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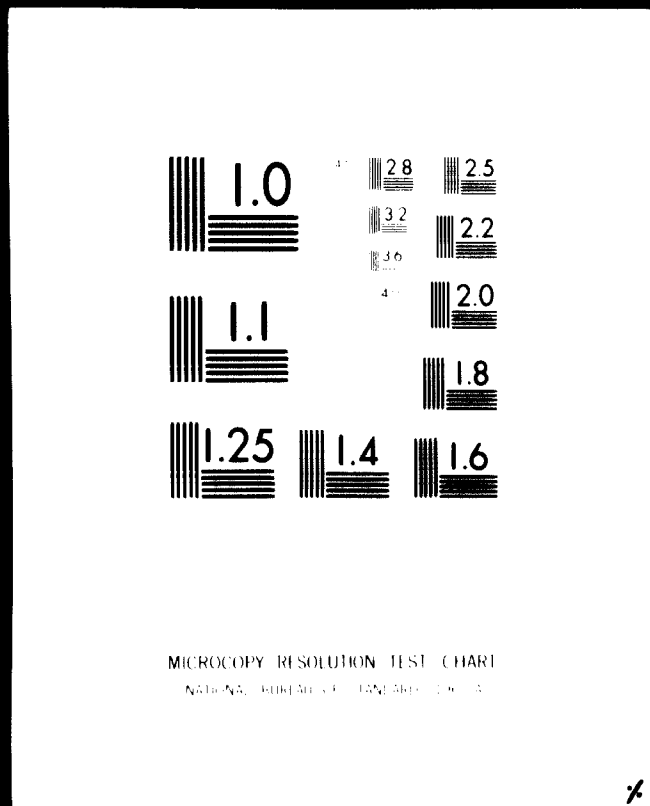
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United Nations Industrial Development Organization

Seventh Meeting on Co-operation among Industrial
Development Financing Institutions

New Delhi, India

29 November - 2 December 1976

REPORT OF THE MANAGEMENT COMMITTEE

of the

PROGRAMME FOR THE EXCHANGE OF INFORMATION AMONG
DEVELOPMENT FINANCING INSTITUTIONS

Prepared for the

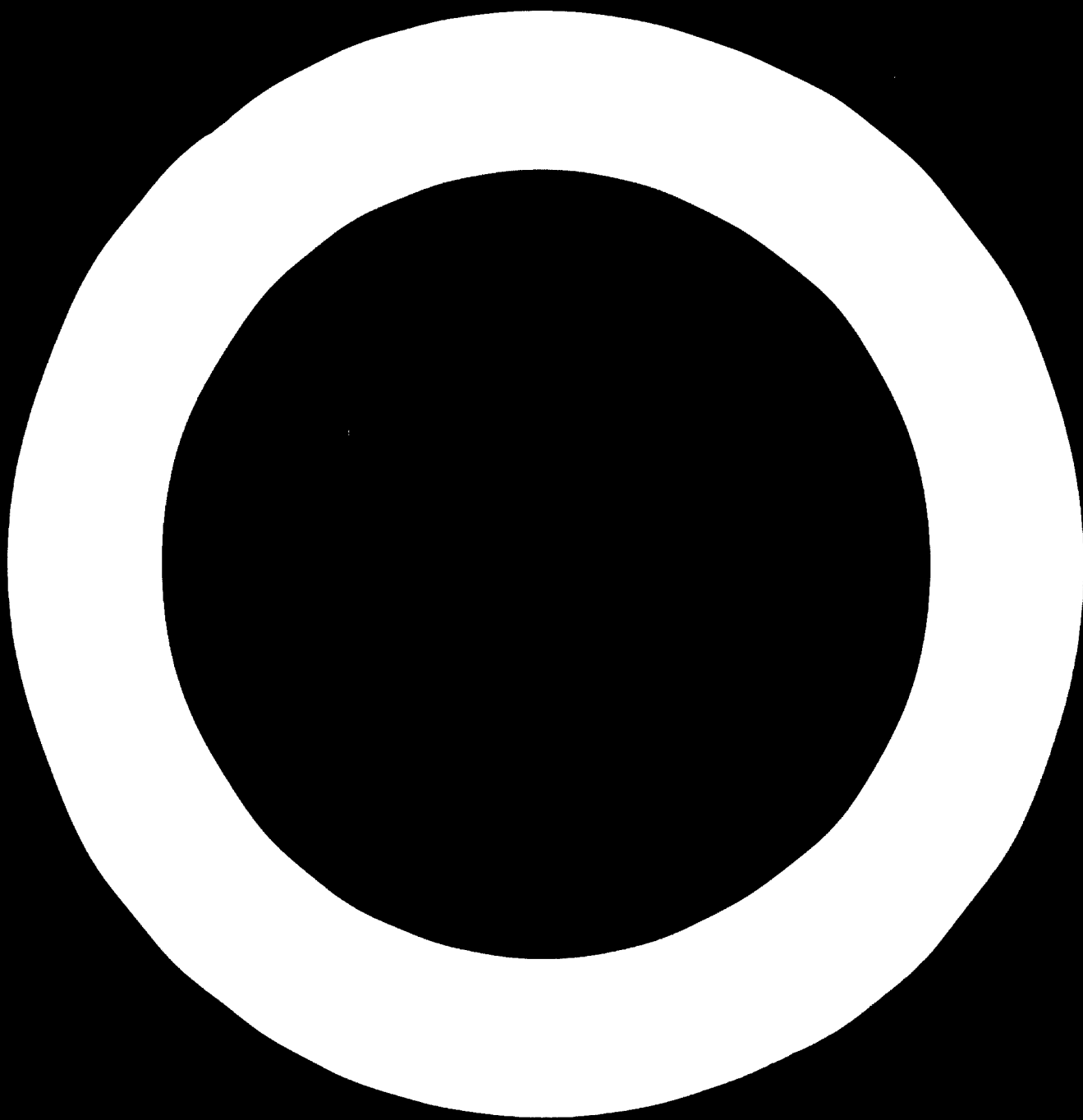
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Introduction

This report covers the period from July 1975, when the Management Committee of the Information Exchange Programme (IEP) among Development Financing Institutions met at Caracas, Venezuela, to November 1976, when the Management Committee of the IEP met at New Delhi. During this interim period the Executive Committee of the IEP also met in Vienna, in March 1976.

At the First Meeting on Co-operation among Industrial Development Financing Institutions, held in Paris in March 1970, the United Nations Industrial Development Organization (UNIDO) was asked to look into the possibility, in consultation with the World Bank and a committee of high-ranking development bank officials, of establishing a mechanism for the regular exchange of information and experience among development banks on a world-wide basis. Special-purpose trust funds were provided to UNIDO for this purpose by the Government of the Federal Republic of Germany. These funds enabled the IEP to start its work in June 1973 and covered its operation until the end of 1974. Since that time the programme has been financed by annual subscriptions paid into a Project Information Fund (PIF) by development financing institutions (DFIs) participating in the programme. The IEP has thus become the first world-wide co-operative venture of DFIs.

The IEP is guided by a Management Committee composed of 16 DFI representatives which defines programme policy and supervises its implementation, an Executive Committee elected by the Management Committee and composed of 4 DFI representatives which directs the programme's affairs, and a secretariat at present provided by UNIDO. The two committees regularly assess the efficiency of the IEP in fulfilling its objectives.

Participation in the IEP is open to all DFIs financing industrial projects in developing countries. Since the inception of IEP in July 1973, the number of its participants has steadily increased, from approximately 80 DFIs at the end of 1973 to 100 at the end of 1974, 120 in 1975 and 130 by 1976.

In 1974, the first year of the co-operative financing arrangement, 19 DFIs subscribed to the PIF; in 1975, 47 DFIs subscribed; and by the end of November 1976, 33 DFIs had paid annual subscriptions. The total in the PIF at the end of November 1976 was \$US 46,000; and additional \$US 8,500 is expected

to be paid in the current year. With regard to the regional distribution of subscribing DFTs, in 1976 Europe and the Middle East accounted for the largest number, followed by Africa, Asia and the Far East; North and South America together accounted for about 30 per cent of the total number of subscribers.

Recognizing that a number of DFTs might be encountering financial or budgetary difficulties, the Management Committee has tried to encourage DFTs that can pay subscription fees to help finance the participation of smaller DFTs that are not in a position to subscribe to the TEP for the time being. In 1973, 1974 and part of 1975, the expenditures for administering the programme were covered by the special-purpose trust funds provided by the Government of the Federal Republic of Germany. Since 1976, the programme has been administered with funds from subscriptions by participants. However, UNIDO has been requested to continue to make efforts to obtain additional funds.

The TEP has a twofold objective:

- (a) To promote a regular flow of information on industrial projects in developing countries among institutions financing industrial development projects;
- (b) To transfer information and experience on the financing of industrial ventures in developing countries from one DFT to another.

As a means for attaining the objectives, a "List of projects" is prepared and disseminated by UNIDO to subscribing and non-subscribing DFTs throughout the world. To date, 13 lists containing briefs of 3,200 industrial projects have been distributed by UNIDO to TEP participants. All industry branches are featured in the lists; investments in single projects have ranged for \$US 20,000 to \$US 250 million. The DFTs participating in the TEP designate a staff member in a suitable position to be responsible for using the information offered by the TEP to the best advantage.

Review of programme and objectives

Management Committee

During the session of the Management Committee at Caracas, Venezuela, in July 1975, the work of TEP was reviewed and suggestions to extend its services were unanimously approved. UNIDO continued to remain responsible for providing the necessary administrative and supporting services for the programme under the guidance of the two committees. The approved work programme for 1975-1976 included:

- (a) Preparation and distribution of the periodic lists of projects;
- (b) Preparation of meetings and missions;
- (c) Promotional activity to disseminate information about the purpose of the IEP to a world-wide circle of DFIs and to enlist the participation of DFIs in the programme as subscribers;
- (d) Reporting on the results of activities;
- (e) Launching a technical co-operation programme as an extension of the IEP with the function of disseminating information on specific aspects of development financing and development banking know-how among DFIs;
- (f) Gathering material for evaluating the usefulness of the IEP.

Executive Committee

The Executive Committee met in Vienna in March 1976:

- (a) To examine the status of the work programme;
- (b) To determine the methodology for promoting the technical co-operation programme;
- (c) To prepare for the 1976 session of the Management Committee and the Seventh Meeting on Co-operation among Industrial Development Financing Institutions.

UNIDO reported the details of the new administrative arrangements resulting from the reorganization of the UNIDO secretariat which took effect on 1 January 1976.

Secretariat of the Information Exchange Programme

In the new organizational structure of UNIDO, administrative support for the IEP is provided by the UNIDO Investment Co-operation Programme Office (ICPO). The mandate of that Office is to promote industrial investment in developing countries, that is to assist developing countries in obtaining external finance for industrial projects. The UNIDO/ICPO programmes include identifying and preparing industrial investment projects, mobilizing resource transfer from the developed to the developing countries and undertaking promotional activities in support of the objectives.

Activities in 1975-1976

The mechanism of the IEP is at present the lists of projects which contain brief descriptions of industrial projects financed by DFIs in developing countries. The lists have been distributed world-wide in the report period to

120 DFIs. DFIs receiving the lists have expressed satisfaction with the present format and presentation. Suggestions for improvement have been that information should be included on the current status of projects (approved for financing, being implemented, estimated completion date), on suppliers of equipment, on manufacturing technology and consulting services, on sources of funds other than the DFIs and on local and foreign raw-material inputs. To increase the informative value of the list, a "special attention page" has been introduced, covering topics relevant to DFI activities such as news about UNIDO publications and how to obtain them, information on UNIDO-organized expert group meetings and other events of special bearing on development financing, ideas for using the information contained in the lists of projects and other issues of interest to DFIs, to encourage the application of the information thus gathered.

From the establishment of the IEP in July 1973, until the end of October 1976, about half of the participants contributed data on industrial projects financed by them for inclusion in the periodic lists of projects. During the period covered by this report (July 1975 to November 1976), 11 DFIs from 9 countries submitted project information for the lists. To diversify the portfolio available to UNIDO for assembling the lists, DFIs have been asked to furnish more project data.

The existing background documentation on the IEP has been revised and updated. Documentation available at present comprises an explanatory note (which outlines the objectives and functioning of the IEP), the industrial project information form (to be used by DFIs for submitting information on the projects they finance), the subscription schedule (detailing the subscription fees to be paid by DFIs currently receiving the list of projects) and a leaflet introducing the IEP.

Varied measures have been taken to introduce and promote the IEP among DFIs throughout the world and to gain participants. In May 1976 background material on the IEP was sent to 50 DFIs considered to be prospective participants to inform them about the objectives and activities of the programme and to encourage them to participate. This initiative and subsequent follow-up action gained 10 new subscribers. In another promotional effort, a leaflet

was printed for distribution to interested DFIs. Meetings and missions have proved an effective means of promoting an exchange of information and experience among DFIs.

On the decision of the Management Committee, a survey was conducted to obtain data for assessing the usefulness of the IEP for DFIs in general and for the programme participants in particular. A questionnaire was issued to 120 DFIs together with a background paper prepared by a development bank describing that bank's experience with the IEP. One third of the recipients answered the questionnaire, contributing valuable material for a study on the use made of the IEP. The responses indicate that there continues to be an interest among DFIs in sharing information and experience for their mutual benefit.

The work programme 1975-1976 for preparing and distributing a technical co-operation list was not undertaken in the period because the personnel available was fully occupied with reactivating IEP.

Future outlook

The Management Committee will continue its work to improve the IEP, increase participation and ensure that the collection of annual subscriptions shall be accelerated. Also, special attention will be given to completing and implementing the technical co-operation programme.

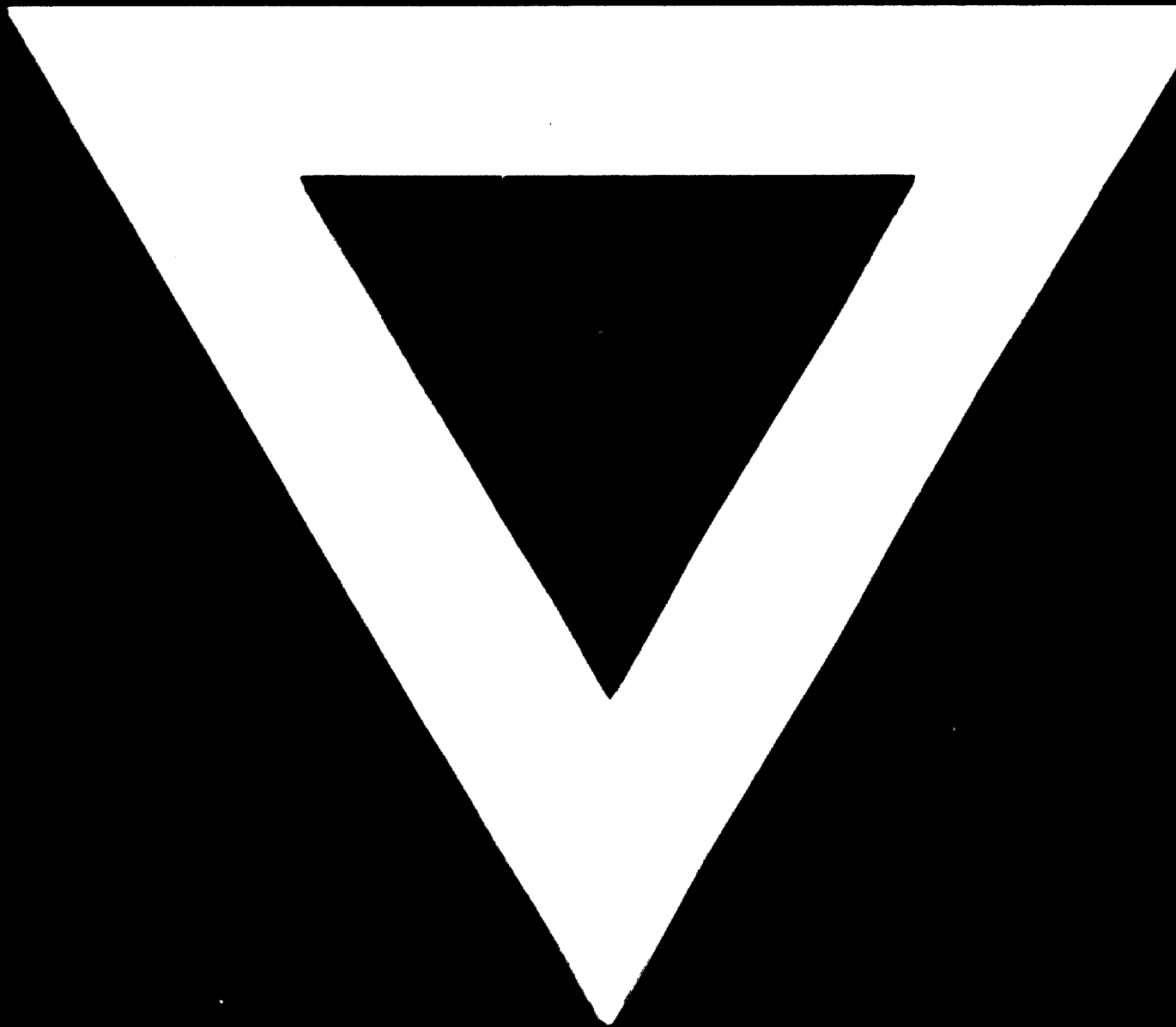
In the 1975-1976 period, the Management Committee comprised 16 members as listed in the leaflet. Two resignations were received during the period and the number of committee members will be 14 for the time being.

In accordance with the need to revolve the responsibilities of the Management Committee, Willi F.L. Engel, Director, Kreditanstalt für Wiederaufbau, Federal Republic of Germany, was unanimously elected president for the next two years. The Management Committee also unanimously elected Moncef Maaoui, Assistant General Manager, Société Tunisienne de Banque, Tunisia, to continue as treasurer.

The Management Committee would like to place on record its appreciation of the valuable services rendered by UNIDO staff members during the 1975-1976 period. It would also like to make special mention of the important contribution of the IEP participants.



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