



**TOGETHER**  
*for a sustainable future*

## OCCASION

This publication has been made available to the public on the occasion of the 50<sup>th</sup> 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](mailto:publications@unido.org) for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at [www.unido.org](http://www.unido.org)



102100

United Nations Industrial Development Organization

PROVISIONAL

ID/B/SR.8  
20 April 1967  
ENGLISH  
ORIGINAL: FRENCH

INDUSTRIAL DEVELOPMENT BOARD

First Session

PROVISIONAL SUMMARY RECORD OF THE EIGHTH MEETING

Held at Headquarters, New York,  
on Monday, 17 April 1967, at 10.40 a.m.

CONTENTS

Future programme of work and activities of UNIDO (ID/B/4 and Corr.1-3, ID/B/8 and Add.1 and Add.1/Corr.1, ID/B/9, ID/B/10, ID/B/11; ID/B/L.1, L.2, L.3) (continued)

Corrections to this record should be submitted in one of the three working languages (English, French or Spanish), preferably in the same language as the text to which they refer. Corrections should be sent in triplicate within three working days to the Chief, Conference and Meetings Control, Office of Conference Services, Room 1104, and also incorporated in mimeographed copies of the record.

AS THIS RECORD WAS DISTRIBUTED ON 20 APRIL 1967, THE TIME-LIMIT FOR CORRECTIONS WILL BE 25 APRIL 1967.

67-35913/A

/...

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.

PRESENT:

President:

later,

Rapporteur:

Members:

Mr. TELL	(Jordan)
Mr. LUMITERESCU	Romania
Mr. Mbaye	(Guinea)
Mr. BRADLEY	Argentina
Mrs. SAILER	Austria
Mr. FORTHOMME)	Belgium
Mr. DELVAUX )	
Mr. PATRIOTA	Brazil
Mr. VLADOV	Bulgaria
Mr. BELEOKEN	Cameroon
Mr. ABELL	Canada
Mr. FIGUEROA	Chile
Mr. HERRAN-MEDINA	Colombia
Mr. INCHAUSTEGUI	Cuba
Mr. SCHEJBAL	Czechoslovakia
Mr. SCHMIDT-HORIX	Federal Republic of Germany
Mr. TORNVIST)	Finland
Mr. UGGELDAHL)	
Mr. BERNARD	France
Mrs. AGGREY-ORLEANS	Ghana
Mr. DIABATE	Guinea
Mr. GUPTA	India
Mr. TAHITU	Indonesia
Mr. YEGANEH	Iran
Mrs. FONCIGNANO	Italy
Mr. KOFFI)	Ivory Coast
Mr. GBEHO)	
Mr. YAMAGUCHI	Japan
Mr. KHURMA	Jordan
Mr. AL-RIFAE	Kuwait
Mr. LUBBERS	Netherlands
Mr. ASIODU	Nigeria
Mr. DASTGIR	Pakistan

PRESENT (continued):

Members (continued):

Mrs. KODIKARA	Philippines
Mr. RYABONYENDE	Rwanda
Mr. GALAN	Spain
Mr. SAHLOUL	Sudan
Mr. HULTNER	Sweden
Mr. DAHINDEN	Switzerland
Mr. BARPUYAWART	Thailand
Mr. P.V.J. SOLOMON	Trinidad and Tobago
Mr. CUHRUK	Turkey
Mr. ANANICHEV	Union of Soviet Socialist Republics
Mr. SALAMA	United Arab Republic
Mr. FRYER) Miss DEAS)	United Kingdom of Great Britain and Northern Ireland
Mr. KOTSCHNIG) Mr. BLAU )	United States of America
Mr. MENDIOLA	Uruguay
Mr. SIKALUMBI	Zambia

Observers for Member States:

Mr. RAHMANI	Algeria
Mr. BENSON	Australia
U BA YIN	Burma
Mr. SIDASH	Byelorussian Soviet Socialist Republic
Mr. OUANGMOTCHING	Chad
Mr. FU	China
Mr. MULONGO	Congo (Democratic Republic of)
Mr. OLSEN	Denmark
Mr. SUBERO	Dominican Republic
Mr. JATIWA	Ecuador
Mr. MAKAYA-CASTANOU	Gabon
Mr. COLLAS	Greece
Mr. ENDREFFY	Hungary
Mr. SHAI	Israel
Mr. SOMPHANE	Laos
Mr. THOMAS	Liberia

/...

Observers for Member States (continued):

Mr. CARMELLO CIVILA	Mexico
Mr. CHULGUNEBAATAR	Mongolia
Mr. OUSSEINI	Niger
Mr. NENEMAN	Poland
Mr. VAZ PINTO	Portugal
Mr. CISS	Senegal
Mr. van NIEKERK	South Africa
Mr. LAVICVIC	Yugoslavia

Representatives of specialized agencies:

Mr. AMKAR	International Labour Organisation
Mr. WOODWARD	Food and Agriculture Organization of the United Nations
Mrs. THOMAS	United Nations Educational, Scientific and Cultural Organization
Mr. PERINBAM	International Bank for Reconstruction and Development
Mrs. KALM	World Health Organization

Representative of the International Atomic Energy Agency:

Mr. NAJAR

Representatives of other United Nations bodies:

Mr. HORTLING	General Agreement on Tarrifs and Trade
Mr. HARLAND	United Nations Development Programme
Mr. NERFIN	World Food Programme

Secretariat:

Mr. ABDEL-RAHMAN	Executive Director, United Nations Industrial Development Organization
Mr. QUIJANO CABALLERO	Director, Technical Co-operation Liaison Bureau
Mr. SINGER	Director, Policies and Programming Division
Mr. MULLER	United Nations Conference on Trade and Development
Mr. LACHMANN	Chief, Fiscal and Financial Branch, Department of Economic and Social Affairs
Mr. NOMVETE	Economic Commission for Africa
Mr. SYLLA	Secretary of the Board

/...

FUTURE PROGRAMME OF WORK AND ACTIVITIES OF UNIDO (ID/B/4 and Corr.1-3, ID/B/8 and Add.1 and Add.1/Corr.1, ID/B/9, ID/B/10, ID/B/11; ID/B/L.1, L.2, L.3)  
(continued)

Mr. VLADOV (Bulgaria) noted that ideas had changed and it was generally accepted that the long-term prospects for the developing countries would depend ultimately on the rapid development of an efficient industry. While it was for the developing countries themselves to decide whether industrialization should be a primary objective, UNIDO should, in his view, be prepared both to co-operate with the countries concerned in studying problems connected with industrialization and to give technical aid for the establishment of the necessary industries.

With respect to the United States representative's proposal that UNIDO should help the developing countries to imitate the accomplishments of the United States through private enterprise, he believed that the industrialization of a developing country could also be achieved by other methods - for example, concerted State action based on a comprehensive economic and social development plan. In that connexion, he mentioned the example of his own country which, twenty years previously, had had a very low level of living and a predominantly agricultural economy. Through concerted State action, Bulgaria had made great progress in industrialization with the help of friendly countries.

The priorities in the programme of work of UNIDO should be related to the fields in which needs were most urgent and the demand for help from the new organization was greatest. UNIDO was and should be the international centre for co-operation aimed at accelerating the industrialization of the developing countries and broadening the exchange of experience among interested countries. It must also help in the transfer of know-how.

His delegation agreed that UNIDO should be action-oriented. First of all, however, the possible alternative courses of action must be studied and, except for studies of an academic nature, research projects should not automatically be eliminated.

When tackling the question of the appropriate policy for effective industrialization, UNIDO could not avoid considering necessary social reforms and the role of the State. Past errors should not be repeated; since industry was

(Mr. Vladov, Bulgaria)

intended to help to enhance the well-being of man and of the community, social factors were of great importance, but they were not adequately dealt with in the documentation submitted to the Board. A close relationship should therefore be established between the operational and research activities of UNIDO and the work done on the social aspects of industrialization by the Bureau of Social Affairs. In addition, social planners should act as members of teams in UNIDO technical assistance projects. He was surprised that that question had been omitted from the agenda of the International Symposium on Industrial Development.

Another question to be considered was the comparative intensity of the factors of production. In Bulgaria, priority was now given to increasing labour productivity, in order to be able to compete on the world market and ensure a rapid rise in the level of living of the people. He hoped that UNIDO would select for industrial projects the technologies that were best suited to the conditions prevailing in a given area or at a given level of economic development.

He believed that the major difficulties in the foreign trade of the Developing countries could be solved by changing the existing territorial and industrial structure of world trade. To achieve that, changes must be made in the existing structure of production, and export-oriented industries, which were a means of acquiring resources for imports, must be promoted. However, the developing countries would first have to overcome the obstacles to the development of their exports of manufactures, including, in particular, the trade barriers which hampered their access to world markets, resulting in under-utilization of industrial plant installed at heavy cost, unemployment, and increased balance-of-payments difficulties. UNCTAD had already recommended certain measures for promoting exports of manufactures and semi-manufactures of developing countries. In his view, there was a need for co-ordination of the efforts of UNIDO and other United Nations agencies concerned, with a view to eliminating the obstacles to exports from developing countries so far as possible.



Mr. P.V.J. SOLOMON (Trinidad and Tobago) said that it was not easy to determine what was required to make UNIDO action-oriented. He believed that UNIDO must be driven by a sense of urgency. The first duty of the Board was to establish administrative machinery which was capable of a swift, flexible and many-sided response to requests for assistance. He agreed with the Executive Director on the need for continuous programming and reprogramming to adjust the means of action to the requirements of the project. However, the Board could not perform that task at an annual session, and he wondered whether there should not be established a committee which would be continuously in session and which could also seek out opportunities for co-operation with other branches of the United Nations family in an effort to produce co-ordinated aid programmes. Above all, however, long delays between the stage of consideration and the implementation of projects must be avoided.

Secondly, the programme of work of UNIDO must be based on the well-defined needs of developing countries or regions. A clearer view of the obstacles to industrialization and of the means of overcoming them had now been acquired, and further studies along those lines should not be undertaken by UNIDO, unless some Government requested a study of a specific problem.

Thirdly, the industrialized countries owed their success to the development of new products and of new technologies suited to their factors of production. Accordingly, UNIDO should give priority to experimental projects designed to adapt technology to the factor endowment in the developing countries, to investigate the possible new uses for local raw materials, and to diversify production. For that purpose, UNIDO might consider the creation of regional industrial research institutes or centres and might foster pilot plant projects. Results could not be guaranteed, of course, but experimentation was essential because of the current stagnation of certain raw materials - for example, natural asphalt and bagasse.

(Mr. P.V.J. Solomon, Trinidad  
and Tobago)

He agreed with the United States representative that UNIDO personnel should be attached to the regional economic commissions and the offices of the Resident Representatives of UNDP. It would be their duty not only to supervise project implementation but also to stimulate and investigate the feasibility of more broadly based assistance in co-operation with other branches of the United Nations family.

Finally, he welcomed the promises of support made by developed countries, which he hoped would enable the developing countries to gain access to external markets, such access being, in his view, a sine qua non of effective industrialization.

Mrs. SAILER (Austria) said that she was aware of the Board's enormous responsibilities at the present stage of preparation for future United Nations activities. The magnitude of the new organization's industrialization tasks should not make the Board overlook the social repercussions of such industrialization. It was not enough to train a labour force; the population must also be helped to cope with the new problems it would have to face. She agreed with the United Kingdom representative that the time to take account of the social repercussions of industrial development was at the planning stage. In that connexion, she welcomed the proposed studies on the social aspects of industrialization; they should not be theoretical studies but should be linked to specific projects.

Mr. FIGUEROA (Chile) said that while he was optimistic about UNIDO's future, he believed that statements of intention should be translated into generous contributions which would enable UNIDO to attain its objectives.

His delegation realized the magnitude of UNIDO's future work, which, in its view, should cover three fields: natural resources, human resources and financial resources. The work could include both research and operational activities, provided that they were all action-oriented. A distinction must be made between basic research, which the Centre for Industrial Development had engaged in, and applied research, closely linked to the development of a particular country and undertaken at that country's request. It was there that the problem of

(Mr. Figueroa, Chile)

co-ordination arose. It was essential not to neglect the very useful work done by the various United Nations bodies, particularly the regional economic commissions and other regional organizations, which were in a position to furnish UNIDO with very valuable information.

There were many fields in which UNIDO could undertake studies. It might, for example, aid in facilitating and speeding the transfer of technology to the developing countries, with due regard for the right of intellectual property.

UNIDO's primary task was, however, to work in the field, carrying out projects financed either by itself or by other organizations. To that end, the Executive Director must have sufficient freedom to evaluate UNIDO's own projects and authorize such technical assistance as he considered appropriate, keeping the Board informed of those activities. The programme of work should, of course, take into account the natural and human resources of each country and the relative priority of the projects in general development plans.

He hoped that the transfer of UNIDO to Vienna would be completed as early as possible. He was convinced that the Executive Director would see to it that administrative staff was kept down to a strict minimum, so that more resources could be devoted to operational services. UNIDO's organic structure could always be altered as its activities were intensified.

Mr. SCHEJBAL (Czechoslovakia) said that the discussion had made it clear that industrialization involved social, economic and technical aspects of the development of the Third World. Efforts had been made, with some success, to find the best ways to provide developing countries with the assistance they needed for industrialization and to arrange the framework of their co-operation with United Nations organs. Those were the two questions to which the Board should devote the greatest attention. The Executive Director had rightly emphasized the role of industrialization in the economy of the developing countries and its social aspects, as well as the importance of national resources and UNIDO's pre-investment activities. Those efforts were, of course, inseparable from the preparation by the

/...

(Mr. Schejbal, Czechoslovakia)

countries concerned of economic plans and programmes which were as complete as possible. More stress should, however, be placed on the role of the public sector, which enabled available resources to be put at the service of society as a whole and to use human resources to best advantage.

As to UNIDO's future activities, it was important to take into account all the aspects of industrialization which were the expression of the objective reality of that process in today's world and seek principally to create a multiplier effect in the most important fields. To that end, efforts should be concentrated on the following tasks: direct and indirect assistance in planning and carrying out dynamic programmes aimed at the solution of basic development problems; application of the most suitable planning and programming techniques using statistical data; utilization of natural resources, including agricultural products, as industrial raw materials; development of export-oriented industries; pre-investment activities, including the establishment of industrial study offices, planning bodies and investment-promotion centres; training of management and other qualified personnel; transfer of technical knowledge and experience, in which all interested developed countries - in particular the German Democratic Republic - should be able to participate.

With regard to methods of work, UNIDO would do well to disseminate information on the planning and implementation of industrial projects, giving due attention to actual needs. The experience acquired in that field, while far from negligible, was inadequate to meet present needs. For that reason research, which actually represented an analysis of experience and proven techniques, should be used to support operational activities; that did not, of course, include basic research, which UNIDO should merely stimulate.

By eliminating duplication of work, co-ordination of United Nations activities in industrial development would prevent waste of resources. By "co-ordination" he meant the preparation of harmonized programmes of work covering periods of one to three years, depending on the nature of the activity. A programme of co-ordination between Headquarters activities and activities which could usefully be decentralized was of the greatest importance. Through co-operation with the regional economic commissions, mechanical solutions of practical problems could be avoided.

(Mr. Schejbal, Czechoslovakia)

Czechoslovakia was prepared to take an active part in UNIDO's various activities. The Executive Director had been furnished with a list of Czechoslovak experts whose services could be made available at short notice. His Government was also prepared to contribute the fruits of its experience to future technical symposia and seminars. In that connexion, it was considering the possibility of holding meetings of specialists in branches of industry which were now within the competence of UNIDO and was making careful preparations for its participation in the International Symposium on Industrial Development. Czechoslovakia was ready to provide in-plant training for engineers from the developing countries. Thus CKD, one of the largest Czechoslovak enterprises, was prepared to give a training course in the production of diesel engines.

The present efforts to promote export-oriented industries in the countries of the Third World were in harmony with Czechoslovakia's intention of increasing its participation in the international division of labour, as a part of its future long-term development plan, so as to make its economy more efficient and at the same time offer a stable market for the manufactured products of the developing countries and help them to industrialize. It was also prepared to participate in financing UNIDO's activities. It was ready to share with the developing countries the experience it had acquired during the past twenty years in the industrialization of eastern Czechoslovakia. That experience underscored the importance of methods based on the utilization of national resources, necessary social and economic reforms and co-operation with friendly countries in the region.

In conclusion, he welcomed the establishment of UNIDO headquarters at Vienna and said that the headquarters agreement concluded with the Austrian Government was a model of its kind.

Mr. Dumiterescu (Romania), Vice-Chairman, took the Chair.

Mr. YEGANEH (Iran) said that the task confronting the Board at its first session was both difficult and complex. The Board had to ensure that the new organization would be able to carry out its duties under the mandate it had received from the General Assembly. UNIDO's success would depend to a large extent

(Mr. Yeganeh, Iran)

on the efficacy of its secretariat, to which the Board must give precise directives, and on the resources available to it. In that connexion, he noted with satisfaction the Czechoslovak representative's offers of assistance.

Many speakers had urged the need to increase UNIDO's operational activities. It would be unfair to blame the Secretariat - which had followed faithfully the directions of the Committee for Industrial Development and the Economic and Social Council - for the many inadequacies which had been noted in that area. The Executive Director, for his part, had carried out his task brilliantly. It was true that the Centre for Industrial Development had not fulfilled the hopes of the developing countries. Not only had it failed to receive the support of certain advanced countries, which had not been convinced of the need to industrialize the developing countries, but the latter had failed to avail themselves fully of the opportunities afforded them. If UNIDO, too, proved incapable of removing the bottle-necks impeding the industrialization of the Third World, it could hardly hope to avoid the fate of its predecessor. Mr. Abdel-Rahman had made no secret of the vastness of the task. The developing countries' share in world industrial production was approximately 5 per cent, and tremendous efforts would be required to double that figure. Naturally, the developing countries could not expect UNIDO to accomplish that. UNIDO could only supplement their own efforts by helping them, for example, to select the projects best suited to their needs and increase labour productivity. The annual industrial growth rate of Iran was 7 per cent, and it was proposed to increase it to 15 per cent by 1968, but Iran was not expecting UNIDO to do that for it.

UNIDO's responsibilities had been clearly defined by the General Assembly, and the new organization must discharge them in full with regard both to operational activities and to research and co-ordination. His delegation supported those speakers who had stressed the need for an organization oriented towards practical action. UNIDO, which would have to assist countries with different economic and social systems and at different stages of development, must not have a dogmatic approach. For example, the Executive Director could not be asked to confine assistance to agricultural industries or export industries or to give priority to heavy industry. The same observation applied with respect to sources of funds or

/...

(M. Yeganeh, Iran)

the sector - public, private or mixed - which was to be assisted. It was for the developing countries themselves to determine their industrial structure and the framework of their expansion.

Although the importance of operational activities had been stressed on numerous occasions, no attempt had been made to define those activities or to determine to what extent the work of industrial development organs had been action-oriented. In the absence of such an analysis, advocacy of operational activities took on a somewhat abstract character. Of course, UNIDO could not be expected, as part of those activities, to build factories in any given country tomorrow. On the other hand, it would be wrong to consider that research directed towards the solution of such practical problems as the preparation, evaluation and execution of projects or marketing was not "action-oriented". Actually, 90 per cent of UNIDO's resources was devoted to activities of that type. They could not be intensified without an increase in and more flexible use of voluntary contributions. That would also involve the strengthening of the units at Headquarters which dealt with the field work and the creation of such new bodies for the promotion and financing of industry as might be necessary. The Secretariat could also help the developing countries in formulating projects to be financed by industrial development capital from any source whatever. In addition, it could encourage and increase contacts between representatives of the developing and the developed countries.

It had been agreed that the Secretariat should not undertake basic research. However, that should not be taken to mean that UNIDO's research activities should be curtailed. His delegation hoped that the pertinent provisions of paragraph 2 (b) of General Assembly resolution 2152 (XII) would be put into effect. The allocation of 10 per cent of UNIDO's resources for that type of research could not be considered sufficient. Only last year, the Iranian Government had had to pay for the reproduction of a number of studies which it had urgently needed, because the Secretariat had had no funds for that purpose. The importance of such studies, which had already made it possible to effect considerable savings, must not be underestimated; the dissemination of information often eliminated the need for the services of experts. UNIDO's work programme might consist of two parts: Headquarters activities and operational activities in 1967 and 1968. It would

/...

(Mr. Yeganeh, Iran)

obviously have to be a short-term programme. A long-term programme could not be drawn up until after the International Symposium on Industrial Development. As had been suggested, the operational activities might include the projects approved under the Expanded Programme and the Regular Programme of Technical Assistance up to the end of 1968. However, the industrial project of the Special Fund had so far not been given sufficient priority, and the Board might recommend that increased resources should be earmarked for pre-investment activities. The processing of requests for special industrial services should be accelerated, and new projects might be launched under that programme. That type of assistance should be expanded to include workshop training and certain other requirements which could not at present be met promptly owing to lack of funds.

UNIDO should, at the request of their Governments, assist countries in surveying their industrial development possibilities, formulating industrial policies and establishing priorities; provide assistance in the preparation of feasibility studies and "bankable" projects and in the evaluation of industrial projects; help in promoting the implementation of such projects; supply advice at the various stages of execution; render assistance in the operation of industrial enterprises; provide guidance in the marketing of industrial products, taking due account of the export markets; assist in setting up or strengthening the services responsible for the various aspects of industrial development; promote regional co-operation with a view to the establishment of joint industrial enterprises; ensure international co-operation with regard to industrialization; and organize symposia and workshops. Those operational activities would be sufficiently broad and varied to meet the assistance requirements of the developing countries.

The Headquarters work programme set forth in document ID/B/4 should provide a satisfactory beginning, subject to any adjustments to take into account the suggestions made in the course of the debate. A programme must also be prepared for 1968, and an important place should be accorded in it to supporting research activities. The Secretariat should also prepare reports on industrial development problems, to assist the Board in formulating policies and guidelines and in taking decisions and adopting measures to promote the industrialization of developing countries.

/...



(Mr. Yeganeh, Iran)

The success of UNIDO would, in the last analysis, depend on its financial resources, the efficacy of its secretariat and the competence of the experts and advisers whose services it was able to enlist. For its financial resources UNIDO was at the mercy of other United Nations bodies. Requests of Governments for assistance formulated in co-operation with UNIDO and supported by it were blocked in other bodies for months, or even years, and when approved no longer answered any real need. An example of that was the workshop on industrial project formulation and evaluation which was to be held at Teheran in late 1966 and had been postponed until 1967. According to a recent cable from UNDP to the Resident Representative at Teheran, that project was to be again postponed. The purpose of the project was the training of officials and specialists to carry out a development plan which was to start in 1968 and which involved investments of \$2,500-3,000 million. In the circumstances, the Iranian Government had decided to withdraw its request for assistance and make other arrangements.

UNIDO should be autonomous and be able to take swift and effective action to meet the needs of the developing countries. Where was that autonomy? UNIDO was, more than ever, at the mercy of other bodies or operational personnel. His delegation therefore attached great importance to voluntary contributions and the setting up of periodic pledging conferences, provided that the funds raised could be freely utilized by the Executive Director, under certain regulations but without hindrance from other bodies. His delegation further proposed that the Executive Director and possibly the Board should take steps to ensure that an appropriate portion of the resources of EPTA, the Regular Programme of Technical Assistance and the Special Fund was allocated to industrial projects. The financial implications of the Headquarters work programme should be estimated, moreover, so that the necessary budgetary recommendations could be submitted to the General Assembly.

The problem of selecting secretariat staff and experts was also extremely important. It was to be hoped that the Executive Director would be able to continue, free from any outside pressure, his fine work in that regard. Selection must be based on two major criteria: technical competence and the need to ensure equitable geographical distribution.

Mr. Tall (Jordan) resumed the Chair.

/...

Mr. BERNARD (France), noting with satisfaction that the members of the Board wanted to make UNIDO an "action-oriented" organization, asked what, in that case, its programme of work should be. The work of UNIDO, just like that of an industrialization policy maker in a developing country, could be classified under three headings: policy formulation; establishment of institutions to support industrialization and initiation of various preliminary activities; and preparation of projects. In order to carry out its work in those three fields properly, UNIDO should bear in mind its own characteristics, its limited resources and the special conditions attaching to United Nations activities, particularly the rules of procedure governing them.

As far as the first heading was concerned, namely, policy formulation, UNIDO could help countries to draw up plans and programmes and work out an industrial development strategy within the framework of the economic system they had chosen. A great part of the work consisted in drawing up an inventory of the available resources and of the industries which, given the country's economic situation, could be established with those resources. An attempt might also be made to determine which sectors should have priority. It was essential to see matters from the practical standpoint, that was to say, from the standpoint of the local official responsible for industrialization policy. Plans and programmes only provided a general framework, and over-concentration on preparation of a plan and the calculations it involved could get in the way of practical achievements. UNIDO should bear that in mind. It could also make a particularly valuable contribution by helping to formulate a common industrial development policy for groups of neighbouring countries. In working out such regional arrangements, it should act in liaison with the specialized agencies and with other bodies such as the regional economic commissions and the inter-regional banks.

As to the second heading, namely, institutions and activities to support industrial development, UNIDO should help to provide logistic support for industrial development programmes. It might, for example, help to train specialist personnel, particularly industrial managers, by means of training courses and visits locally or abroad. Some of the seminars already held or scheduled dealt with subjects too remote from practical affairs to be included in the permanent work programme. To a large extent, such activities could usefully be conducted within a university

/...

(Mr. Bernard, France)

framework. On the other hand, all the technical training seemed valuable, particularly on-the-job training and training designed for the senior staff of industrial enterprises. UNIDO should encourage the establishment of industrial study centres in the developing countries, without, of course, trying to set up specialized or multi-purpose study centres all at once.

Assistance for industrial projects, the third heading, was the ultimate aim of UNIDO whose success would be measured by the number of projects it set in motion and helped to carry out. Its work would be comparable to that of a research and development office, in that it would help Governments to survey the problems that had to be solved before a particular project could be started. To that end, it could make pre-investment studies, in particular as an agent of the Special Fund component of UNDP, or undertake studies with the aid of its special industrial services. It should also serve as an intermediary in efforts to find sources of assistance for carrying out the various projects under study. Finally, it might help to find and develop new forms of assistance for the management of industrial enterprises once they had been established.

Referring to the proposed programme of work, he recognized that it was largely determined by the need to continue the work in progress and to prepare for the International Symposium at Athens. Taking over from the Centre for Industrial Development, UNIDO had undertaken the preparation of reports and manuals on particular industries. Such activities should be confined to the industries most usually encountered in the initial stage of industrialization (fertilizer manufacturing, food processing, small industry, etc.) and should exclude the more advanced industries and heavy industry. Such specialization would have the advantage of leading UNIDO more easily towards operational roles and would encourage countries wishing to set up industrial enterprises in those sectors to seek assistance from it. When, with the passage of time, it had acquired experience in a particular field, it would be in a better position to help set up the corresponding industrial projects.

In the field of general studies, UNIDO ought to prepare an annual world survey of industrial development, which would be mainly concerned with reviewing industrialization trends in the developing countries. Such a survey would make

/...

(Mr. Bernard, France)

possible a more precise and up-to-date analysis of industrialization problems and thus would take the place of some of the general economic studies published at present. Arrangements should also be made by UNIDO for the publication of a bulletin of more general appeal, which should include in particular accounts of successful industrial development.

It was essential for UNIDO to be able to maintain, perhaps by means of special machinery, close liaison with Governments, both in the developing and in the developed countries. Technical assistance experts in industrial development should be part of an integrated team and should keep UNIDO informed of the progress being made in industrialization in the countries where they served. In that way, they could prepare UNIDO for the operational role it was expected to play. A very important function of UNIDO would be to act as an intermediary between professional organizations, technological institutes and research establishments in the developed and developing countries. By so doing, it would avoid the dispersal of effort that would result from trying to acquire experience of its own in a very large number of fields.

His delegation considered that the preparation of a programme budget would facilitate the Board's discussions, especially as many of the comments made on the work programme had been concerned with questions of arrangement. That was a long-term task and one which was apt, moreover, to be somewhat incompatible with certain activities such as the special industrial services, which were difficult to programme, since they were available "on request". What his delegation would like to see was a clearer work programme, throwing more light on the activities undertaken and making it possible for the Board to exercise genuine supervision over them.

Mr. CUHRUK (Turkey) said that it was generally agreed that industrialization was the key to economic and social development and rising standards of living. That was why all developing countries were engaged in an intensive effort to industrialize and why they were seeking to find export markets for their new industries and to set up regional economic groupings.

There were considerable differences from country to country in regard to the factors of production, domestic conditions and level of development. Consequently,

/...

(Mr. Cuhruk, Turkey)

the measures being taken at both the national and the international level to promote industrialization must respond to those varying requirements. For example, in a country like Turkey, which was giving priority to industries for the production of intermediate and capital goods and concentrating on the chemical and metallurgical industries, the assistance provided would have to be highly diversified and would necessarily be very complex. That would mean that UNIDO would have to have technical competence of the highest order at its disposal.

There was also the problem of harmonizing and co-ordinating industrial development activities and goals within the framework of the United Nations family. Under General Assembly resolution 2152 (XXI), UNIDO was responsible for ensuring adequate co-ordination in that field. His delegation, like many others, doubted whether it would be wise to concentrate all industrial development activities within UNIDO and give it complete control over them. Its task should rather be to prevent overlapping and ensure adequate co-ordination among the regional economic commissions and the specialized agencies. Until it was possible to achieve some sort of integration in certain sectors of activity, practical arrangements could be made to achieve co-operation among the secretariats of the specialized agencies, and it would be useful to submit such arrangements to the Board. UNIDO should also have close contacts with the regional banks, large international corporations and private industry.

As far as future activities were concerned, his delegation agreed with the view that UNIDO should be "action-oriented" and should be able to meet requests from the developing countries for the following kinds of industrialization assistance: feasibility studies, establishment of industrial development institutions, training of technicians and managers, preparation of projects, industrial planning, and execution of projects. The limited financial means of UNIDO were a further reason for giving special priority to operational activities. In that connexion, he wished to stress the success of the special industrial services programme. That method might be used more widely for operational projects.

With regard to the studies and research programme, UNIDO should concentrate on "action-oriented" studies in fields of basic importance, such as the technology of intermediate products, the processing of agricultural and livestock products,

/...

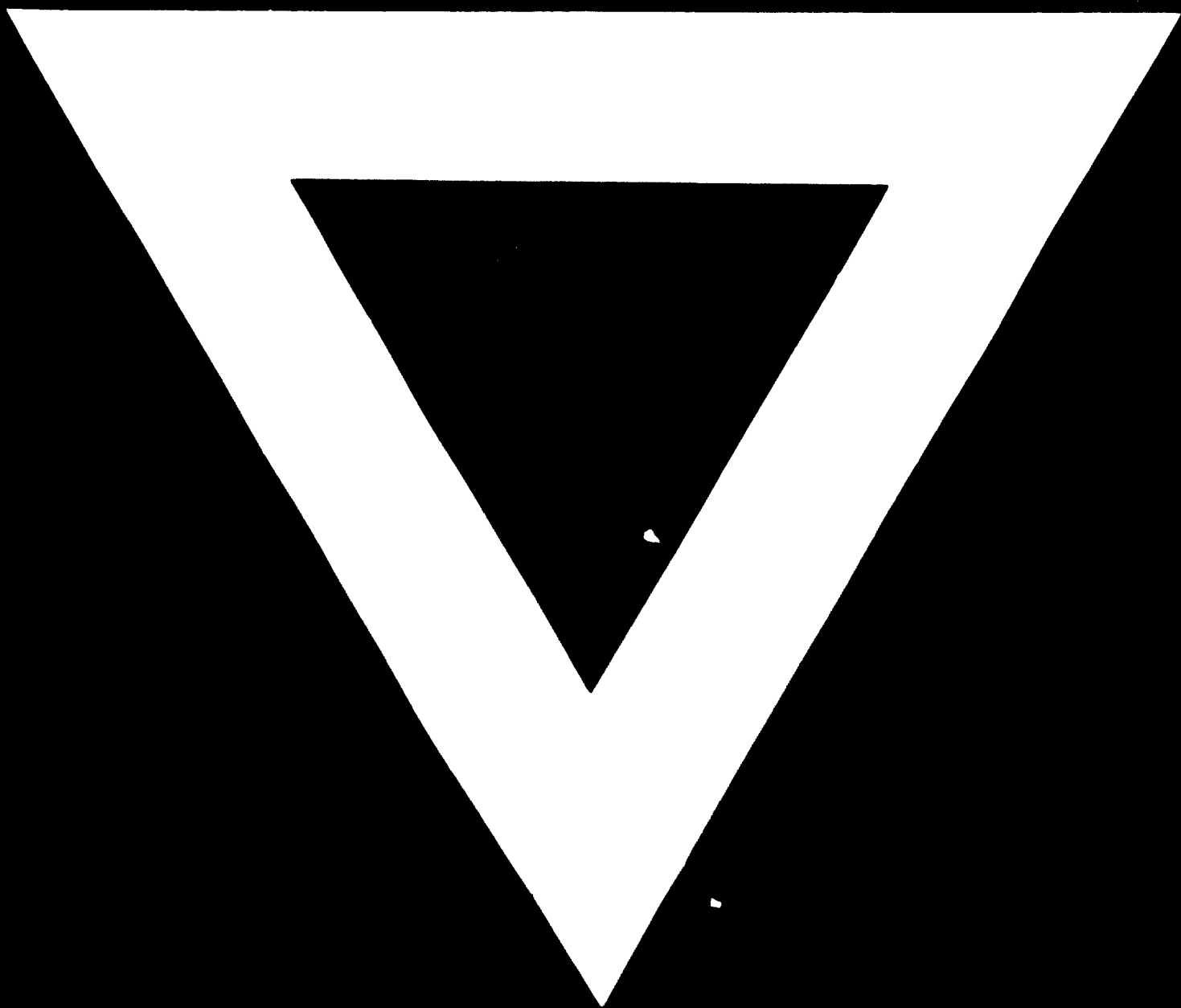
(Mr. Cuhruk, Turkey)

the industries required in connexion with the mechanization of agriculture, etc. It should seek as much assistance as possible from the specialized agencies and from universities. The activities of UNIDO, for which priorities would have to be established, should be determined by the needs of the developing countries and should be undertaken in strict accord with the wishes of the Governments concerned.

Referring to the programme of work set forth in document ID/B/4, he said that some of the proposed studies might be dropped in order to release resources which could be better used for operational activities. The form of presentation of the programme should also be improved. The characteristics and main features of each project should be clearly spelt out, and precise information should be given on their financial implications and their duration. It would be desirable for the annual work programme to be submitted as soon as possible in the form of a programme budget.

The meeting rose at 1.5 p.m.





**5 . 10 . 71**