery, most of the participants emphasized autonomy and flexibility of action as essential pre-requisites for any effective national centre.
7. Some participants noted the need for regional centres. In this connection it was felt that there should be a close relationship between such regional centres and national machinery for industrial investment promotion. Also close co-operation between UNIDO and the UN Regional Economic Commissions in this field was suggested.

8. The Meeting called upon UNIDO to intensify its assistance:
- in the establishment of National Industrial Investment Promotion agencies;
  - in improving existing agencies, especially by training personnel, by improving the organizational structure, by developing new techniques, and by deputing technical experts.

II. Promotion at the level of the project

9. It was felt that in a number of developing countries sound industrial projects existed which were bankable and in keeping with the priorities set for the overall economic development of the country. However, adequate promotion on an ad hoc basis was needed in many cases in order to transform these projects into enterprises.
10. Most of the participants felt that such promotional effort should apply to all the different types of transfer of foreign capital and know-how: external financing, setting up of joint ventures, direct foreign investment, in accordance with the requirements and policy of each country.
11. Participants noted that UNIDO could play a useful role by utilizing the facilities of existing national financial development institutions in both developing and developed countries. UNIDO could also help in initiating and stimulating a dialogue between interested parties.
12. Several participants from financial and other institutions in industrialized countries offered their co-operation in the promotion of specific projects by UNIDO.
13. It was suggested that UNIDO should provide assistance in promoting specific bankable projects by:

- improving the system of collecting information on industrial opportunities in developing countries and the dissemination of such information to interested parties;
  - making available to the developing countries, appropriate information for locating sources of investment and financing;
  - advising on the presentation of project reports to potential sources of financing and investment, and the establishment of proper contacts between interested parties.
14. The Meeting expressed satisfaction and appreciation of the UNDP's offer to support UNIDO's programme of assistance to developing countries in the field of Industrial Investment Promotion. The offer made by the World Bank Group of International Financial Institutions to work in full co-operation with UNIDO for the successful implementation of selected projects was also welcomed.
15. To give effect to these ideas and concrete proposals made at the meeting, it was suggested that:
- (a) developing countries interested in securing UNIDO's assistance, forward to the UNIDO advance information on selected specific projects for the promotion of their financing and/or investment;
  - (b) UNIDO upon receiving such requests undertake exploratory and preparatory missions for setting up in co-operation with the requesting country a programme of promotion of the selected projects;
  - (c) UNIDO avail itself of the use of the facilities of all appropriate institutions in capital and know-how exporting countries: to locate and select potentially interested sources of investment and/or financing; to sound out their interest in the projects; to assist in their adequate presentation as viable and bankable

projects; to initiate contacts between these sources and the party in the country concerned, leading to positive negotiations between the interested parties.

III. Establishment of a portfolio of project reports

16. Most of the participants expressed interest in the technique of establishing a portfolio of project reports on industrial investment opportunities in developing countries.
17. Some participants felt that the establishment of a portfolio of industrial project reports at a central point would be useful. They felt that UNIDO would be the natural agency for the establishment of such a portfolio, and keeping it up-to-date. However, there was general feeling that the development of the approach should be gradual, and that it should be developed at first on a limited scale.
18. Other delegates urged more caution. A number of different reasons were expressed. For example, it was felt by some participants that it would be premature to establish extensive machinery to promote projects at a central point, before a number of developing countries had developed adequate machinery of their own, for the preparation of suitable project reports. However, strong sentiment was expressed to the effect that this should not be a reason to prevent the establishment of the portfolio for the few developing countries that are in a position to supply such project reports.
19. There was general feeling that the content of the brief project reports presented to prospective investors should contain enough information to enable them to make a decision, in principle, of their interest in the projects. The majority of the participants favoured brief project reports; however, the importance of presenting extensive details about the potential market was strongly emphasized.



20. Some of the participants suggested that a standard form for the brief project reports be used by all developing countries. If requested by them, UNIDO could assist them in the preparation of these brief project reports. The information collected could be useful for the promotion of specific projects through direct and confidential contacts as well as for dissemination to potential sources of investment and financing.
  
21. There was widespread support for the idea expressed by the representative of the World Bank Group of Financial Institutions, and the representatives of other sources of financing that a list of possible sources of funds for specific countries and/or industries be collected and circulated to interested developing countries. The UNIDO Secretariat informed the Meeting that a directory on external sources of financing as well as a list of industrialists in developed countries was in the process of preparation.





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