



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

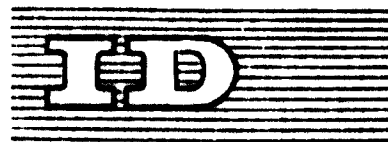
FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



DO 1480

Provisional

ID/WG.69/SR.3

2 June 1970

Original: ENGLISH

United Nations Industrial Development Organization

UNDP/UNIDO AGENCY REVIEW MEETING

(Vienna, 1-2 June 1970)

MINUTES OF THE MEETING
HELD ON TUESDAY, 2 JUNE 1970, AT 10.15 a.m.

Mr. Quijano-Caballero (UNIDO) said that there sometimes seemed to be misunderstandings by UNDP regarding the origin of projects. UNIDO did not try to use "salesmanship" to put over its projects, as apparently sometimes happened in other circles. Industrial development raised more difficult and more complex problems than many other fields of development, for in many cases UNIDO was faced with the task of setting afoot a highly complex process of development in a field which had not previously been tackled in the country in question, and it was not always as easy for governments to identify industrial development projects as it was for them to identify projects in other fields of development, such as education and agriculture. In the case of the more complex projects it might even be necessary to go through a series of identification operations before the final project could be identified. UNIDO fully appreciated UNDP's desire for the submission of projects that would show quick results and vividly justify the technical assistance system, which was at present under attack from various sides. UNIDO was fortunate in having secured the services of a number of very experienced specialists in industrial development, and all its projects reflected the careful attention of those experts.

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.

- 1 -

DISCUSSION OF PROJECTS - THE AMERICAS

CHILE: Metalworking Industry Testing Centre

Mr. Paul-Marc Henry (UNDP) said that the project in question should be withdrawn from the list, as the problem concerning it was mainly one of recruitment and appeared now to have been solved.

Mr. Quijano-Caballero (UNIDO) agreed that serious recruitment problems had been encountered in connexion with the project. A thoroughly suitable project manager had been found, but TARS had refused to sanction his employment because his yearly salary would have been \$100 more than their regulations permitted. When agreement was reached the candidate was no longer interested and UNIDO was faced with the thankless task of looking for another suitable candidate for the post.

CHILE: Centre for Experimentation and Investigation of Industrial Processes
for Minerals

Mr. Nijhawan (UNIDO) described the technical features of the project. There were manifestly no grounds for claiming that the project was concerned with the extraction of natural resources, for the skills required under the project were all of a purely metallurgical nature and no mining or mineralogical skills were called for at all. It would be totally unjustified to entrust the project to an agency other than UNIDO on the grounds that somewhat similar projects had been entrusted to agencies concerned with the natural resources sector in the past. It was most important that UNIDO should be entrusted with the present project, as it represented an important precedent for future projects of a similar type.

Mr. Paul-Marc Henry (UNDP) said that a decision has been taken on the matter and a UNDP Project Co-ordinator had been appointed. It was hoped that he would keep in close touch with UNIDO. UNDP had had to act quickly in order to facilitate Belgian assistance to the project, for which it hoped to have final project approval as early as possible.

PARAGUAY: Technical Standards National Institute

• Mr. Polit (UNIDO) said that a plan of operations was being prepared for Phase II of the project.

• Mr. Paul-Marc Henry (UNDP) asked UNIDO to submit a memorandum stating whether and why a final report on Phase I of the project was needed or not.

"PIPELINE PROJECTS"

ARGENTINA: Export Promotion

Mr. Polit (UNIDO) said that the Government of Argentina would be submitting the project officially in the next month or two and it would definitely be ready for consideration at the January meeting. UNIDO was consulting with UNCTAD regarding the project.

Mr. Paul-Marc Henry (UNDP) asked UNIDO to submit its views on the project so that UNDP could decide how to treat it. UNIDO should also submit a report from the SIS experts in the field on the work that had been carried out so far on the project.

ARGENTINA: Industrial Development of the Northwest Region

Mr. Polit (UNIDO) said that the project was definitely in the pipeline and the Government wanted UNIDO to come in when the Argentinian authorities were ready.

BOLIVIA: Mining and Metallurgical Institute (Phase II)

Mr. Harland (UNDP) noted that all the Bolivian Government was at present requesting for the continuation of the project was a couple of experts.

CUBA: Establishment of Research Centre for Industrialization of Sugar Cane Bagasse
Centre for Industrial Fermentation

Mr. Poli (UNIDO) said that two sections in UNIDO were interested in the projects, namely, the section concerned with paper pulp and chemicals and the food section. The first of these sections felt that the two projects might advantageously be combined. UNIDO was waiting for information on the matter.

Mr. Paul-Marc Henry (UNDP) said that there was already an FAO expert in Cuba dealing with the question of the utilization of bagasse.

Mr. Nagelstein (UNDP) confirmed that the FAO expert was definitely dealing with the matter of bagasse utilization in Cuba. It would be inadvisable to go ahead with any project for the production of protein from bagasse until a pilot plant for that purpose had been tested in a developed country.

Mr. Aguilar-Bolanos (UNIDO) said that the Cuban Government was extremely interested in the use of bagasse for the production of paper pulp. A considerable amount was already known about the use of bagasse for the production of materials such as pulp.

Mr. Rothblum (UNIDO) confirmed that the process for making paper pulp from bagasse was well tried and well proved: it was only the use of bagasse for the production of chemicals which was not yet fully explored.

Mr. Paul-Marc Henry (UNDP) said that in any case the pipeline for Cuba was full until 1971 and the bagasse project was not in it. As for the fermentation project, it might be covered to some extent by an overall approach which UNDP was making to the protein problem. As far as the bagasse project was concerned UNIDO could provide assistance through SIS but it should not try to prepare a full scale project. The question could perhaps be re-examined in 1972.

CHILE: Development of Plastic Fabrication Industries

Mr. Polit (UNIDO) said that the Government did not seem to be in very much of a hurry over the project.

EL SALVADOR: Assistance to Salvadorean Industrial Development Institute

Mr. Harland (UNDP) said that the Special Fund project had been withdrawn at the Salvadorean Government's request, but UNIDO could go ahead with assistance to the Institute through SIS as had already been requested and approved. He noted that SIS assistance should be co-ordinated with that which the Government is receiving bilaterally.

HONDURAS: Solar Salt Pilot Plant

Mr. Aguilar-Bolanos (UNIDO) said that the Honduran Consul in Vienna had just received a cable from his Government saying that a request for the project in question would be submitted to the Special Fund during the present week. There were no properly organized salt production facilities in the whole Central American area, and salt was an extremely important raw material for all types of basic chemicals. The Central American research organization ICAITI unfortunately did not have any expert in salt production and chlorine products, and it had asked UNIDO for help in the field.

Mr. Paul-Marc Henry (UNDP) said that UNDP was at present considering the question of general assistance to ICAITI but had not yet taken a decision on the matter.

Mr. Aguilar-Bolanos (UNIDO) said that ICAITI was facing a number of problems, mainly financial. One reason for ICAITI's difficulties was that it had not been doing what Central American governments apparently wanted it to do. UNIDO was trying to find a compromise solution, but it seemed that the Central American governments did not want ICAITI to play the centralized role which the Special Fund apparently envisaged for it. UNIDO was trying to find projects for ICAITI that would secure increased support for and confidence in ICAITI from Central American governments.

JAMAICA: Repair and Maintenance

Mr. Polit (UNIDO) said that at present UNIDO was concentrating on an SIS mission on sugar mill maintenance problems. It was possible that a Special Fund project would result later. The problem of sugar mill maintenance had become acute because the aluminium companies had attracted most of the skilled maintenance engineers away from the sugar mills by offering higher wages. The UNIDO expert working on the matter in Jamaica felt, however, that a great deal of progress could be made in two months or so.

Mr. Mautner (UNIDO) said that the sugar mill maintenance problem had its origins in the very hasty development of the sugar industry which had taken place a few years ago. Sugar production was now being held up by the lack of skilled maintenance workers. UNIDO proposed to send an investigating mission to see what the United Nations system could do in the matter, and in the meantime it was also seeking consultancy firms which might be able to help.

PANAMA: Solar Salt Pilot Plant

Mr. Aguilar-Bolanos (UNIDO) said that the Panamanian Government attached great importance to the development of the salt industry not only on industrial but also on social grounds. UNIDO had prepared a draft request for a Special Fund project for the construction of a solar salt enterprise designed to produce 20,000 tons of salt per year. The Government had expressed the greatest interest in the draft project and had said that it would do everything possible to submit a firm request very soon.

PERU: Development of Petrochemical Industries

Mr. Polit (UNIDO) said that a report on the development of petrochemical industries in Peru prepared by the Japanese firm "Japan Gasoline" would be available soon.

Mr. Paul-Marc Henry (UNDP) said that this was a case where UNDP had acted very quickly to deal with the request for assistance under SIS and it would be interested to hear what further developments result from the study.

PERU: Institute for Industrial Research and Standardization

Mr. Polit (UNIDO) said that before embarking on the establishment of the Institute in question, the Peruvian Government wished to be granted a number of fellowships so that personnel could be sent to other Latin American countries to see what research institutions there were doing.

URUGUAY: Food Processing Industry

Mr. Polit (UNIDO) said that UNIDO had now received an official request from the Uruguayan Government, and the project would begin with the provision of assistance through SIS.

The meeting adjourned at 11.10 a.m. and resumed at 11.30 a.m.

ASIA/FAR EAST

Problem projects

Mr. Paul-Haro Henry (UNDP) said that project IND-67 was no longer considered a problem project and there was no need to discuss it as such.

- 1 -

IRAN: Establishment of an Industrial Estate (IRA-11)

Mr. Harland (UNDP) recalled that it had been agreed to grant supplementary assistance in respect of project IRA-11, but there were still various causes for concern. The foundry shop did not appear to be operating satisfactorily; the facilities at the Estate were not being properly utilized; no new industries were being developed; in short, the project appeared to be in the doldrums. He also wondered what was being done in regard to advisory services for small-scale industries at the Teheran headquarters.

Mr. Siddiqui (UNIDO) explained that problems had been caused by the shortage of experts in the field, the lack of space for laboratory equipment, the poor utilization of existing production facilities, delays in the construction of additional plants and difficulties in fixing the duty stations of the experts. The supplementary assistance stipulated nine experts. Most of those experts had already been recruited but two of them had left for health reasons; a foundry expert would be found in the near future. The project manager had been withdrawn at the request of the Government and it had taken ten months to find a new one. However, the new project manager had already initiated a number of measures for meeting the plan objectives. He was trying to ensure better use of the facilities, preparing a programme for the improvement and further development of small-scale industries, promoting sub-contracting between small and large concerns, and trying to improve the system of financing small-scale industries. Finally efforts were also being made for the training of counterparts. Although the project manager had applied himself vigorously to the various problems he was still new and would require a little more time to produce results.

Mr. Paul-Marc Henry (UNDP) said that, from a philosophical point of view, he wondered whether it was wise to pursue a policy of small-scale industry in the present context. In the case of various other countries it had been found that such a policy was not advisable. In view of the way in which the character of various countries, including Iran, was changing, it was essential to ensure the necessary flexibility in the project. He thought perhaps a working group could be set up to consider the matter.

Mr. Harland (UNDP) thought the matter could perhaps be reviewed at the end of the year.

PAKISTAN: Pre-investment Studies for the Promotion of the Fertilizer and Petrochemical Industries (PAK-26)

Mr. Harland (UNDP) felt that project PAK-26 was not proceeding satisfactorily. There had been delays in recruitment, the studies were not being satisfactorily carried out, there were difficulties in sub-contracting, the fellowship programmes were not being implemented. It had been agreed to extend the project by one year, but not to provide the additional equipment requested. He thought that the original intention for a study of the petrochemical industry had perhaps been overtaken by events.

Mr. Siddiqui (UNIDO) agreed that various problems of the type referred to by Mr. Harland had been experienced but added that things had improved considerably since UNDP had received the last semi-annual report of the Resident Representative. All the 8 fellowships had now been awarded. The sub-contracting was also proceeding more smoothly and good progress had been made with the various studies required. The first report had been received punctually, but the Government had taken a long time to examine it. The final report was expected by July and the Government would probably require a further two or three months. The main problem was connected with the demonstration equipment: to justify the request for equipment the Resident Representative had been asked to check that the counterpart facilities of space, personnel and funds were available. On the Resident Representative's report that all those facilities, including a budgetary provision of 200,000 rupees existed, and on his recommendation that the equipment would be put to effective use, UNIDO had proceeded with recruitment of an expert to install and commission the equipment and had invited tenders for the equipment. Unless the orders were placed very quickly it might be too late to install the equipment before the extension period ran out.

Mr. Nagelstein (UNDP) pointed out that the main need was for advice to governments on the utilisation of fertilizers, not on their production.

Mr. Harland (UNDP) said he thought UNIDO should reply in full in writing to the UNDP letter relating to the equipment component.

Mr. Paul-Marie Henry (UNDP) agreed and thought that UNIDO could tentatively go ahead and make arrangements for the purchase of the equipment required.

PAKISTAN: Centre for the Organization and Development of the Jute Industry, Dacca
(PAK-48)

Mr. Paul-Marc Henry (UNDP) said that further discussion of PAK-48 would be necessary when the relevant report had been received.

Mr. Harland (UNDP) said that the preliminary mission sent out by UNIDO to draft the request had not made it clear that there was an existing jute research institute. UNDP was concerned to see that this sort of thing didn't happen again.

Mr. Siddiqui (UNIDO) hoped that the report would soon be available to UNIDO. He wanted to make it clear that the project preparation was not faulty. The purpose of the project was to improve the efficiency of jute mills, to train technical staff in their operation and to help in product diversification; the centre proposed under PAK-48 thus covered a much wider area than did the existing jute research centre, which concentrated on fibre research and had only marginal interest in product development and diversification. However, UNIDO would welcome close co-ordination between the two and looked forward to the report of the Nabulsi Shawkat mission.

He asked whether arrangements could be made to recruit a project manager, as recommended by the Resident Representative.

Mr. Paul-Marc Henry (UNDP) agreed.

IRAN: Research Centre for Industry and Trade Development (IRA-16)

Mr. Siddiqui (UNIDO) said that project IRA-16 was not a problem project thanks largely to the efficient work performed by the project manager. It had been successfully meeting its objectives and had played an important role in the industrial development of Iran. The perennial problems of counterpart staff and fellowship utilization existed, however. He thought those matters could usefully be reviewed at the beginning of the next year by a mission. He requested UNDP guidance in the matter.

Mr. Paul-Marc Henry (UNDP) agreed that it would be useful to organize a review mission early next year.

THAILAND: Technological Research Institute (THA-16)

Mr. Siddiqui (UNIDO) asked when the Phase II would be approved.

Mr. Harland (UNDP) said that the necessary information on Phase II had not yet been received: A formal request was required before a government council paper could be prepared.

Mr. Siddiqui (UNIDO) said that a draft request had already been formulated and the formal request would soon be available.

Mr. Paul-Marc Henry (UNDP) asked Mr. Siddiqui to submit the draft request in order to speed up the operation.

Mr. Francis (UNDP) said that to expedite the discussion on terminating projects, UNDP wished to read into the record a general request to UNIDO for written information regarding terminal reporting arrangements on all Special Fund projects ending in 1970 and in the first half of 1971. UNDP had requested this information from UNIDO last June for projects ending in 1969-1970 but had not received a reply.

It was hoped that UNIDO would provide the information now requested, as it was needed in order for UNDP to schedule the corresponding Terminal Assessment Reports to be submitted by UNDP Resident Representative.

Mr. Paul-Marc Henry (UNDP) took note of UNIDO's agreement to provide information on terminal reporting arrangements on a project-by-project basis.

Potential Special Fund Projects "in the pipeline" for 1971 (continued)

Special Fund Projects scheduled to be completed by 1 June 1970

IRAN: Establishment of an Industrial Estate (IRAN-11)

No comment.

CHINA: Assistance to the Union Industrial Research Institute

Mr. Siddiqui (UNIDO) said that the report of the Woodward-Svegny mission had been received. He felt that it was an excellent report and added that UNIDO concurred with the mission's recommendations. A Special Fund project had been proposed and was currently under consideration by the Government. UNIDO favoured that approach.

Mr. Paul-Marc Henry (UNDP) said that if the official request were received in time this project would be for January 1971.

CHINA: Industrial Management Consultancy Service

Mr. Siddiqui (UNIDO) said that after discussion with the Resident Representative they had come to the joint conclusion that the project had to be implemented in phases. The first phase would be under SIS, after which further assistance would be examined. This approach was agreed by UNDP, but UNDP also insisted on the involvement of the ILO.

INDIA: Product Design and Development (Assistance to Packaging Institute)

Mr. Siddiqui (UNIDO) said that this was an unofficial request to be submitted within the next two months. It had high priority, due to its role in export promotion. The object of the project was to develop the already existing packaging institute. The project had been cleared by the inter-ministerial committee and the Ministry of Finance.

INDIA: Creep Testing Laboratory at Jamshedpur

Mr. Siddiqui (UNIDO) said that the request had been submitted unofficially to UNDP. UNIDO views providing strong support for it had been conveyed to UNDP. Since the project aimed at supporting the National Metallurgical Laboratory in a very crucial and highly sophisticated field it should get the highest priority in January 1971.

Mr. Paul-Marie Henry (UNDP) said that this project could probably be ready for January 1971.

INDIA: Synthetic Fibre Pilot Plant (SASMIRA)

Mr. Siddiqui (UNIDO) said that the formal request had been submitted. He asked whether the project could come up for June 1970.

Mr. Paul-Marc Henry (UNDP) said that the project was under review and no conclusions had yet been reached as matters of capital equipment were involved. He thought that it was unlikely for January 1971, since there were 15 projects in the pipeline for India.

Mr. Siddiqui (UNIDO) pointed out that this was a very important project for the development of synthetic fibre research in India. He added that the two important features of the project were that, firstly, it would supplement the research effort of a private association (SADMIRA), and secondly it would open up new avenues for development of the synthetic fibres industry in India. It therefore enjoyed the highest priority in India.

Mr. Paul-Marc Henry (UNDP) said that the project would receive normal evaluation.

Mr. Quijano-Caballero (UNIDO) said they were in an uncomfortable situation with this project. If it were to be held in abeyance it might be better to clarify the matter with the government. Another approach to the project might be preferable.

INDIA: Leather Goods Development, Madras

Mr. Siddiqui (UNIDO) said he understood that an unofficial request had been submitted for UNDP's views as to its acceptability. The project was now being reformulated, after 3 years lying in the pipeline. He inquired whether it would come up in June 1971.

Mr. Paul-Marc Henry (UNDP) said that the India pipeline was in need of total revision. He was convinced that since India did not need many experts, projects could be so tailored as to comprise equipment with fewer outside experts, and some local experts. But no projects with only an equipment component would be acceptable. Each project would be reviewed in this context. Projects need not necessarily be fully-fledged, but could be SIS and feasibility studies. As to equipment for India, it should be regarded on the same basis as the rule applied to all other industrialized countries. The criteria were whether or not the equipment requested was available locally, and if not could model equipment for local production be imported and thirdly if equipment had to be bought from outside a division of costs should be negotiated. UNDP had supplied more than \$50 million worth of equipment and the Government was therefore well aware of their willingness to provide certain types of equipment. They preferred to have UNIDO's views rather than a ready made local project.

Mr. Quijano-Caballero (UNIDO) said that an entirely new situation seemed to have arisen as regards pipeline projects. They had agreed to develop the programme in India a year ago and they had operated according to the basic concept and they had worked closely with the Resident Representative. It now appeared that every single project would have to be examined in the light of entirely new concepts.

Mr. Paul-Marc Henry (UNDP) thought that this was not the case, especially as regards equipment in India. As to pipeline projects they wanted an imaginative approach to make action possible on certain projects; otherwise they would have to make arbitrary decisions. The suggestions for action should come from UNIDO.

Mr. Siddiqui (UNIDO) pointed out that UNIDO had picked up for this discussion only 4 pipeline projects in India out of a total pipeline of 22 projects, which showed that UNIDO was extremely careful and brought to this forum only those items on which work had advanced considerably and whose justification and necessity had been tested thoroughly. He added that the jute project, the creep testing project, the leather project and the synthetic fibre project would all stand up to the criteria just mentioned by Mr. Paul-Marc Henry and should be considered.

Mr. Paul-Marc Henry (UNDP) summed up as follows on the India projects:

India: Synthetic Fibre Pilot Plant (SASMIRA): Official request. Quick answer to UNIDO as how to proceed would be sent by UNDP.

India: Product Design and Development (Assistance to Packaging Institute): Unofficial request. SIS assistance has been given. Reacting on unofficial request and waiting to see whether request becomes official.

India: Leather Goods Development, Madras: Draft unofficial request, commented on. Resident Representative now reworking request with the Government.

India: Creep Testing Laboratory at Jamshedpur: Practically ready, subject to finalizing. UNDP were checking with the British Creep Research Association on equipment component. Project possible for January 1971.

India: Assistance to Jute Industries Research Association: No request yet. Waiting for return of Mr. Nabulsi with report.

He said that they were trying to proceed as empirically as possible, rather than project by project. In future procedure they hoped to have general programming in order that agencies and governments would know in advance what services, staff and financing would be needed over the next 5 years. At the moment they were in an interim period.

INDONESIA: Textile Industry Rehabilitation and Development Programme

Mr. Siddiqui (UNIDO) said that an official request had been submitted and it was hoped that the project would be approved in January 1971.

Mr. Harland (UNDP) said that there was a revised and improved request that would be sent to UNIDO for comment. The project would be ready for January 1971.

INDONESIA: Industrial Development Advisory Team

Mr. Siddiqui (UNIDO) said that the government had requested a PAG that was awaiting UNDP approval.

Mr. Paul-Marc Henry (UNDP) said that they could begin by PPA with a small team, and that PAG should take into account the activities of the World Bank. There should be a PAG mission for the time being which could make recommendations for a first phase which might be accommodated under PPA, if necessary.

IRAN: Iran Metallurgical Institute

Mr. Siddiqui (UNIDO) said the project was under preparation. UNIDO asked for guidance whether a project under this section would find UNDP support.

Mr. Harland (UNDP) said that according to a report from Dr. Shallen the project was unlikely to have government interest and suggested that they wait before proceeding.

Mr. Sanger (UNIDO) pointed out that this was a change in the Government's position since December 1969, when the long-range programming mission was undertaken. It was, at that time, thought that UNDP assistance would be available by July 1971.

Mr. Paul-Marc Henry (UNDP) suggested that as the pipeline in Iran was heavy, the matter should be discussed later on.

PAKISTAN: Re-organization and Development of the Textile Industry

Mr. Siddiqui (UNIDO) said that the official request was already with UNDP since last March. He added that the Resident Representative had strongly supported the project in his detailed letter of 18 April 1970. He hoped that the project would come up at the Governing Council session of January 1971.

Mr. Paul-Marc Henry (UNDP) said that it would be considered in January 1971.

WEST PAKISTAN: Assistance to West Pakistan Small Industries Corporation in Establishing Light Engineering Service Centre on Small Industries Estate, Sukkur

Mr. Harland (UNDP) said that although a good project, it was of ninth priority.

Mr. Siddiqui (UNIDO) said the project was originally submitted as an ILO project, but that the Resident Representative had informed UNIDO that the project should be more suitably executed by UNIDO. Although it had low priority, UNIDO considered it very important, as it was directly related to industries servicing the expanding agricultural sector in the Sukkur area. When the government gave it high priority, UNIDO would like to be associated with it.

Mr. Paul-Marc Henry (UNDP) said this was noted.

PHILIPPINES: Industrialized Production of Low Cost Wooden Houses

Mr. Siddiqui (UNIDO) said this was a very high priority project as the government wanted (1) to develop industrial capacity in this sector; (2) to combat the deteriorating housing situation; and (3) to capture possible export markets. He suggested a joint UNDP/UNIDO/OTC mission to prepare the project. At the request of the government, draft terms of reference had been submitted. He hoped for an official request shortly.

Mr. Harland (UNDP) pointed out that the Asian Development Bank was interested in a similar project which was also linked with Australian and Colombo Plan aid to the Philippines, which complicated matters.

Mr. Paul-Marc Henry (UNDP) said that when the request arrived, there would be a joint mission.

PHILIPPINES: Centre for the Development of Furniture Industry

Mr. Siddiqui (UNIDO) said that the government wanted a SF project, and they wished to proceed cautiously. UNIDO had asked the government for a feasibility study and a SIS project had been formulated and approved. He asked whether, after the feasibility study, this would be an acceptable area for UNDP.

UNDP agreed to consider the request when it was received.

PHILIPPINES: Marikina Shoe and Leather Industry Research and Development Centre

Mr. Siddiqui (UNIDO) said the same approach had been used in this project as in the case of the furniture industry. Both had high export potential and technical assistance was needed for designing, fashion changes and market research for the 200 shoe manufacturing factories located in Marikina. The SIS project was approved by UNDP and the government wanted urgent assistance under the Special Fund sector.

Mr. Harland (UNDP) suggested that they ask for consultant advice before proceeding with a Special Fund project.

Mr. Siddiqui (UNIDO) said that this was also their approach. He added that in both these projects, which had great export potential, UNDP had tried to restrain the government from quick Special Fund projects.

Mr. Paul-Marc Henry (UNDP) said that the government would have UNDP support for a feasibility study or a pilot scheme.

SINGAPORE: Institute for Standards and Industrial Research

Mr. Siddiqui (UNIDO) said that this project had been in the pipeline for 2½ years. According to the latest information, the Government wanted to proceed in phases with the development of the Institute. However, they had shown keen interest in another area, namely, in the establishment of a Design Centre for Electrical Engineering with the object of providing extension services to the manufacturers of television sets, radios, etc., and to develop new circuitry. A draft Special Fund project was now under consideration by the Government. He enquired whether a project in this field would have UNDP support in principle.

Mr. Paul-Marc Henry (UNDP) noted the matter and replied in the affirmative.

THAILAND: Establishment of an Integrated Soybean Processing Industry

Mr. Siddiqui (UNIDO) said that they were moving in a measured manner on this subject. An SIS project was under preparation for the feasibility of an integrated soya industry in the economy of Thailand. They were also in consultation with FAO. After the results of this study were known, further assistance would be considered if necessary.

Mr. Paul-Marc Henry (UNDP) said it was understood that the field remained open for working out details of application.

The meeting rose at 12.55 P.M.





74.10.22