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INDUSTRIAL DEVELOPMENT BOARD

First Session

SUMMARY RECORD OF THE FIFTEENTH MEETING

Held at Headquarters, New York,
on Monday, 24 April 1967, at 10.30 a.m.

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organizations in the field of industrial development (ID/B/3 and
Add.1-4) (continued)

International Symposium on Industrial Development (ID/B/5)

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:

<u>President:</u>	Mr. TELL	(Jordan)
later,	Mr. BRADLEY	(Argentina)
<u>Rapporteur:</u>	Mr. MBAYE	(Guinea)
<u>Members:</u>	Mr. ETCHEVERRY	Argentina
	Mrs. SAILOR	Austria
	Mr. FORTHOUME	Belgium
	Mr. DELVAUX	
	Mr. PATRIOTA	Brazil
	Mr. VLADOV	Bulgaria
	Mr. BELBOKEN	Cameroon
	Mr. ABELL	Canada
	Mr. FIGUEROA	Chile
	Mr. INCHAUSTEGUI	Cuba
	Mr. LASTRA	
	Mr. GABRIEL	Czechoslovakia
	Mr. SCHMIDT-BORIX	Federal Republic of Germany
	Mr. KURTH	
	Mr. KOSKELA	Finland
	Mr. ERNST	France
	Mr. THORSON-COPIE	Ghana
	Mrs. AGGREY-ORLEANS	
	Mr. WANCHOO	India
	Mr. MARTONAGORO	Indonesia
	Mr. ORDOOBADI	Iran
	Mr. PISANI MASSAMORILE	Italy
	Mrs. FORCIGNANO	
	Mr. KOFFI	Ivory Coast
	Mr. ABE	Japan
	Mr. IKEDA	
	Mr. SAAD	Jordan
	Mr. KHANACHEF	Kuwait
	Mr. AL-RIFAE	
	Mr. LUBBERS	Netherlands
	Mr. ASIODU	Nigeria
	Mr. SULAJMAN	Pakistan

/...

PRESENT (continued):

<u>Members</u> (continued):	Mr. FERNANDINI	Peru
	Mr. RODRIGUEZ	Philippines
	Mr. DUMITRESCU	Romania
	Mr. RYABONYENDE	Rwanda
	Mr. WARSAMA	Somalia
	Mr. GUERECA	Spain
	Mr. BERGQUIST	Sweden
	Mr. TURRETTINI	Switzerland
	Mr. BARPUYAWART	Thailand
	Mr. THOMPSON	Trinidad and Tobago
	Mr. ALTINEL)	Turkey
	Mr. CUERUK)	
	Mr. ANANICHEV	Union of Soviet Socialist Republics
	Mr. SALAMA	United Arab Republic
	Sir Edward WARNER	United Kingdom of Great Britain and Northern Ireland
	Mr. GOLDSCHMIDT	United States of America
	Mr. MENDIOLA	Uruguay
	Miss CAMPBELL	Zambia

Observers for Member States:

Mr. RAMMANI	Algeria
Mr. BENSON	Australia
U BA YIN	Burma
Mr. FU	China
Mr. MULONGO	Congo (Democratic Republic of)
Mr. SUBERO	Dominican Republic
Mr. MAKAYA-CASTANOU	Gabon
Mr. LIATIS)	Greece
Mr. COLLAS)	
Mr. ALI	Iraq
Mr. SHAI	Israel

PRESENT (continued):

Observers for Member States (continued):

Mr. SOMPHANH	Laos
Mr. THOMAS	Liberia
Mr. CARRANCO AVILA	Mexico
Mr. CHULUUNBAATAR	Mongolia
Mr. SVENNEVIG) Mr. STANGHOLM)	Norway
Mr. NENEMAN	Poland
Mr. van NIEKERK	South Africa
Mr. LAVCEVIC	Yugoslavia

Representatives of specialized agencies:

Mr. FORTIN	International Labour Organisation
Mr. ATEN	Food and Agriculture Organization of the United Nations
Mr. SALSAMENDI	United Nations Educational, Scientific and Cultural Organization
Mr. WILLIAMS	International Monetary Fund
Mrs. KALM	World Health Organization

Representative of the International Atomic Energy Agency:

Mr. NAJAR

Representative of the General Agreement on Tariffs and Trade:

Mr. HORTLING

Representatives of other United Nations bodies:

Mr. HARLAND) Mr. GEOGHEGAN)	United Nations Development Programme
Mr. NERFIN	World Food Programme
<u>Secretariat:</u> Mr. HILL	Under-Secretary for Inter- Agency Affairs
Mr. ABDEL-RAHMAN	Executive Director, United Nations Industrial Development Organization
Mr. QUIJANO CABALLERO	Director, Technical Co-operation Division

/...

PRESENT (continued):

Secretariat (continued):

Mr. GRIGORIEV

Director, Industrial
Technology Division

Mr. HUDSON

Assistant Director,
Industrial Technology
Division

Mr. MULLER)

Mr. STOEDEL)

United Nations Conference
on Trade and Development

Mr. SYLLA

Secretary of the Board

CO-ORDINATION OF ACTIVITIES OF THE UNITED NATIONS SYSTEM OF ORGANIZATIONS IN THE FIELD OF INDUSTRIAL DEVELOPMENT (ID/B/3 and Add.1-4) (continued)

Mr. CUHRUK (Turkey) said that he would like to discuss the co-ordination of United Nations industrial development activities in the light of its close relationship to the question of UNIDO's competence. Under the provisions of General Assembly resolution 2152 (XXI) UNIDO was to play the central role in and be responsible for reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development. Thus it was authorized to concern itself in principle with all matters relating to industrial development and to co-ordinate them at various levels. However, its powers were subject to certain restrictions, for the resolution provided in effect that practical arrangements should be worked out by mutual agreement between UNIDO and other bodies with a view to establishing effective working relationships. It was therefore essential to define the exact field of competence of all the organizations concerned. In the view of his delegation, UNIDO should concern itself with aspects of industrial development which were not already covered by the activities of other bodies; its direct action in connexion with those aspects would be its most important task. In defining the spheres of competence of the various organizations a distinction should be made between their statutory activities and those which they had undertaken by force of circumstance, particularly where there had hitherto been no autonomous body specifically competent to deal with them. The latter type of activity should be gradually taken over by UNIDO.

In its task of defining spheres of competence the Board should apply the method suggested in Economic and Social Council resolution 1081 (XXXIX) and base itself on a single analytical annual report summarizing the work of all the organizations concerned. The report in document ID/B/3 and Add.1-4 could serve as a model for reports to be drawn up in future years. However, he agreed with those who had stressed the need to avoid laying down excessively rigid lines of demarcation, for they might impede the co-operation which was so necessary both in

(Mr. Cuhruk, Turkey)

formulating the policies to be pursued and in carrying out operational activities. In order to ensure such co-operation, UNIDO must establish effective working relationships with the organizations concerned, relying as far as possible on negotiations rather than rules.

His delegation associated itself with most of the ideas expressed by the various delegations as to how UNIDO should promote co-operation with the other competent United Nations bodies at the inter-governmental and inter-institutional levels and in the field.

Mr. KHANACHET (Kuwait) said that Assembly resolution 2152 (XXI) had given the Board a clear mandate to play the central role in co-ordinating all United Nations activities in the field of industrial development. Close scrutiny of the four areas of co-ordination specified in the resolution would elucidate the nature of the task confronting UNIDO.

In the first area, co-ordination of UNIDO's activities with UNCTAD, resolution 2152 (XXI) specified the demarcation line between the responsibilities of the two bodies. The Board must see to it that a close and continuous working relationship was established between them. The Executive Director had already taken a step in that direction, as could be seen from the report of the meeting of experts on the export of manufactures and semi-manufactures from developing countries (ID/B/11). The Executive Director should be authorized to work out with the Secretary-General of UNCTAD the details of a working relationship that would fulfil the purposes of UNIDO's programme of work.

The second area was co-ordination of UNIDO's work with that of the regional economic commissions and of the Economic and Social Office in Beirut. The Executive Director of UNIDO should hold periodic meetings with the executive heads of those bodies in order to streamline their industrial development activities. Reports should be submitted to the Board at its regular sessions. There was urgent need to strengthen the staff of the Beirut Office, which extended services in the field of industrialization to many countries in the Middle East.

(Mr. Khanachet, Kuwait)

The working relationship between UNIDO and UNDP, the third area of co-ordination, had already been established in accordance with paragraph 31 of resolution 2152 (XXI). UNIDO was considered a participating agency in UNDP and the Executive Director had been designated as a member of the Inter-Agency Consultative Board.

The resolution stipulated that the co-ordination of UNIDO's activities with those of the specialized agencies should be carried out at the inter-governmental level by the Board. In his delegation's view, that required the setting up of a standing co-ordination committee to ensure the establishment of a close working relationship with the agencies. The constructive response of the specialized agencies augured well for the establishment of such a relationship.

Mr. WARSAMA (Somalia) said that co-ordination was important in all complex endeavours but for UNIDO it was vital. With regard to co-ordination at the inter-secretariat level, his delegation was gratified that representatives of the specialized agencies and the Administrator of UNDP had expressed their willingness to extend maximum co-operation to UNIDO. But it was in the field rather than at Headquarters that UNIDO should play its co-ordinating role. While at the present stage the organization could not expect to have a representative in every country, its presence in the field was essential, for that was the only way in which it could effectively undertake operational activities.

By the same token UNIDO must avoid becoming a cumbersome bureaucratic machine. If the organization was to be truly "action-oriented", it must be equipped with flexible administrative and financial regulations and a proper system of recruitment. To that end, UNIDO should establish direct links with developing and developed countries in order to co-ordinate supply and demand. It should organize field services with experts to act as advisers to Resident Representatives and Governments. It should send field specialists from time to time as required. It should co-ordinate all the industrial undertakings in the country concerned, whether the projects were financed by international organizations, under bilateral agreements or from national funds. That was very important if balanced industrial growth was to be achieved in the developing countries. Such co-ordination had, of course, to be requested by the individual Government concerned.

Mr. TURRETTINI (Switzerland) welcomed the specialized agencies' expression of willingness to co-ordinate their industrial activities with those of UNIDO. Assembly resolution 2152 (XXI) had conferred upon the new organization a key role in co-ordinating the industrial development activities of the United Nations system. One delegation had even suggested that UNIDO should take all such activities upon itself, i.e., that certain tasks hitherto entrusted to the specialized agencies should be taken out of their hands. But that would not be in the interests of the developing countries, since it was hardly likely that the funds appropriated for those tasks under the agencies' budgets would be transferred to UNIDO. The result would be a reduction in the resources available to finance industrial development. UNIDO should concern itself initially with fields to which the specialized agencies had hitherto been unable to give their attention, because they did not fall within their jurisdiction. His delegation supported the Netherlands proposal that projects should be carried out with the participation of several agencies. That would be the best way of securing practical and effective co-ordination.

Mr. SAHLQVIST (Sweden) said that the question of co-ordination had been settled by resolution 2152 (XXI). All the Board had to do was to offer general guidance as to how its provisions were to be given effect. He had thought that the central co-ordinating role of UNIDO had already been accepted. It was therefore disappointing to hear some delegations and representatives of specialized agencies say that co-ordination was a matter for negotiation rather than legislation. That did not reflect the letter or spirit of resolution 2152 (XXI). His delegation agreed with the representative of Guinea that co-ordination should be initiated at the field level. The actual presence of UNIDO in the field would enable it to establish relations with the other agencies in the recipient countries and thus to co-ordinate their industrial activities. The same applied to co-ordination with the regional economic commissions. UNIDO would thus be able to accumulate the necessary experience which would eventually enable it to co-ordinate the activities of all the organizations concerned.

(Mr. Sahloul, Sudan)

UNIDO should be given enough time to work out procedures which would enable it to play the central role assigned to it by the General Assembly. Any problems encountered in the process might be taken up by the Board and possibly by the Assembly. The proposal of Trinidad and Tobago for the establishment of a standing committee did not serve any useful purpose at the present stage, but rather tended to reflect on the authority of the Board and the Executive Director. In supporting the proposal, the representative of Jordan had stated that the committee would consider, among other things, the question of co-ordination; his delegation considered that statement vague and in some respects ominous, and could not support it.

INTERNATIONAL SYMPOSIUM ON INDUSTRIAL DEVELOPMENT (ID/B/5)

Mr. AEDEL-RAEMAN (Executive Director) introduced document ID/B/5 which reviewed the preparations being made for the Symposium. The agreement between the United Nations and the Government of Greece regarding the Symposium had already been signed at Geneva on 14 April 1967. A tentative schedule of the time available for the discussion of each agenda item at the Symposium would be distributed to all Governments in the near future. The schedule had been prepared on the basis of the provisional agenda and the draft rules of procedure as recommended by the Economic and Social Council in resolutions 1180 (XLI) and 1185 (XLI). In Aide-mémoire No. 3, Progress Report on International Symposium on Industrial Development, Governments had been requested to submit any papers for the Symposium to UNIDO before 15 May 1967. It would be appreciated if those papers were submitted with short summaries as early as possible, and if Governments which had not already done so would notify the Secretariat of the titles and length of the papers which were being prepared.

A number of countries had asked for information about the composition and level of delegations to the Symposium. As had been proposed previously, delegations should be constituted to enable them to cover all items of the agenda, including the discussion of industrial sectors. Delegations might therefore include industrial specialists and representatives of the private sector if desired. Facilities would be made available during the Symposium for informal meetings

(Mr. Abdel-Rahman, Executive Director)

to discuss items of interest to participants, particularly in regard to industrial sectors. A number of countries had indicated that the heads of their delegations would be Ministers or senior officials.

Governments might find it useful to refer to one of the background documents already available to members of the Board entitled "The United Nations International Symposium on Industrial Development: a preparatory note". The document summarized some of the issues which participating countries might wish to consider in their general statements to the Symposium.

The Greek authorities were giving every attention to arrangements for the Symposium, and the Secretariat, for its part, would take the necessary measures to ensure its success.

Mr. SALSAMENDI (United Nations Educational, Scientific and Cultural Organization) said that UNESCO, which had taken part in regional industrial seminars in the past, was happy to be able to assist UNIDO in planning for the International Symposium. Five working papers were being prepared by UNESCO for submission to the Symposium. They dealt with such subjects as common problems experienced by industry and universities in developing countries, education and training programmes for industrialization, sociological aspects of industrial development, the provision of general scientific services to developing countries, and scientific and technical documentation. The document on education and training would be a joint endeavour for which the ILO would be primarily responsible. UNESCO's contribution being related to technical education at the intermediate and higher levels.

Mr. ALTINEL (Turkey) congratulated the Executive Director on the thoroughness of the preparatory work for the forthcoming Symposium. His Government had found the aide-mémoires circulated by the Secretariat most useful. In accordance with the request made in Aide-mémoire No. 2, his Government had established machinery within the State Planning Organization to prepare for Turkey's participation in that meeting. It was to be hoped that the preparation and distribution of documents for the Symposium would be completed as soon as possible. He noted with satisfaction that the document on official bilateral financial assistance for the manufacturing industry of the developing countries (ID/CONF.1/1) had already been distributed.

(Mr. Altinel, Turkey)

His delegation wished to thank the Government of Greece for offering to act as host to the Symposium and to provide all the necessary facilities. The Symposium would provide a unique opportunity for all the participating States to share their experiences and thus help each other to reduce to a minimum the costly mistakes which were inevitable in a task of such magnitude and complexity as that facing the developing countries as they sought to achieve rapid industrialization. The Symposium would also help those countries to identify some of their problems, to analyse their needs and to find solutions. It would thus provide UNIDO with the basic material for drawing up action-oriented programmes. In fact, the follow-up of its recommendations would constitute a large proportion of UNIDO's programme for 1968. The findings, conclusions and recommendations of the Symposium should be disseminated to the participants as quickly as possible so that developing countries could re-orient their work accordingly. At the same time, the results of the meeting should be studied with a view to identifying its deficiencies so that the necessary improvements could be made when subsequent symposia were contemplated.

His delegation was prepared to endorse the provisional agenda and draft rules of procedure set forth in annexes I and II of document ID/B/5.

Mr. SALAMA (United Arab Republic) said that his Government greatly appreciated the constructive work which had been done in preparation for the Symposium. The provisional agenda for the Symposium, which would be of great importance in promoting the industrialization of the developing countries, was closely related to the work of the Board, and its deliberations would influence UNIDO's future programme of work and structure. He therefore proposed the inclusion of the Board's report on its first session in the provisional agenda for the Symposium.

Mr. ABELL (Canada) noted that, when the idea of an International Symposium on Industrial Development had first been discussed, there had been no forum for the comprehensive discussion of the industrialization problems of the developing countries. Now that UNIDO had come into existence, the Symposium should be action-oriented and care should be taken that its discussions did not duplicate those which could take place in the Board.

(Mr. Abell, Canada)

Since very considerable resources of manpower and time were involved in preparations for and attendance at the Symposium, the Board must ensure that the Symposium did not confine itself to vague discussion. As the wide range of subject-matter and the variety of conditions in the developing countries excluded the possibility of discussing all aspects of industrialization, the Symposium must focus on a limited number of specific problems, producing concrete solutions of relevance to the developing countries. The provisional agenda in annex I to the Executive Director's note (ID/B/5) appeared to be too general and too vague. The formulation of global solutions and general principles, which in most cases were already well understood, would not make any significant contribution towards increasing industrialization, and the four items in the provisional agenda must be more rigorously defined and limited.

Under item 1, instead of conducting a general survey of world industry, the Symposium should examine the findings of the various regional symposia. The developing countries could present their views on common development problems and needs as well as on significant differences, and the developed countries could also comment on the reports of the regional symposia. The Symposium should restrict its discussion under item 2 to the resource requirements of a few basic industries such as iron and steel, food processing, textiles and wood products, and building materials. Such a discussion would require well-prepared documents and the attendance of experts from the industries concerned. The discussions should bring to light not only the resource factors necessary for the successful development of the particular type of industry, but also such factors as the level of national industrial development required and the necessary ancillary industries and services.

The discussion on item 3 should emphasize co-operative efforts to ensure that the activities of international organizations were integrated with efforts initiated by the developing countries to begin or accelerate the process of development. That would mean a combination of items 3 and 4. The discussion of item 4 might concentrate on defining the specific task of UNIDO in relation to the efforts of agencies already in the field.

(Mr. Abell, Canada)

In order to give a sharper focus to the agenda of the Symposium and to the discussions of any committees which it might decide to set up, the Secretariat might prepare a document on the regional symposia, indicating common problems and regional differences, and the ideas which had been advanced. On the basis of such information, each region might agree on three or four basic industries for discussion in committees to be established by the Symposium, and further expert sub-groups might consider particular aspects of those industries. In selecting the industries for discussion, account should be taken of areas where prompt action was possible. In addition, developing countries might wish to inform the Executive Director of the fields in which their representatives in the Symposium were experts, so that the industrialized countries might then be able to send their own experts in the same fields.

Since it would only be possible to hold two meetings simultaneously, with a maximum of thirty meetings each for plenary and committee meetings, participating countries might wish to save time in plenary meetings by briefly summarizing any general statements, which could be circulated in advance. It was to be hoped that the Symposium would achieve useful results by consensus rather than through the adoption of formal resolutions.

Mr. FORTIN (International Labour Organisation) said that his organization was co-operating closely with UNIDO in preparing for the Symposium. The ILO had prepared a number of basic documents relating to such subjects as manpower, training, wages and small-scale industries, the text of which had been prepared and approved by officials of the two organizations working in close co-operation. His organization would do everything possible to help make the Symposium a success.

Mr. ATEN (Food and Agriculture Organization) said that the way in which his organization and UNIDO had worked together in preparation for the Symposium augured well for their co-operation over a wider range of activities in the future. FAO's contribution to the Symposium would consist of seven papers, four of which would deal with particular industrial sectors of interest to FAO while the fifth would be concerned with the industrialization of agriculture, the sixth with the need to develop agro-allied industries and the seventh with the FAO/Industry Co-operative Programme developed at UNIDO's request.

Mr. Bradley (Argentina) took the Chair.

Mr. LASTRA (Cuba) said that in preparation for the International Symposium his Government was bringing up to date the report on industrial development in Cuba which it had submitted to the regional ECLA Symposium in April 1966 and was preparing monographs on various branches of industry.

The provisional agenda of the Symposium in annex I of document ID/B/5 was deficient in that it did not include an item on structural changes in the developing countries as a prerequisite for their industrialization. With regard to the draft rules of procedure in annex II, his delegation objected to rule 4 because it would preclude participation by such important countries as the German Democratic Republic, the People's Republic of China, the Democratic People's Republic of Korea, and the Democratic Republic of Viet-Nam, and would thus violate the principle of universality. Some of those countries had attained a high degree of industrial development and were helping to promote the industrialization of the developing countries, while all of them had valuable experience which they should be allowed to share with others. Rule 8 conferred excessive powers on the President; he should be required to consult the plenary Symposium before exercising them.

The Symposium should be held at a political level at which its recommendations would take the form of commitments on behalf of the under-developed countries.

The Symposium could do much to facilitate the future work of UNIDO, for it would provide a forum in which the differing views of the problems of industrialization could be heard. The more nearly the ideal of universality was attained, the greater would be the benefit to UNIDO.

Mr. PARFUJAWART (Thailand) said it was appropriate that the Symposium was to be held following the regional symposia and the establishment of UNIDO. His Government was keenly interested in the question of industrial development and had participated actively in the regional symposium held at Manila in December 1965. In preparation for the forthcoming Symposium, Thailand had established an organizing committee and appointed a liaison officer to the UNIDO secretariat. In addition, a report on industrial development in Thailand had been prepared as a background document for discussion at the Symposium. The Secretariat should endeavour to maintain close contacts with national preparatory committees and their liaison officers so as to keep them well informed of the preparations for the symposium, and should endeavour to circulate background documents to participants in good time.

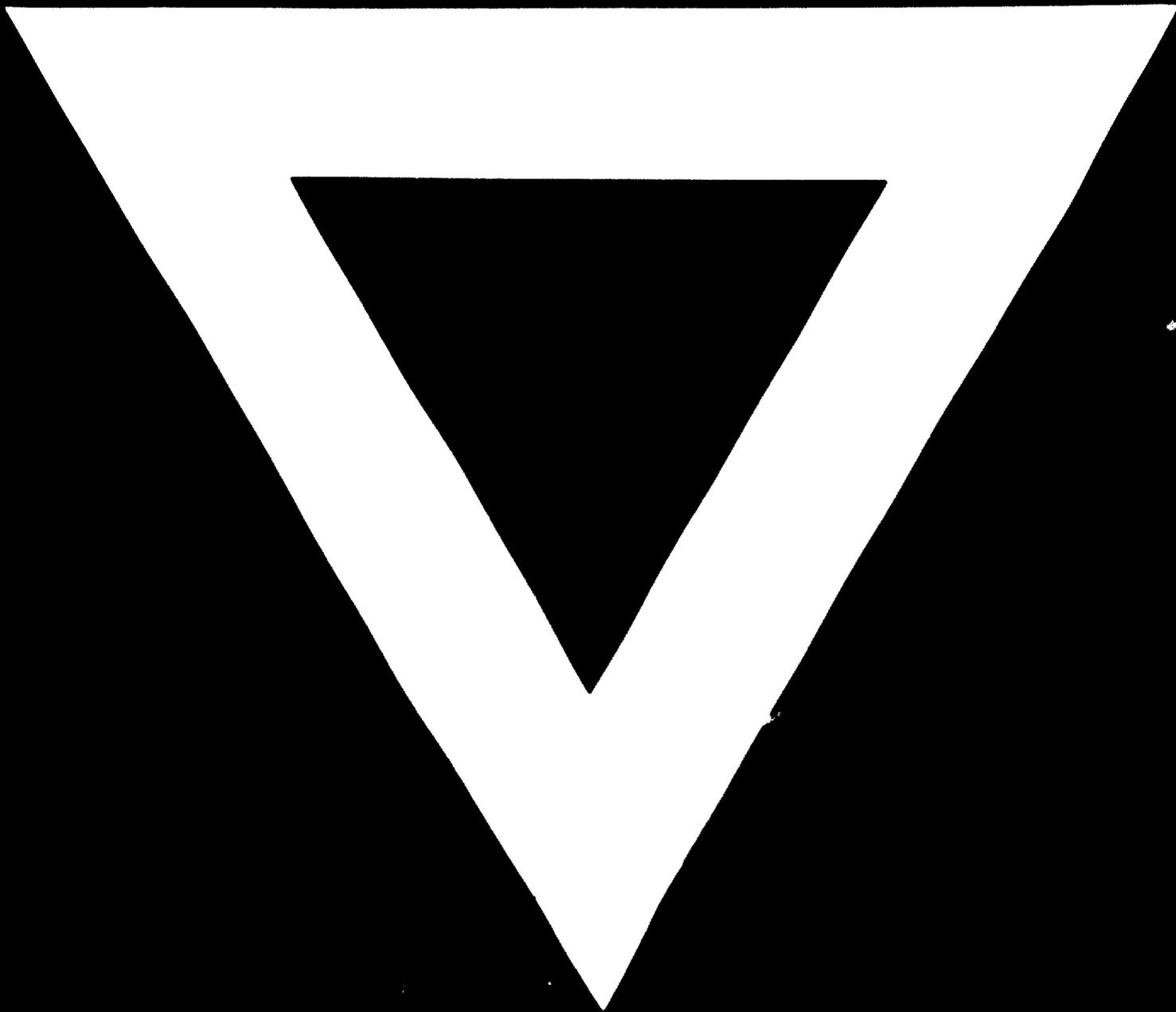
In discussing the provisional agenda, which covered a very wide field, the Board might wish to know that the Asian Industrial Development Council, at its second session in Bangkok, had stated that it would be desirable for the Symposium to review: firstly, how the investment climate in the developing countries might be improved; secondly, what actions might be taken by the Governments of the industrialized nations to stimulate interest in investment overseas; thirdly, the problems of industries based on agricultural wastes; and fourthly, the economics of industries based on primary fibres.

His delegation was well aware of the many problems confronting the developing countries in accelerating industrialization, and hoped that the Symposium would formulate effective solutions which could be translated into action by UNIDO. To achieve success, the Symposium would require the joint efforts of all participants and the goodwill of the industrialized countries.

Mr. FORTHOMME (Belgium) endorsed the Canadian representative's view that the agenda of the Symposium must be severely limited in scope in order to concentrate on a few important items. Since the Symposium was intended primarily to promote the industrial development of the developing countries, he hoped that those countries would give careful thought to the suggestions made by the Canadian representative and indicate the areas which they considered most important.

The meeting rose at 12.30 p.m.





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