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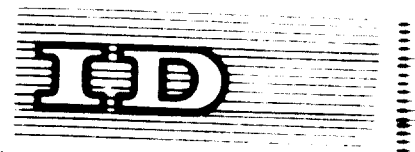
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INDUSTRIAL DEVELOPMENT BOARD

First Session

SUMMARY RECORD OF THE TWELFTH MEETING

Held at Headquarters, New York,
on Wednesday, 19 April 1967, at 3.15 p.m.

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PRESENT:

<u>President:</u>	Mr. LUBBERS	Netherlands
later,	Mr. TELL	(Jordan)
later,	Mr. DUMITERESCU	Romania
<u>Rapporteur:</u>	Mr. MEAYE	(Guinea)
<u>Members:</u>	Mr. BRADLEY	Argentina
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	Mr. HERRAN-MEDINA	Colombia
	Mr. INCHAUSTEGUI	Cuba
	Mr. MUZIK)	Czechoslovakia
	Mr. SCHEJBAL)	
	Mr. SCHMIDT-HORIX	Federal Republic of Germany
	Mr. UGGELDAHL	Finland
	Mr. BERNARD)	France
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	Mr. MARTONAGORO	Indonesia
	Mr. YEGANEH)	Iran
	Mr. ORDOOBADI)	
	Mr. PISANI MASSAMORMILE	Italy
	Mr. KOFFI)	Ivory Coast
	Mr. GBEHO)	
	Mr. ABE	Japan
	Mr. SAAD	Jordan
	Mr. KHANACHET)	Kuwait
	Mr. AL-SHAFTI)	

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Mr. ASIODU	Nigeria
Mr. AHMED	Pakistan
Mr. FERNANDINI	Peru
Mrs. KODIKARA	Philippines
Mr. RYABONYENDE	Rwanda
Mr. WARSAMA	Somalia
Mr. VALLAURE	Spain
Mr. HULTNER)	Sweden
Mr. BERGQUIST)	
Mr. TURRETTINI)	Switzerland
Mr. DAHINDEN)	
Mr. BARPUYAWART	Thailand
Mr. ARCHIBALD	Trinidad and Tobago
Mr. ALTINEL)	Turkey
Mr. CUHROK)	
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. BLAU)	
Mr. MENDIOLA	Uruguay
Mr. MANDA	Zambia

Observers for Member States:

Mr. BENSON	Australia
U BA YIN	Burma
Mr. MULONGO	Congo (Democratic Republic of)
Mr. SUBERO	Dominican Republic
Mr. MAKAYA-CASTANOUL	Gabon
Mr. SHAI	Israel
Mr. WHITING	Jamaica

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Mr. SOMPHANH	Laos
Mr. CARRANCO AVILA	Mexico
Mr. CHULUUNBAATAR	Mongolia
Mr. CUSSEINI	Niger
Mr. STANGHOLM	Norway
Mr. NENEMAN	Poland
Mr. van NIEKERK	South Africa
Mr. KLU	Togo
Mr. LAVCEVIC	Yugoslavia

Representatives of specialized agencies:

Mr. AMMAR	International Labour Organisation
Mr. WOODWARD) Mr. ATEN)	Food and Agriculture Organization of the United Nations
Mr. KASSUM	United Nations Educational, Scientific and Cultural Organization
Mr. PERINBAM	International Bank for Reconstruction and Development
Mr. WILLIAMS	International Monetary Fund
Dr. COIGNEY) 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. HOFFMAN	Administrator, United Nations Development Programme
Mr. HEURTEMATTE	Associate Administrator, United Nations Development Programme
Mr. HARLAND	United Nations Development Programme
Mr. NERFIN	World Food Programme

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PRESENT (continued):

Secretariat:

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
Mr. SINGER	Director, Industrial Policies and Programming Division
Mr. GRIGORIEV	Director of Industrial Technology Division
Mr. MULLER) Mr. STORDEL)	United Nations Conference on Trade and Development
Mr. LACHMANN	Chief, Fiscal and Financial Branch, Department of Economic and Social Affairs
Mr. SYLIA	Secretary of the Board

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

Mr. HOFFMAN (Administrator, United Nations Development Programme)

observed that differences between countries in terms of geography, population, material resources, supply of skilled labour and capabilities of governments made the problems of industrial development bewilderingly complex. Moreover, it had now become essential to compress into one or two generations a process which the countries already industrialized had achieved over a period of one or two centuries. Other problems which had to be taken into account were markets, training facilities, capital to finance industrial enterprises in their early years when losses were almost certain, and the spirit of entrepreneurship.

A problem which he wished to emphasize was the relationship between industry, agriculture, education and social welfare; for industrial development was a task which must involve nearly every United Nations body engaged in providing assistance to developing nations. It was in that context that he welcomed paragraph 31 of part II of General Assembly resolution 2152 (XXI), which called for close co-operation and co-ordination between UNIDO and UNDP. UNIDO was already an active partner of UNDP, having attended the January 1967 session of the Governing Council and having recently taken its seat on the Programme's Inter-Agency Consultative Board. UNIDO had assumed responsibility for the execution of industrial development projects approved at the January session of the Governing Council and would shortly undertake the implementation of many Special Fund sector projects approved earlier, as well as a number of technical assistance sector and Special Industrial Services projects. At the same time, UNIDO and UNDP were working closely together on many opportunities for extended collaboration in practical new industrial projects. About 45 per cent of UNDP funds were allocated to major pre-investment projects which would promote industrial development either directly or indirectly, as could be seen from the details given in document ID/B/3/Add.1. During 1967-1968 UNDP would also be financing more than 700 smaller-scale industry-related Technical Assistance projects, including OPEX.

He agreed with those representatives who had said that project identification and feasibility studies were among the most urgent activities to be carried out in the field of industrialization; scores of such studies were required, and they need to be all-embracing long term, although short-term studies should be chosen in such

(Mr. Hoffman, Administrator, United Nations Development Programme)

a way as to lead to long-term results. He likewise agreed with the speaker who had stressed the importance of industrial estates, which had a particularly significant role to play in countries where physical infra-structure, common services and labour supply must be newly formed, and he hoped that UNIDO would help Governments to prepare requests for UNDP assistance in studying possibilities for establishing industrial estates. Other representatives had urged that UNIDO should help countries to determine their industrial development priorities. There again UNDP was ready to provide prompt assistance through UNIDO; in doing so, it would not be concerned with whether the industries to be assisted were owned and operated privately, by Governments or jointly. Furthermore, UNDP assistance would be provided through UNIDO to industries at virtually all levels and of all sizes, and UNDP was prepared, through UNIDO, to help Governments with advice and operational assistance to capital-intensive as well as labour-intensive industries. UNDP was also eager to provide - through UNIDO, where appropriate - assistance in strengthening services to industry by helping to establish national and regional institutes. UNDP would like to receive more requests for assistance along those lines and more requests for help in establishing broader-based national industrial development corporations, agencies or organizations. In that connexion, it looked to UNIDO to help Governments to identify viable assistance projects. UNDP felt that there was great scope for UNIDO initiative in promoting industries related to agriculture, for many countries needed assistance in developing their fertilizer, pesticide and farm implement and machinery industries. As examples of the way in which UNIDO and UNDP were collaborating in the promotion both of industries based on agricultural products and of heavier industries, he mentioned industrial feasibility studies and an industrial development centre in the United Republic of Tanzania, which had given advice inter alia leading to the establishment of a company for processing cashew nuts. A project to promote the integrated industrial economic development of the four Mahgreb countries in North Africa, industrial and marketing surveys of petroleum derivatives and natural gas in Algeria, projects for the development of small industries and the establishment of an industrial estate in Uganda, and a project for the expansion of the fertilizer and petrochemical industries in Pakistan were further examples. In executing the last-named project, UNIDO had subcontracted to FAO that part of the

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(Mr. Hoffman, Administrator, United Nations Development Programme)

work which involved the application and end use of fertilizer. That project might well serve as a pattern for future co-operation between UNIDO and other agencies in the implementation of projects where more than one agency had a substantial contribution to make.

The needs of the developing countries for multilateral assistance in carrying out feasibility studies, in blueprinting plants, processes and marketing and in facilitating the flow of investment were urgent. The establishment of UNIDO gave reason to hope that there would be more rapid and effective implementation of industrial projects already approved, and that a new effort to break the deadlock caused by a lack of requests would be forthcoming. In that connexion, he would like to mention his concern that so few countries had used the resources of the technical assistance sector of UNDP to obtain help in the preparation of large-scale pre-investment projects in the field of manufacturing. It would be recalled that the Administration had proposed to the Governing Council that the Centre for Industrial Development should attach industrial advisers to appropriate offices of the Resident Representatives. UNDP welcomed the Executive Director's initiative in appointing industrial advisers to work for an experimental period with Resident Representatives in Africa and hoped that such arrangements could be extended to other developing countries.

Investment follow-up of pre-investment technical assistance projects was essential, and UNDP had tried to help to meet that need through such means as support of the Asian Development Bank, the African Development Bank and certain national financing institutions. It was also ready to provide financial advisers for Special Fund sector projects at the request of Governments, and also in other circumstances. However, there were situations in which Governments must be willing to give assistance, whether by actual finance or by legislation, during the establishment of certain industries, particularly those for large-scale manufacturing.

UNDP, with its resources growing and its machinery being geared for more prompt action, was ready to co-operate to the maximum. It might be useful in that connexion to recall certain characteristics of UNDP laid down in its legislation and in decisions of its Governing Council. UNDP was a project-approving, financing and supervising body and was not in competition with any other United Nations agency,

(Mr. Hoffman, Administrator, United
Nations Development Programme)

since it entrusted technical responsibility for project preparation and execution to the most appropriate of the executing agencies, including UNIDO. An additional effort to make UNDP more responsive to expressed needs in certain fields, particularly industry, might arise from the Governing Council's request for a report on assistance for pilot plants. He recalled that so far only one such project, for a pyrethrum plant in Rwanda, had been approved. A number of requests for such assistance fell within the scope he had proposed to the UNDP Council in June. Others suggested that in some cases UNDP, without actually entering into the field of investments but hoping to stimulate investment, could most usefully join with Governments and local authorities in contributing initial inputs of production prerequisites for experimental industrial units. Those units would be supported only after the proper technical and feasibility studies had been made, and they should be managed in accordance with the accepted rules of economic and industrial management, with a proper accounting system. Following this initial phase, an extension helped by capital inputs was possible and he would be making suggestions to the Governing Council of UNDP about this. A pre-condition for such assistance would naturally be that no other source of support for the establishment of that experimental phase of the production unit would be forthcoming under prevailing circumstances.

It was of course for the UNDP Governing Council to decide on UNDP aid for pilot plants. But his example showed the creative ways in which it might be possible for UNDP, in co-operation with UNIDO, to start chain reactions in manufacturing.

If he had said little about the specific item which the Board was considering, namely co-ordination, it was because he felt that co-ordination was a matter for negotiation rather than legislation. The agencies of the United Nations family had long experience in working together, each of them had built up certain areas of special competence and there were many forums in which their views could be voiced. Many of them were engaged in carrying out projects of relevance to industrialization, but the absence of a central agency with over-all responsibility in that field had long been felt within UNDP. The latter therefore looked forward to new initiatives by UNIDO which would not replace, but would enhance, the existing efforts of the specialized agencies. While the allocation of UNDP-assisted projects between agencies must remain the prerogative of the Administrator and under his mandate, no great difficulties had been experienced in the past in the selection of the most

(Mr. Hoffman, Administrator, United Nations Development Programme)

appropriate executing agency. He was certain that further consultations with UNIDO and other interested agencies could satisfactorily resolve any problems concerning industrial development projects to be financed through UNDP. UNDP was trying to improve its contribution to industrial development and was counting on UNIDO to assume full operational responsibilities for UNDP industrial projects. If advantage was to be taken of the opportunities for substantial progress in industrialization and for the achievement of a rapidly expanding world economy in the 1970's, the groundwork must be laid in the next three years and adequate resources must be provided. He therefore hoped that all countries, conscious of the growing needs of the developing countries and heartened by the practical results so far achieved, would substantially increase their support of UNDP's multilateral programme.

Mr. HILL (Under-Secretary for Inter-Agency Affairs) said that the discussion at the recent session of ACC had taken place in an atmosphere quite different from last year's. A framework within which all United Nations organizations could co-operate with UNIDO and be of maximum help to the developing countries in promoting industrialization had now been established. ACC attributed great importance to the working out by the Secretary-General of adequate arrangements for inter-secretariat co-ordination, in accordance with the provisions of paragraph 34 of part II of General Assembly resolution 2152 (XXI). Discussions aimed at working out such arrangements were to be initiated by the Executive Director of UNIDO, and it was understood that those discussions would take into account the guidance which the Board might give at its current session. ACC hoped to be able to take up the matter again in July or October.

The word "arrangements" was a broad and flexible term which envisaged, firstly, regular machinery for joint study of industrialization issues, for ironing out difficulties and for reaching agreements. Something along the lines of the ACC Sub-Committees on Science and Technology, on International Trade and on Education and Training might be found appropriate. Secondly, the term also meant practical arrangements for collaboration on specific tasks between two or more organizations, as in the case of preparations for the International Symposium on Industrial Development. The Executive Director had said the development of specific machinery for co-ordination would have to proceed gradually on the basis of accumulated experience. He agreed and added that, in that process, the experience acquired by the Centre for Industrial Development, duly adapted, would be valuable. The

(Mr. Hoffman, Administrator, United Nations Development Programme)

Executive Director had referred to certain steps taken recently in this connexion, including those aimed at working out a joint effort by several United Nations bodies in the field of export promotion. Further progress in this field could be expected shortly. But the process of tackling co-ordination issues in the new context of UNIDO was still at an early stage. The Executive Director of UNIDO would have the active support of all members of ACC in his efforts to establish a framework for co-ordination with other United Nations bodies. He was confident that as a result of the efforts of the Executive Director and his colleagues in ACC there would be positive results to report with respect to co-ordination arrangements in the near future.

Mr. AHMED (Pakistan) proposed that the Under-Secretary's statement should be reproduced in full as an official document of the Board.^{1/}

It was so decided.

Mr. HORTLING (General Agreement on Tariffs and Trade) assured the Board that GATT desired to establish close co-operation with UNIDO. The Executive Director of UNIDO had stressed the necessity of making practical arrangements at an inter-secretariat level for collaboration in specific fields. In that connexion, he would like to refer to the new part IV of the General Agreement on Tariffs and Trade, under which the Contracting Parties had formally agreed to seek collaboration with the United Nations in matters of trade and development policy. The activities pursued within GATT in relation to subjects on the Board's agenda for its current session were summarized in document ID/B/8/Add.1, dealing with practical steps to promote export-oriented industries in less developed countries. He would like to add some remarks on the particular aspect of co-ordination.

First, the analysis of the development plans of individual developing countries undertaken by GATT had brought its secretariat into co-operation with the Economic Commission for Africa and UNCTAD on a study of trade among countries in West Africa.

Secondly, in the work within GATT for expansion of trade among developing countries - which had lately centred on negotiations for tariff concessions among less developed countries - it had been agreed that a co-ordinated approach should be followed. Thus, all aspects of the expansion of trade among developing countries

^{1/} The full text of the statement has been issued as document ID/B/L.6.

(Mr. Hortling, GATT)

under study in the competent United Nations agencies, including the regional economic commissions, and in other inter-governmental organizations, would be duly taken into account.

Thirdly, mention should be made of the assistance provided by the GATT International Trade Centre in export promotion, in response to requests from the developing countries themselves. The services of the Centre were available to all developing countries, whether or not they were members of GATT, and about forty-five such countries had already made use of them. At the meeting of the Executive Secretaries of the regional economic commissions in January 1967, attended by the executive heads of UNCTAD and UNIDO, it had been decided that the activities and resources of the United Nations should be combined in a joint programme for export promotion. The hope had been expressed that other organizations in the United Nations family would join in those efforts. At a recent meeting of ACC, the Director General of GATT had expressed his desire for full co-ordination between the work of the GATT Centre and the United Nations export promotion programme; further consultation were expected to take place within the framework of ACC. Since the GATT Centre did not involve itself per se in the field of production for export, in which UNIDO exercised special competence, it would appear that there was scope for collaboration between the two agencies and for complementary programmes in selected fields.

The GATT secretariat was aware of the need for continuous contacts between all agencies having responsibilities in the same field. The provision of information on each other's activities was an important feature of such co-ordination, and GATT was ready to make the necessary facilities available to the UNIDO secretariat, particularly in preparations for the International Symposium.

Mr. NERFIN (World Food Programme) conveyed to the Board the best wishes of the Executive Director of the World Food Programme for the success of UNIDO and an assurance of his full co-operation. The Programme had as yet devoted only a modest proportion of its resources to industrial projects, but that was at least a beginning.

The operations could be classified in four groups. First, the Programme provided seed-stuffs to be used, as raw materials, in stimulating the manufacture of processed products. In Senegal, for example, the Programme had supplied sorghum

(Mr. Nerfin, World Food Programme)

for the manufacture of couscous, which it was hoped would lead to the industrial production, from local cereals, of a product for which there was a great demand. More frequently - in India, Nepal, Syria or Tunisia - the Programme supplied maize to facilitate the commencement of local production of cattle or poultry feed.

Secondly, the Programme provided products for immediate consumption by industrial workers at their works canteens. Such assistance, which was additional to the workers' normal wages, was at present being given to four public enterprises in Turkey. The primary result was to improve the general health and productivity of the workers, and the savings effected by enterprises so assisted could be used to finance expansion and modernization or the improvement of social facilities.

Thirdly, the Programme's products were sometimes used in partial payment of wages. For various reasons, assistance of that kind was better suited to operations involving large numbers of unskilled temporary workers, such as the construction of a dam in Nepal and the installation of generators and transmission lines in Syria, than to industry proper.

Fourthly, the World Food Programme contributed to industrialization by helping to feed thousands of apprentices, many of whom would be entering industry, in vocational training centres in a number of Latin American countries.

While there was ample room for further World Food Programme assistance to industrial projects, the foregoing description would suffice to highlight two important aspects of food aid. In the first place, it really was development assistance, and not a welfare programme considered as an end in itself. Food aid was an investment; it formed part of capital assistance, and it helped to accelerate development. In the second place, it was tied to other investments; while it often represented a quantitatively modest fraction of the total investment, it could be decisive. That meant that the World Food Programme did not act alone; food aid was geared to other forms of assistance, and the Programme co-operated with other members of the United Nations family and with financing agencies both in the preparation of requests and in project implementation. Closer ties between the World Food Programme and UNIDO were greatly to be desired, and the Executive Director of the Programme would do all he could to achieve that end.

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Mr. MULLER (United Nations Conference on Trade and Development) noted that, since UNCTAD and UNIDO had come into being at approximately the same time, it had been possible to outline their respective spheres of competence in General Assembly resolution 2152 (XXI), article 29, and lay down guidelines for co-operation between them. As was clear from the documents before the Board, that co-operation had developed satisfactorily over the past year. In their common efforts, the two organizations must bear in mind the urgent need to promote the developing countries' manufacturing industries and exports. Because of the fact that a ceiling had been reached recently in the flow of financial aid, because of the existence of customs tariffs on manufactures and semi-manufactures to protect domestic industry, and because of the balance-of-payments difficulties of developed countries, that need had recently become acute. The problem was further complicated by the fact that, although the developed countries wished to increase their exports of capital goods to developing countries, the foreign exchange needed to purchase them would not be available unless the developing countries were, in turn, allowed to increase their exports to the developed countries.

Loan financing had formerly provided a temporary solution to the problems of under-development, but many countries now had to devote a large part of their hard-earned foreign exchange to debt servicing. UNCTAD was therefore trying to help the developing countries to seek higher, stabilized export prices for their primary products and preferential tariffs in the developed countries for their manufactures and semi-manufactures. UNIDO could play a valuable role by promoting the developing countries' industrial capacity and increasing the supply and quality of their goods in the more sophisticated markets of the developed countries. The economies of many developing countries were still primarily agricultural, and in such cases there should be a combination of aid and trade policies in order to achieve industrial growth.

All United Nations bodies concerned with the economic growth of the developing countries, and especially the regional economic commissions, must make a joint effort to stimulate expansionist trade policies in those countries. In the important task of promoting the exports of the developing countries, the United Nations should go beyond co-ordination to create a true community of action. This was the consideration which had led to the recent joining of forces in a United Nations Export Promotion Programme.

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Sir Edward WARNER (United Kingdom) said that, while UNIDO must keep itself fully informed of all the industrial development activities of other United Nations organs and ensure that its own activities were fully understood by them, the Board could not co-ordinate the activities of the specialized agencies; over-all responsibility for such co-ordination was indisputably a matter for the Economic and Social Council. A rational demarcation of functions, based on very close working relations, would have to be established between UNIDO and other United Nations organizations, and co-ordination should be worked out primarily at the secretariat level, with the help of the UNDP Inter-Agency Consultative Board and ACC. His delegation shared the view that co-ordination was a matter for negotiation rather than legislation.

It was to be hoped that the provisions of General Assembly resolution 2152 (XXI) relating to co-operation with the specialized agencies in the field of training in the field of industrial development would lead to satisfactory agreements with the agencies similar to that previously reached between the ILO and the Centre for Industrial Development. So far as relations with the ILO were concerned, UNIDO would not need to establish a vocational training section, and it could leave the social and labour (including training) aspects of small-scale industries to the ILO, while handling the technical aspects of such industries. Working arrangements should also be established with FAO. In that connexion he recalled that at the forty-seventh session of the Council of FAO in October 1966 it had been emphasized that a satisfactory working relationship between the two organizations must in some way be established without diminishing the work and activities of the FAO in its fields of competence in the industrial sector. The problem of co-ordination with the work of FAO could and should be solved pragmatically at the executive level.

Another area where co-ordination would be needed was the establishment of export-oriented industry and the promotion of exports. His delegation believed that UNIDO's concern was with the encouragement of industry, including export-oriented industry in developing countries, while GATT and UNCTAD were concerned with encouragement of trade in the goods produced by such industry. Clearly, the three organizations could not work in isolation, and the United Kingdom Government had therefore welcomed the meeting of United Nations technical

(Sir Edward Warner, United Kingdom)

assistance experts on the exports of manufactures and semi-manufactures from developing countries, held in October 1966 under the joint auspices of UNCTAD and UNIDO. It was to be hoped that representatives of GATT would be invited to attend such meetings in the future.

His delegation welcomed the practical steps already being taken to co-operate with the regional economic commissions and the specialised agencies. The Executive Director had referred in his statement (ID/B/12) to the gradual introduction of joint practical undertakings and broad co-operative efforts, but action should be initiated immediately to eliminate all unnecessary and wasteful duplication of efforts.

Mr. Tell (Jordan) took the Chair.

Mr. SCHMIDT-HORIX (Federal Republic of Germany) said it was clear from resolution 2152 (XXI) that the General Assembly attached great importance to the co-ordination functions of the Industrial Development Board. However, there remained some doubt as to the relation of those functions to the general and complex mandate of the Economic and Social Council which, under the Charter, was responsible for co-ordinating all United Nations activities in the economic and social field. The Council had already established a highly developed framework for the promotion of such co-ordination. Nevertheless, his delegation was inclined to consider the Board's mandate as independent of that of the Council, since UNIDO was an organ of the General Assembly.

It followed that the Board should thoroughly investigate ways and means of promoting co-ordination between UNIDO and the many other United Nations bodies working in the field of industrial development. While each body should continue to work according to its constitutional mandate, there was need for adjustments in order to avoid overlapping and duplication, and it was there that the Board should try to plan the central role.

The task of improving co-ordination could not be left entirely to the UNIDO secretariat, for it was clear from the Assembly's resolution that the Board itself was charged with that function. The Board should therefore be kept fully informed of all industrial activities within the United Nations family and of all co-ordination and co-operation activities at the secretariat level. For the first stage of its deliberations, a document should be prepared setting out the following

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(Mr. Schmidt-Horix, Federal
Republic of Germany)

(1) an exhaustive list of all bodies dealing with the problems of industrialization in developing countries, comprising not only those organizations explicitly mentioned in resolution 2152 (XXI) but also other committees of the Economic and Social Council that were partly affected. GATT should also be included; (2) a short description of each organization's activities in the field of industrialization, with reference to its mandate; (3) an indication of areas of possible overlapping and duplication; (4) an indication of what agreements concerning co-ordination and co-operation had already been reached or were envisaged at the secretariat level between UNIDO and other organizations. Such a document could serve as a useful basis for the Board's further deliberations and enable it to lay down guidelines for the work of the secretariat in that field.

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

Mr. KASSUM (United Nations Educational, Scientific and Cultural Organization) assured the Board that UNESCO desired to strengthen the good working relations which had been developed with the Centre for Industrial Development, and more recently with UNIDO. In his introduction to the UNESCO Programme and Budget for the current biennium, the Director-General had recognized that UNIDO should legitimately take over some of the tasks directly linked with industrialization which UNESCO had previously accepted in the absence of an agency specially qualified to meet the pressing requests of member States. UNESCO could only gain by withdrawing from certain industrial undertakings to concentrate on its proper responsibilities.

The activities relating to industrial development on which UNESCO was concentrating were those aimed at the promotion of technology, applied research, the application of science to development, and the training of technologists. Those activities included over fifty UNDP projects in the field of technical education and research, conferences on trends in engineering education and on the application of science and technology to development in Latin America and Asia, and technical education seminars and courses.

Specific areas of UNESCO's activities that offered particular scope for co-ordination with UNIDO related to human resources, to development and planning and, in particular, to educational planning, training of technical teachers and literacy. The importance of the human element in all development programmes was,

(Mr. Kassam, UNESCO)

of course, fundamental, and the essential role of the educative process in developing human resources was universally recognized. UNESCO therefore attached great importance to the development of literacy programmes which were closely integrated with industrial development. Several such projects had already been approved by UNDP, in Algeria, Iran, Mali, Guinea and Ecuador.

Other agencies, particularly FAO and the ILO, had indicated their readiness to integrate literacy programmes with some of the development programmes they were undertaking. His organization therefore believed that it would be appropriate to envisage co-operation with UNIDO in the field of literacy; indeed, UNIDO could conceivably be associated with the projects already approved, in order to strengthen their industrial component. At the same time, UNIDO might envisage a functional literacy component, in co-operation with UNESCO, in its industrial development projects.

In the field of educational planning, UNESCO could be of assistance to UNIDO in providing information about educational needs and educational systems in relation to manpower needs for UNIDO projects. UNESCO would welcome the participation of UNIDO experts in the International Educational Planning Conference to be held in 1968. His organization therefore looked forward to further discussions in the near future with the Executive Director of UNIDO regarding arrangements for co-ordination and co-operation.

Mr. AHMED (Pakistan) noted that an entire section of General Assembly resolution 2152 (XXI) was devoted to co-ordination and co-operation with United Nations bodies and other organizations. In paragraph 27 of part II of that resolution, UNIDO was given a very clear mandate to play the central role in the co-ordination of all activities in the United Nations system in the field of industrial development, and the Pakistan delegation strongly disagreed with the United Kingdom representative's view that its role should be limited to keeping itself fully informed of all the industrial development activities of other United Nations organs and ensuring that its own activities were fully understood by them. The Board must lay down the guidelines for co-ordination between UNIDO and other United Nations bodies, which under the provisions of General Assembly resolution 2152 (XXI) were to be carried out at both the inter-governmental and the secretariat levels.

(Mr. Ahmed, Pakistan)

While it was true that the Economic and Social Council had a responsibility for the over-all co-ordination of United Nations activities in the economic and social spheres, the Board had been given a specific co-ordinating function in the field of industrial development, and his delegation could not agree that such co-ordination was a matter for negotiation rather than legislation. In order to fulfil its mandate, the Board might wish to set up a subsidiary committee, similar to the Economic and Social Council's Committee for Programme and Co-ordination, to examine the areas where there might be overlapping and duplication and to make recommendations to the Board.

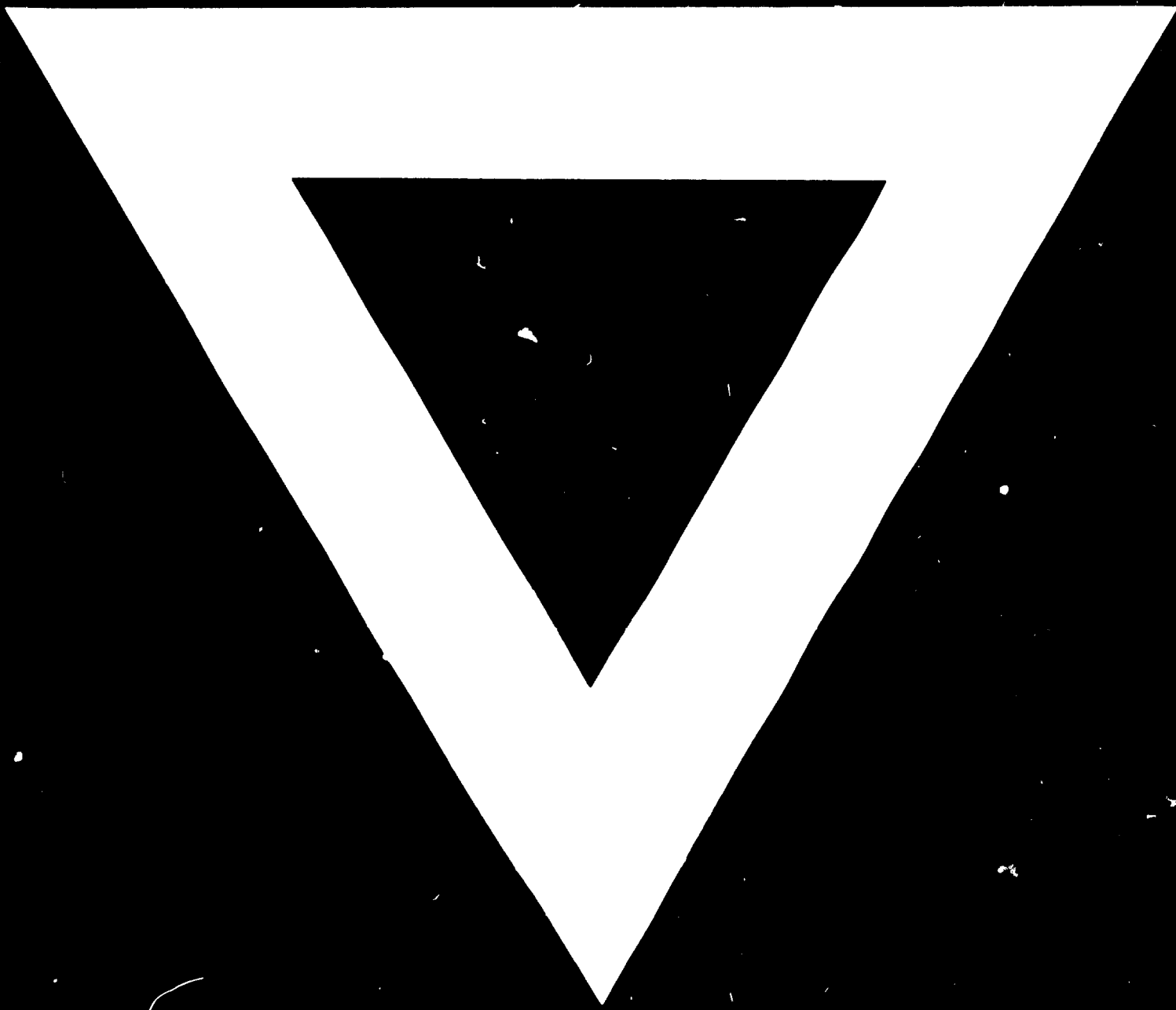
While the practice of submitting a consolidated report of the industrial development activities of the United Nations system of organizations would continue to be useful for reviewing past activities, the Board would need a document indicating the future programmes of United Nations organizations in the industrial development field, in order to establish guidelines for forward co-ordination. Such guidelines must, of course, be flexible enough to allow for subsequent adjustments as the new organization gained experience.

ORGANIZATION OF WORK

Mr. SCHEJBAL (Czechoslovakia) said that, while his delegation respected the Board's decision to refer items 5 and 6 to the Sessional Committee, it regretted not having been present when the matter had been discussed, since it felt that a decision to extend the Sessional Committee's terms of reference to cover items 5 and 6 should not have been taken until the debate on those items in the Board had been concluded. It was regrettable that the President of the Board had not adhered to the usual tradition of undertaking prior consultations with the heads of delegations.

The PRESIDENT said he could not agree that the decision to refer items 5 and 6 to the Sessional Committee should have been taken only after the conclusion of the debate in the plenary. The whole purpose of referring items to a sessional committee was to avoid discussion in the parent body. He had not consulted the heads of delegations on the matter because he had already circulated, in Conference Room Paper 3, the suggestion that the Board might refer items 5 and 6 to the Sessional Committee while continuing to hear general statements in the plenary meeting. He was not responsible for the fact that the Czechoslovak delegation had not been present during the discussion.

The meeting rose at 5.35 p.m.



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