



**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)

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.



03985



United Nations Industrial Development Organization

Distr.  
GENERAL

ID/B/SR.6  
31 July 1967  
ENGLISH  
ORIGINAL: FRENCH

INDUSTRIAL DEVELOPMENT BOARD

First Session

SUMMARY RECORD OF THE SIXTH MEETING

Held at Headquarters, New York,  
on Thursday, 13 April 1967, at 10.40 a.m.

CONTENTS

Examination of credentials

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) (continued)

D/B/SR.6

English

Page 2

PRESENT:

<u>President:</u>	Mr. TELL	(Jordan)
<u>Rapporteur:</u>	Mr. MBAYE	(Guinea)
<u>Members:</u>	Mr. BRADLEY	Argentina
	Mrs. SAILER	Austria
	Mr. FORTHOMME)	Belgium
	Mr. DELVAUX )	
	Mr. PATRIOTA	Brazil
	Mr. VLADOV	Bulgaria
	Mr. NDIMBIE	Cameroon
	Mr. ABELL	Canada
	Mr. FIGUEROA	Chile
	Mr. TURBAY-AYALA	Colombia
	Mr. INCHAUSTEGUI	Cuba
	Mr. SCHEJBAL	Czechoslovakia
	Mr. SARTORIUS	Federal Republic of Germany
	Mr. TORNQVIST	Finland
	Mr. BERNARD	France
	Mr. THERSON-COFIE	Ghana
	Mr. DIAPATE	Guinea
	Mr. GUPTA	India
	Mr. KAMIL	Indonesia
	Mr. YEGANEH	Iran
	Mr. PISANI MASSAMORMILE	Italy
	Mr. KOFFI	Ivory Coast
	Mr. ABE	Japan
	Mr. SAAD	Jordan
	Mr. SHAMMAS	Kuwait
	Mr. IJBERS	Netherlands
	Mr. ANJODU	Nigeria
	Mr. SUJAIMAN	Pakistan
	Mr. FERDANLINI	Peru
	Mr. KODIKARA	Philippines
	Mr. DUMITRESCU	Romania

/...

PRESENT (continued):

Members (continued):

Mr. RYABCNYENDE	Rwanda
Mr. GALAN	Spain
Mr. SAHLOUL	Sudan
Mr. BILLNER	Sweden
Mr. TURRETTINI	Switzerland
Mr. BARPUYAWART	Thailand
Mrs. SOLOMON	Trinidad and Tobago
Mr. CUHRUK	Turkey
Mr. ANANICHEV	Union of Soviet Socialist Republics
Mr. SALAMA	United Arab Republic
Sir Edward WARNER	United Kingdom of Great Britain and Northern Ireland
Mr. KOTSCHNIG	United States of America
Mr. SIKALUMBI	Zambia

Observers for Member States:

Mr. RAHMANI	Algeria
Mr. BENSON	Australia
Mr. SCOTT-MURGA	Bolivia
Mr. FU	China
Mr. MULONGO	Congo (Democratic Republic of)
Mr. AGATHOCLEOUS	Cyprus
Mr. OLSEN	Denmark
Mr. SUBERO	Dominican Republic
Mr. JATIVA	Ecuador
Mr. MAKAYA-CASTANOUL	Gabon
Mr. COLLAS	Greece
Mr. SHAI	Israel
Mr. CRAIG	Jamaica
Mr. THOMAS	Liberia
Mr. LAI	Malaysia
Mr. CHULUUNBAATAR	Mongolia
Mr. TABITI	Morocco
Mr. DEVENDRA	Nepal

/...

PRESENT (continued):

Observers for Member States (continued):

Mr. LYNCH	New Zealand
Mr. OUSSEINI	Niger
Mr. NENEMAN	Poland
Mr. VAZ PINTO	Portugal
Mr. van NIEKERK	South Africa
Mr. KLU	Togo
Mr. BEN AISSA	Tunisia
Mr. LAVICVIC	Yugoslavia

Representatives of specialized agencies:

Mr. AMMAR	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

Representative of the General Agreement on Tariffs and Trade:

Mr. HORTLING

Representatives of other United Nations bodies:

Mr. GEOGHEGAN	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 Division
Mr. SINGER	Director, Industrial Policies and Programming Division
Mr. MULLER	United Nations Conference on Trade and Development
Mr. NOMVETE	Economic Commission for Africa
Mr. NYLLA	Secretary of the Board

EXAMINATION OF CREDENTIALS

The PRESIDENT suggested that the Board should ask the Bureau to examine the credentials of representatives and submit their report thereon to the Board.

It was so decided.

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) (continued)

Mr. SAHLOUL (Sudan) said it had been the understanding of his delegation that, since there were no documents relating to the item, the discussion on the future programme of work and activities of UNIDO would take the form of a general debate in which each delegation would outline its ideas to serve as guidelines to the secretariat. The Executive Director was to be congratulated on the way he had defended the new organization against the onslaughts of well-meaning but over-zealous reformers. It was easy to imagine the continuous harassment and pressures to which UNIDO had been subjected, and it was a sad fact that vested interests and narrow national policies had frustrated the development of the new ideas that had accompanied the establishment of the infant organization. His delegation wished to assure the Executive Director of its continued support and full trust, and of its readiness to participate in a frank discussion of all the issues.

The developing countries had visualized UNIDO as a fully-fledged specialized agency, enjoying complete autonomy and assured of enough resources to undertake its responsibilities efficiently. Unhappily, those hopes had been dashed as a result of the pressure applied by the developed countries and the other specialized agencies.

The Executive Director had rightly pointed out that the complexity and multiplicity of sources and channels through which the operational activities had to be cleared were the real cause of his organization's difficulties. As a result of the policies pursued by the developed countries, the trickle of financial resources for operational activities was unfortunately channelled through a multiplicity of pipelines, and the specialized agencies were seeking jealously to retain the functions in the industrial field they had acquired prior to the creation of the Centre for Industrial Development and UNIDO.

ID/B/SR.6

English

Page 6

(Mr. Sahloul, Sudan)

His delegation's views as to the future programme of work and activities of UNIDO were guided by two documents: General Assembly resolution 2152 (XXI), and the statement of the Executive Director (ID/B/12).

In the programme of work which UNIDO might prepare in the light of the views expressed in the present debate, special attention should be given to the fact that developing countries had different social and economic systems and were at different levels of development. It was generally agreed that UNIDO should increasingly undertake more operational activities, giving them preponderance over research activities. The operational activities should cover the preparation of industrial projects, including technical and economic feasibility studies; assistance in the formulation of industrial development programmes in developing countries; promotion of the regional integration of industrialization, starting from specific industrial projects in each country of the region; assisting the developing countries to obtain external financing for specific industrial projects, and providing them with information on the terms and conditions of the various financing sources; advising the financing agencies on the technical and economic soundness of the projects submitted for financing; offering advice and guidance on problems relating to the exploitation and use of natural resources, industrial raw materials and by-products; assistance in the training of technical and other personnel in co-operation with the specialized agencies concerned; and assistance to development institutions and administrations of developing countries in industrial technology, production, programming and planning. UNIDO could also give attention to an area which was not specifically mentioned in its terms of reference but which was a major problem to developing countries in their efforts to industrialize, namely, implementation and follow-up of industrial programmes and projects. Failure to achieve satisfactory implementation had frequently resulted in failure to achieve development targets.

UNIDO could perhaps prepare programmes along the lines mentioned above. The Executive Director could rest assured of his delegation's co-operation and support in tackling any problems he might encounter in preparing such programmes. His delegation would strongly resist any attempt to impede the smooth operation of the organisation or decrease the authority of the Board. The close tying of UNIDO to the United Nations system could only hinder its operation and its



(Mr. Sahloul, Sudan)

activities. It would be encouraging if those delegations of developed countries which at previous meetings had emphasized the importance of operational activities could indicate their Governments' willingness to contribute generously to the finances required for future programmes. Experience had shown that the fears expressed by the developing countries in regard to financing had been justified. It would be more logical to simplify and streamline the machinery for operational activities and supply untied resources than to level criticisms, the sole purpose of which was to justify certain policies, past and future.

Sir Edward WARNER (United Kingdom) said he believed that the role of UNIDO should be very different from that of the former Centre for Industrial Development. It seemed to be the unanimous desire of the Board that UNIDO should be above all an operational agency. Nobody wanted more purely theoretical research, and the idea of an "action-oriented" approach had appeared in various documents but was still, unfortunately, far from being a reality. The Executive Director had described UNIDO as the central point in a vast network of international co-operation for industrial progress. It was to be hoped he did not mean that it would serve as the middleman for all industrial projects, since the result of channelling all requests for assistance through UNIDO would be one great bottleneck and little or no progress.

A major limiting factor to industrial development was the problem of project identification. Techniques for the simultaneous identification of a number of projects were needed; one of the most promising was what might be called integrated area planning. It was a method of microeconomic planning used to define a scheme based on the total resources of a particular area, and the end result was a number of carefully located industries serviced by a network of secondary installations, the system as a whole catering to the increased purchasing power of all those to whom the project gave employment. The planning method showed what the area was capable of supporting, and it also clearly identified projects for the investor and provided him with the data he needed. It should lead to a dramatic breakthrough in the formulation and implementation of new projects. It was, of course, a task to which UNIDO was uniquely suited and which could be one of the cornerstones of its programme of action.

ID/B/SR.6  
English  
Page 8

(Sir Edward Warner, United Kingdom)

In his delegation's view, the programme should be based on projects suggested by Governments. There should be a clear demarcation between what was to be undertaken by UNIDO and what, in the industrial development field, fell to other organizations in the United Nations family. The programme should place over-riding emphasis on operational field projects of immediate interest and should provide for the progressive introduction of projects incorporating integrated area planning as a means to increased project identification. There should be a clear definition of the limited supporting role of research.

Having drawn up a work programme on those lines and related to available finance, the secretariat should submit a detailed programme budget for the Board's approval. It should identify the proposed expenditures under the main headings of administrative costs, cost of studies and research, and cost of field operations (indicating the amount attributable to work at Headquarters). Since a detailed programme budget for 1968 could not be drawn up at the present stage, a projection of activities which would continue into 1968 was needed at the present session, so that the Board could give the Executive Director the necessary authority and guidance.

Mr. ABE (Japan) said that that part of General Assembly resolution 2152 (XXI) which stated the purpose of UNIDO provided a useful background for discussion of the future programme of work. The solution of the problems of industrial development lay primarily in the hands of the developing countries themselves. The United Nations system of organizations, other international bodies and the developed countries could provide assistance and advice. The approach to the problem must be as pragmatic as possible. Theories or modern inventions would be of little value in the context of UNIDO if they did not lend themselves to practical use. The operational activities enumerated in General Assembly resolution 2152 (XXI) would not produce significant results unless they were undertaken in a concerted manner, taking into account the priorities, the stage of development and the circumstances of each country. The combination of activities and the weight to be given to each would naturally be different from country to country. Although the methods and programming of industrial development might vary, there were problems which were

/...

(Mr. Abe, Japan)

common to all countries. The promotion of industrialization should be considered in the context of the over-all programme for economic and social development and, in particular, in close relationship with the agricultural development programme of each country. The Executive Director had made some extremely interesting remarks on that point in his introductory statement. That raised the problem of co-ordination and co-operation between UNIDO and the other United Nations organs dealing with industrial development. The question was related to the preparation of the future programme of work of UNIDO. A number of activities of the specialized agencies and the Department of Economic and Social Affairs were directly connected with industrial development, and it was therefore important to ensure harmonious co-operation between the bodies concerned. With regard to UNDP and the United Nations regular programme of technical assistance, UNIDO should give constructive and effective co-operation as an executive agency; with respect to other United Nations organs, it should promote co-operation among the agencies concerned for the multilateral execution of projects.

Mr. ASIYODU (Nigeria) said that he considered item 6 the most important on the agenda; as reworded, it emphasized the need to look to the future and to direct the activities of UNIDO along the right lines. The programme of work for 1967 set out in document ID/B/4 should be appraised from that standpoint. Many speakers had stressed that the need now was for action. However, some of the so-called operational activities listed in the paper, such as the assignment of experts to give advice, to produce reports or to update older reports, did not fit in with the kind of action envisaged by the developing countries, which for many years had insisted on the creation of an organization to make United Nations activities in the field of industrialization really constructive.

Decisions on industrialization policy had to be taken at three levels, namely, the country level, the sub-regional level and the regional level. The first task must be to discover impediments to rapid industrialization at those three levels and, having discovered them, to try to remove them. In his view, the real impediment to rapid industrialization in the less developed regions of the world was not ignorance of programming and evaluation techniques or industrial processes. It was the absence of "bankable" projects, the absence of cash, the absence of the will

II/B/NR.6

English

Page 13

(Mr. Asibdu, Nigeria)

to industrialize in some under-developed countries and, to some extent, the absence in developed countries of the will to encourage industrialization in backward regions. Those were the basic difficulties that must be tackled if the purposes set out in General Assembly resolution 2152 (XXI) were to be achieved.

Turning to the programme of work for 1967, he noted that many of what were described as operational field activities were normal technical assistance projects which did not owe much to the existence of UNIDO. While he realized that it was difficult to find experts in some very technical fields, the speed with which those operational field activities were executed were far from satisfactory.

He felt that the surveys proposed in document ID/B/4, chapter II, were too general to have much operational meaning as far as decision-making bodies in countries were concerned. The same criticism could be made of the proposal to produce manuals on techniques. In the view of his delegation, UNIDO must concentrate its energies and resources on a few practical matters which might produce the quickest and most spectacular results. Surveys would be needed, of course, but their purpose should be to throw up project possibilities in the various branches of industry. Those possibilities should then be the subject of the detailed investigations which were necessary before would-be investors could be interested. That was a field in which UNIDO could be most useful and which, in fact, accorded with the functions set out in the resolution establishing the organization. The utmost priority should be accorded to that function at the current stage of the organization's development. Where feasibility studies were concerned, it was not enough to assign one or two experts who at best could only participate in drawing up the terms of reference of the technical bodies which would make the necessary studies. A formula must be found whereby UNIDO could speedily organize all the consultancy services required and could undertake the detailed tests. It was obvious that the formula of Special Fund programmes, whereby the recipient country had to put up one half of the money required, would not serve. UNIDO must have funds to mount those detailed studies, in association with Governments, private organizations, or sometimes alone. It must also have the personnel to do this quickly, and once the possibilities had been evaluated, it must be able to advise sub-regions to promote such projects among would-be investors.

/...

(Mr. Asiodu, Nigeria)

The Board had before it papers on activities designed to speed up development of export-oriented industries. There was no doubt that the development of such industries would contribute tremendously to speeding up industrialization in developing countries. In some fields, genuine partnership between developing and developed countries could be immediately established; the processing of primary materials would take place in developing countries, and distribution would be in the traditional markets in developed countries. UNCTAD and GATT were doing considerable work in that field and should be encouraged to expand their activities. The first priority for UNIDO should be to mount feasibility studies to demonstrate the mutual advantages to be derived from specific export-oriented projects, and not to prepare general papers on the subject.

UNIDO must address itself to the needs of the majority of developing countries, although account should be taken of the complexity of those needs. In that regard, one could not overstress the importance of appointing officers in individual countries to keep the secretariat informed of the genuine needs and at the same time to canvass the possibilities of assistance from UNIDO.

The task of co-ordinating United Nations activities in the field of industrial development was assigned to UNIDO. At the current stage of its growth, however, it would be sufficient for UNIDO to be fully informed of the activities of other organizations. For its part, it should inform other organizations of the project possibilities thrown up through its work in individual countries. At that stage, of course, those organizations would have to harmonize their activities.

With respect to financing, it was to be hoped that UNIDO would soon acquire an independent source of funds. The transition from the technical assistance approach to the execution of expensive feasibility studies and promotional activities required large sums of money. In the meantime, the Programme of Special Industrial Services should develop as a more flexible instrument. His delegation had been rather disappointed at document ID/B/7, and it would like activities under the Programme to be extended. For example, one of the obstacles to rapid industrialization was the difficulty of obtaining expatriate personnel for certain projects, and he wondered whether it would not be possible for UNIDO, at the early stages of a project, not only to assist in attracting the right type of personnel but to contribute at least a part of the foreign cost of employing such personnel.

/...

ID/B/SR.6

English

Page 12

(Mr. Asiodu, Nigeria)

The organization might have a special fund from which it could make short-term loans or grants to new industries which had run into temporary financial difficulties and supply limited quantities of equipment in order to remove serious bottle-necks in certain industries. Although it might be difficult to take such emergency measures, they were sometimes what was most needed in order to speed up industrialization in some developing countries. Such emergency activities were not sufficiently stressed in document ID/B/7.

The Centre for Industrial Development and UNIDO had done good work, but the emphasis from now on must be on practical action. In order that studies should be useful, they must have as their goal the development and execution of specific projects. Successful industrialization did not necessarily result from perfect blueprints. UNIDO must make every effort to co-operate with individual countries and sub-regional groups in the execution of specific projects. Certain fields of action had been indicated by the activities of the regional economic commissions. The suggestions for industrial development on a regional basis in West Africa by ECA were an example.

He hoped that there would be an opportunity to indicate specifically which studies could be deferred, so that the resources thus saved could be devoted to the concrete programmes which he had described.

Mr. KOTSCHNIG (United States of America) agreed with other delegations that the organization must be action-oriented and that its programme of work should relate to constructive, down-to-earth assistance to the newer countries. The importance of research and studies should not be played down, of course, but he did suggest that many of the projects inherited from the Centre for Industrial Development were not of high priority and could very well be pursued by universities and other institutions.

UNIDO should assist the developing countries in formulating priorities which were most likely to achieve early results in three very different areas. Firstly, emphasis might be placed on industries which would assist in the modernization of agriculture, such as those producing fertilizers, pesticides and agricultural implements or processing agricultural commodities for industrial development was impossible without a strong agricultural sector. Secondly, efforts should be made to develop light consumer industries, which yielded the speediest results and

/...

(Mr. Kotschnig, United States)

immediately visible gains that furnished a strong motivation to those who manned the machines. Thirdly, special attention should be given to export-oriented industries, which provided the foreign exchange to pay for imports of needed capital goods.

UNIDO must make an effort to furnish truly effective technical assistance, which must include assistance in both the preparation and the execution of projects and programmes. UNIDO could not provide the thousands of millions of dollars required to build plants and industrial complexes throughout two thirds of the inhabited areas of the world, but it could and must help to create the conditions which would make such investment possible.

UNIDO must help the developing countries to achieve the optimum combination of public and private enterprise and in so doing should avoid any doctrinaire approach. While recognizing the importance of the public sector in certain parts of the world, he believed that industrialization might well be retarded rather than advanced if it were entrusted exclusively to State enterprises and neglected private enterprise based on individual initiative.

So far as personnel was concerned, highly skilled administrators, planners and some technologists were clearly needed at Headquarters to guide the work of UNIDO. At the same time, however, experienced operators familiar with practical industrial problems and management were needed in the field. While recognizing the importance of the principle of geographical distribution, its integral application in the recruitment of technical UNIDO personnel would obviously be counter productive. He believed that a special effort was needed to recruit personnel in the industrialized countries, including those of the developing countries which have already gained industrial experience. For its part, the United States was prepared to help secure proven and competent technologists and operators.

Such personnel should be made available to the field where they were most needed. A few advisers might be assigned to the regional economic commissions and to the offices of the UNDP Resident Representatives in selected countries reflecting a variety of economic and industrial conditions. The idea of "flying missions" could also be endorsed provided that they were given time to do their work thoroughly.

/...

ID/B/SR.6

English

Page 14

(Mr. Kotschnig, United States)

General Assembly resolution 2152 (XXI) provided that UNIDO should play the central role in reviewing and promoting the co-ordination of all activities of United Nations bodies in the field of industrial development. That did not mean that UNIDO should take the place of those bodies: its task involved functional co-ordination which should enable all competent organizations to contribute more effectively to the industrialization of the developing world. Such a co-ordinating function would not conflict with but assist the Economic and Social Council and the General Assembly in the discharge of their over-all co-ordinating functions.

In preparing a work programme for the rest of 1967 and for 1968, the Board should not try to cover all the fields of activity set out in resolution 2152 (XXI). It should draw up a clear-cut, specific programme which could be carried out during the coming twenty months and clearly indicate the financial implications of the work envisaged.

Mr. BILLNER (Sweden) recalled that the many activities which the Centre for Industrial Development had undertaken were to be continued in 1967 and 1968. In addition, the Secretariat's efforts in 1967 would be devoted mainly to the preparations for the International Symposium on Industrial Development. In 1968, the follow-up to the Symposium would form a substantial part of the work programme. However, the need to conclude successfully a few projects inherited from the Centre must not unreasonably hamper efforts to lay greater emphasis on operational activities. The Board might provide the Secretariat with specific indications of the types of industrial surveys and projects which it considered especially urgent and request a small group of experts to make recommendations to it. On the question of promoting export-oriented industries, UNIDO, in accordance with paragraph 29 of General Assembly resolution 2152 (XXI), had to co-operate closely with UNCTAD. Each organization should therefore closely follow the activities of the other. Thus, UNIDO would need information on possible markets for a given product whenever it helped a developing country to establish an export industry. In order to promote the exports of the developing country, UNCTAD would in turn require as detailed information as possible on the industrial projects and policies of the country concerned. The responsibilities of the two organizations would obviously have to be defined more clearly and would have to take the form of practical agreements.

The Swedish delegation endorsed the Executive Director's comments on UNIDO's co-operation with other United Nations organizations in the field of industrial development and the co-ordination of their activities. Clearly, UNIDO could

/...



(Mr. Billner, Sweden)

not assume at once its role as a central co-ordinating body. Nevertheless, the work of co-ordination entrusted to it by the General Assembly would become increasingly urgent. In order to enable developing countries to make the best use of their resources in the long run, a world industrialization strategy must be worked out. The regional economic commissions had obtained valuable experience upon which UNIDO would wish to draw. The practical arrangements proposed between UNIDO and UNDP were another important step forward in working out effective ways and means of co-operation in industrial development. He hoped that the Board would approve the recommendation to assign UNIDO officials to the offices of Resident Representatives. The industrial development centres which UNIDO, as an executive agency of UNDP, was helping to set up in various developing countries were a new means of co-ordinating operational activities.

Finally, he hoped that the UNIDO secretariat would be given the structure and the personnel it needed in order to serve as a connecting link between the developing and industrialized countries.

Mr. TURRETTINI (Switzerland) said that when the Executive Director had been Commissioner for Industrial Development he might have been compared to a university professor with a laboratory and assistants who were mainly engaged on research. Now, he had been given substantial financial resources and a much larger staff. By the same token, he had been entrusted with new tasks. He was now responsible for the practical application of research findings and for making the best use of his new-found resources. Full use should continue to be made of the resources of United Nations bodies such as UNDP, UNCTAD, GATT and the ILO, which were currently engaged in activities directly or indirectly concerned with industrial development. It would be unfortunate if UNIDO were to launch into trade promotion, a sphere in which GATT and UNCTAD already were operating successfully. Overlapping and duplication must be avoided at all costs. At the outset, UNIDO should concentrate on a few basic aims. In particular, it might encourage the development of industries which made rational use of the natural resources of various developing countries. The surveys carried out by certain international organizations, especially FAO, showed that such industries, far from retarding development, were, because of their high multiplier effect, the best foundation for healthy economic development and for the utilization and training of much of the available labour. In particular, UNIDO should assist the production of

/...

11/17/66

English

Page 10

(Mr. Burattini, Switzerland)

chemical fertilizers, agricultural machinery adapted to local conditions, and irrigation equipment. In addition, better on-the-spot use should be made of agricultural products and raw materials through the establishment of preservation and processing units. That was a vast area of activity, in which the first task was to improve existing conditions. The increasing food shortage from which several areas of the world were suffering made it essential to increase the production of food-stuffs. UNIDO should, therefore, in conjunction with FAO, first endeavour to increase agricultural yield through industrialization. Of course, industrialization linked with agriculture was not the only sphere which merited interest. In particular, the establishment of regional markets could provide outlets less subject to the difficult competition prevailing in the markets of the developed countries. They would give local producers a considerable advantage over those of developed countries, who had to take higher transport costs into account. Close co-operation between UNIDO, UNCTAD and GATT would certainly be needed in that sphere.

The Swiss delegation supported the proposals of the Netherlands and Jordanian representatives for the establishment of a programme budget. Once UNIDO's work programme had been drawn up, the Swiss Government would determine how its contribution to the operational activities of the organization would be made, as announced in December 1966.

Mr. BARPUYAWART (Thailand) said that in carrying out its work programme UNIDO should endeavour to eliminate the obstacles impeding the accelerated industrialization of developing countries. He noted with satisfaction that UNIDO intended to co-operate with the regional economic commissions in the execution of practical projects. In particular, he hoped that UNIDO would establish close relations with ECAFE and the Asian Industrial Development Council. The new organization should be as effective as possible and should be primarily concerned with operational activities, leaving general studies to other United Nations bodies. It was also important to take into account the specific characteristics of economic and social problems in each developing country.

The meeting rose at 12.45 p.m.





**8 . 3 . 7 4**