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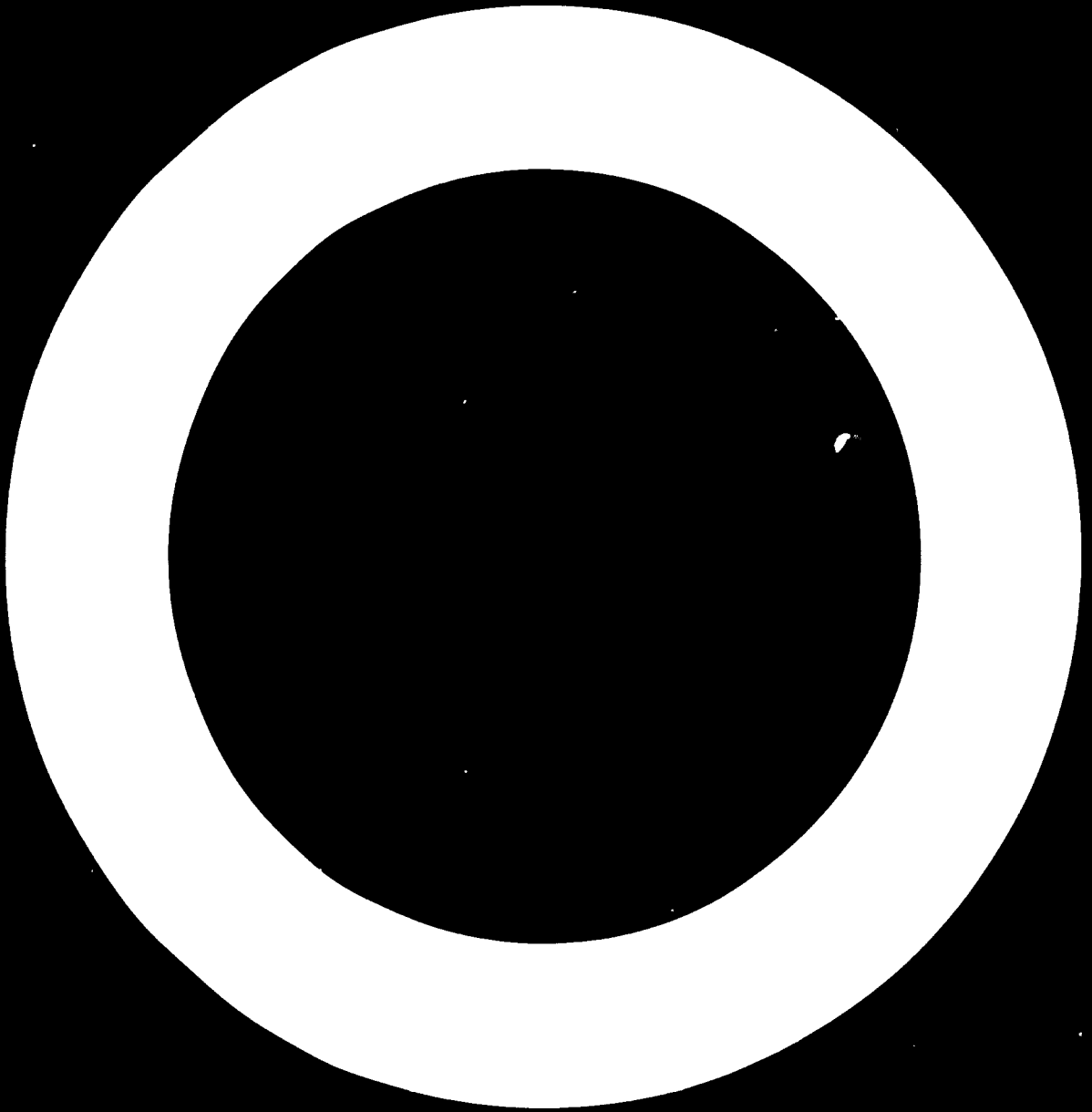
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TECHNICAL ASSISTANCE PROVIDED TO 8 ASIAN COUNTRIES
BY UNIDO ^{1/}

prepared by
the Secretariat of UNIDO

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AFGHANISTAN: Technical Assistance provided by UNIDO

General

So far UNIDO's technical assistance has been mainly supplied in the fields of a) industrial planning, b) development of light industries and feasibility study on new industries and c) metric system.

Now we have one large-scale project, Industrial Services - DP/AFG/72/003 (\$653,950) and five feasibility study projects in the fields of brick manufacturing, pesticides, pyrethrum, petrochemical, industrial information and one Industrial Planning Mission under SIS (total \$72,000). Also we have five pipeline projects under SIS, namely Feasibility Studies of Glass Factory, Sugar Industry, Generic Drug Manufacturing Plant, Plastics Fabrication Industry and Industrial Training (according to Management Plan No. II).

The Government is preparing the country's seven-year development plan (21 March 1976 - 20 March 1983), and intends to raise the industrial growth rate for the financial year 1976 - 77 to 10% (in 1974 the industrial growth was about 5%).

In connexion with these targets, our on-going and pipeline projects are very useful for Afghan industry. Especially, Industrial Planning Mission - AFG/75/032 helps the Government directly in preparing the industrial and mining sector of the seven-year development plan.

Furthermore, UNIDO's assistance should be extended to the fields of strengthening the Department of Industries, Ministry of Mines and Industries, setting up a Planning and Statistical Section, improvement of the administrative and financial systems of the public industrial enterprises, textile industry and woollen industry.

List of UNIDO Projects

1967	TA	Metric System 1/72 mm expert (1965-70)	no follow-up
1969	RP	Industrial Planning 1/12 mm expert	no follow-up
1970	SIS	Exploratory Mission to Study the Development of Hajigack Iron Ore Deposits 1/10 days staff member	no follow-up
1971	SIS	Exploratory Mission on Maintenance Problems 1/1 mm expert	no follow-up
	SIS	Advisory Mission on Industrial Planning Consulting Firm	lead to 1) DP/AFG/72/003 - Industrial Services 2) DP/AFG/72/011 - Materials Management
	SIS	Production Adaptation and Development for Export-Oriented Industries 1/0.5 mm staff member	no follow-up
	SIS	Leather Industry Development 1/24 mm expert and fellowship	no follow-up
1972	SIS	Assistance in the Development of Food Industry 1/12 mm expert and fellowship	no follow-up
	TS	Exploratory Mission on the Establishment of an Industrial Free Zone 1/10 days staff member	no follow-up
1973/74/75		<u>Summary of Country Programming</u> IPF - \$ 20,000,000 under IPF UNIDO has DP/AFG/72/003 - Industrial Services (\$654,000 duration 2 years and 8 months 5/165 experts 8/84 fellowships equipment \$24,100) to assist the Government in industrial planning, project preparation and evaluation, consultancy and training. This project has been operational since April 1974.	

DP/AFG/72/011 - Materials Management: in 1973 we fielded the expert who was recommended by the Government but suddenly he had to leave his duty station according to the Government's strong request. The project was closed.

UNDP/UNIDO Activity in Bangladesh

A. GENERAL

International aid to Bangladesh started after the war in 1971. The phase of relief and rehabilitation - in which the UN through UNROD and subsequently UNROB played an important role - is now completed. Thanks to the response of the international community, over \$ 1.2 billion of relief aid in the form of food grain, air, road and river transport, education, health and housing supplies, telecommunication, energy, agricultural inputs, industrial equipment, cash grants and miscellaneous were committed to Bangladesh during 1972. Much of this assistance was channelled through the United Nations Relief Operation which was able to officially declare its relief operations at an end on 31 December 1973, having successfully fulfilled the task entrusted it by the Secretary General.

B. UNDP/UNIDO ACTIVITIES

An independent UNDP office in Dacca was not re-established until 1 April 1973. A consequence of the events of 1971 and the ensuing relief and rehabilitation activities was that there existed practically no ongoing UNDP activities from the pre-independence programme. This placed Bangladesh in a unique position with a largely uncommitted IPF (totally \$ 18.5 million). However, with the close co-operation and assistance of the UNDP office, Dacca, the Planning Commission has been able to prepare, in a relatively short period, a draft Country Programme, which was approved only in June 1974 by the Governing Council. Although the IPF covers a five year period, effectively the funds available had to be spent over the three years 1974 - 76.

UNIDO share in the approved Country Programme amounts to \$ 2,365,000 (or 13.5 % of the whole Country Programme) which cover 10 projects. However, the implementation, shown below, was not satisfactory.

Status of implementation	Projects approved	actual delivery
up to the first half of 1975	\$ 435,000	\$ 77,300

The reason for this meagre implementation was not only the extraordinary socio-economic as well as geopolitical conditions of the country but also the Governmental difficulties in overcoming the most urgent problems and consequently slow institutional machinery which could not allow a speedier approval and implementation of UNIDO projects.

In view of the general slow implementation the Resident Representative in Dacca, revised the Country Programme in March 1975 to modify and up-date the existing projects in accordance with the new UNDP approach towards Bangladesh as a least developed country and in an attempt to identify new projects which would lay the ground work for the next IPF cycle for the period 1977-1981. The revised Country Programme, covering an IPF of around \$ 60 million, includes the following operational and pipeline projects allocated to UNIDO, totalling \$ 11.3 million.

1. UNIDO operational projects:

- DP/BGD/73/043 : Jute Industry Development
(Prep. Assistance) - \$ 65,900
- DP/BGD/73/049 : Textile Industry Development
(Prep. Assist.) - \$ 46,600
- DP/EGD/73/056 : Assistance to Small-Scale Industries
(Prep. Assist.) - \$ 56,700
- DP/BGD/73/025 : Pilot Plastics Processing and Demonstration Centre
- \$ 200,300
- DP/BGD/73/067 : Assistance to Petrobangla
- \$ 142,200
- DP/BGD/73/058 : Metalworking and Engineering Industry Development
(Prep. Assist.) - \$ 60,200
- IS/BGD/74/001 : Assistance to Synthetic Resin Plant, Chittagong
- \$ 30,600

2. Pipeline Projects:

- DP/BGD/73/049 : Textile Industry Development
\$ 820,000 (Approved in principle).
- DP/BGD/73/043 : Jute Industry Development
\$ 600,000. The Project Manager in the field
(Mr. Ascar) is preparing the PD for this project.
- DP/BGD/75/015 : Jute Technological Research Centre
\$ 700,000. PD being under consideration in NY.
- DP/BGD/73/058 : Metalworking and Engineering Industry Development.
\$ 500,000. Under approved preparatory assistance
the PD should be prepared.

- DP/EGD/73/056 : Assistance to Small-Scale Industry Development
\$ 1,700,000. The technical adviser, Mr. Major, just completed one year mission, has prepared draft PD, which is being considered by the Government.
- DP/BGD/73/040 : Bangladesh Standard Institute
\$ 180,000. UNIDO consultant SzaŹz prepared PD in March 1975, which is being considered by the Government.
- DP/EGD/73/037 : Leather Industry Development
\$ 419,000. UNIDO proposed on 1 August a preparatory mission which is being forwarded to the Government by the Resident Representative.
- DP/BGD/75/009 : Assistance to Food and Allied Industries Corporation.
\$ 800,000. PD for Preparatory Assistance (\$ 23,300), being approved by NY.
- DP/EGD/73/047 : Assistance to Bangladesh Shilpa Bank
\$ 340,000. Government to prepare draft PD.
- DP/BGD/73/052 : National Consultancy Institute
\$ 450,000. The Resident Representative is preparing Prep. Assist. document for 2 m/m.
- DP/BGD/75/001 : Technological Research Centre
\$ 600,000. No priority for the time being.
- DP/BGD/75/002 : Study on linkages in Engineering Industries
\$ 100,000. UNIDO revised PD. Sent on 22.9.75. Being considered by Government.
- DP/BGD/75/003 : Assistance to some Selected Engineering Industries.
\$ 500,000. PD prepared by UNIDO. Sent on 22.9.75. Being considered by Government.
- DP/BGD/75/003 : Shipbuilding Industry Development
\$ 200,000. No priority for the time being.
- DP/BGD/75/008 : Assistance to Steel-mill Corporation
\$ 500,000. PD prepared by Mr. Nijhawan in July 1975. Being considered by Government.
- DP/EGD/73/005 : Cement Plant Feasibility Study
\$ 445,000. PD being reviewed by UNDP.
- DP/BGD/75/014 : Light weight Concrete Aggregates Pilot Plant
\$ 57,800. PD being approved by Government and NY.

- DP/BGD/75/005 : Chemicals and Fertilizers Industries Development
\$ 500,000. We submitted draft PD for prep. assist.
on 18.8.1975.
- DP/BGD/75/006 : Pharmaceuticals and Chemicals Feasibility study
\$ 50,000. Resident Representative to draft PD.
- DP/BGD/75/007 : Chemical Technology Institute
\$ 500,000. Government not yet decided. Resident
Representative to draw up a prep. assist. document.
- DP/BGD/75/011 : Assistance to the Bangladesh Paper Board Corporation.
\$ 400,000. Resident Representative to draft prep.
assist. document.
- DP/BGD/75/012 : Furniture Industry Development
\$ 250,000. Resident Representative to draw up prep.
assist. document.

3. Completed Projects:

Project Title	Date Completed	Follow-up Action
Assistance to Small Industries Co-operation (Executing Agency UNRROD)		Final report subm. 22/2/1973.
Pilot Plastics Processing and Demonstration Centre (prep.mission) DP/BGD/72/025	17.8.73 31.8.73	Final report and draft prodoc subm. 18.10.73
Promotion of Investment in Specific Industrial Projects DP/BGD/73/044	14.11.73 21.11.73	Completed in Kuala Lumpur group training
Assistance to Small-scale Industr. BGD/73/056	3. 2.74 9. 2.74	Report subm. 13.3.74
Cement Plant Feasibility Study (Prep. Ass.) DP/BGD/73/005	6 - 29.3.74	Final report subm. 18.4.74
Textile Industry Development (Prep. Ass.) DP/BGD/73/049	16. 1.74 26. 2.74	comments on draft prodoc and report sent to RR on 3.4.74

Project Title	Date Completed	Follow-up Action
Jute Industry Development (Prep. Ass.) DP/BGD/73/043	9. 2.74 8. 4.74	Comments on draft Prodoc sent to RR on 19.4.74
Assistance to Bangladesh Standard Institute (Prep.Assis.) TS/BGD/74/001	2. 2.75 7. 3.75	Comments on Report and draft Prodoc sent to RR on 21.4.75
Management in Nationalized Industries DP/BGD/73/046	5. 3.75 15. 4.75	Final Report submitted 13. 6.75

4. Present and Future Trend:

Bangladesh, as a least developed country is concentrated on establishing small-scale and medium size industries in the fields of jute and textile industries, food production and standardization, leather industry, petrochemical as well as shipbuilding and engineering industries. Since the main source for earning the foreign exchange is considered to be the jute products and jute fibres, the country is mainly concentrated on the development of jute as well as textile industries. UNIDO's two large scale projects (\$ 1.5 million) are also directed to these main sectors. The purpose of these two projects is to assist the Government in reaching self-sufficiency in textile production by 1978 and to restore the jute production capacity to the pre-war level, since the production levels have never recovered completely from the events of 1971 despite the net increase in the number of looms. In order to improve the production and marketing of jute products and fibres, the country has established a jute ministry. They have also started the revitalization of the "Jute Technological Research Institute", for which UNIDO assistance has also been requested.

Metallurgical and engineering as well as Housing and Construction sectors have not been satisfactorily developed since the general economic backwardness of the country, lack of foreign exchange and the locally trained personnel as well as the high investment costs have created for the time being serious problems. The second IPF cycle has, however, put emphasize on metallurgical and Shipbuilding industries.

BHUTAN

The UNIDO role in Bhutan is rather recent. It started with an Inter-agency Project Development Mission which visited Bhutan in March 1973 and resulted in the establishment of the project "Technical Assistance to the Automobile Repair Workshop Department, DP/BHU/72/005". The project, with UNDP inputs amounting to \$ 320,000, has been operational since January 1974, when the Workshop Co-ordinator began his assignment. The fellowship holders are being placed and most of the equipment has been delivered.

During the mid-term review mission of the above project, undertaken by Mr. Gonzalez-Hernandez in May 1975, it was agreed that the project be increased to a total amount of \$ 411,100, including two new experts, and that the project should be completed by 31 December 1975. Furthermore, the mission recommended the following projects entitled "Accelerated Programme for the Establishment and Development of Government Workshops, DP/BHU/75/003", which was approved by UNDP on 29 July 1975 and will become operational on 1 January 1976, and "Establishment of a Central Store of Spares at Phuntsholing, DP/BHU/75/002", which is under UNDP consideration.

Under the 1974 Regular Programme, two fellowships of three months each were allocated to Bhutan in the field of cement production. The placement of one fellow is being arranged and we are awaiting the nomination of the second.

BURMA: Technical Assistance provided by UNIDO

General

By the end of 1973 UNIDO's technical assistance was mainly concentrated on petrochemical and related industries due to the Government's policy. However, on the basis of new 20-year Long-Term Economic Development Plan and its first 4-year Plan started in April 1974, Burma has requested for UNIDO's technical assistance in several industrial fields.

Now UNIDO has 6 approved projects (\$2,146,000) and 6 pipeline projects (\$3,167,400) under IPF. Out of these 12 projects (\$5,313,400) 4 projects (\$2,401,000, about 46% vis \$5,313,400) are for Central Research Organization, namely 1) Establishment of Applied Polymer Research Laboratory 2) Research and Development Work on Essential Oils 3) Establishment of a Pilot Plant for Pulping Research on Tropical Raw Materials and 4) Development, Adaptation and Transfer of Technologies to Industries. 3 projects (\$277,900 all approved) are for Petrochemical and Natural Gas Corporation. A large-scale project Strengthening of Production Oriented Education and Technical Support Services for Rangcon Institute of Technology aims to provide industrial-oriented production-related knowledge to fresh graduates through pilot facilities. In addition we expect to provide our assistance to Rubber Goods Manufacturing Industry, Establishment of the Iron and Steel Industry, Pilot Plant for Pyrethrum Extract and Pesticides Formulation and Pilot Plant for Kraft Paper.

In addition to these IPF projects, we have 9 approved SIS projects (\$117,500). 5 of them are the preparatory missions for IPF projects, and the others are trouble shooting projects for petrochemical, pulp and insulin industry.

Till the end of 2nd Country Programme we should concentrate on implementation of the above-mentioned projects, which requires the Government's speedy action.

List of UNIDO Projects

1967-70		No UNIDO activities	
1971	SIS	Exploratory Mission on Polymer Research Laboratory 1/2 weeks staff member	lead to DP/BUR/72/007 - Establishment of Applied Polymer Research Laboratory
	SIS	Preparatory Mission on Establishment of Applied Polymer Research Laboratory 2/6 weeks expert 1/20 days staff member	ditto
	SIS	Assistance in Naphthenic Acid Recovery from Petroleum 1/1.5 mm expert	lead to 1) DP/BUR/73/015 - In-Plant Training of Refinery Personnel 2) DP/BUR/73/016 - Expansion of Research Facilities and Training of Refinery Personnel
	TA	Pulp and Paper Technology 1/1 mm fellowship	no follow-up
1972	SIS	Assistance in Phenol Recovery from Petroleum and Utilization of Recovered Phenols 1/2 mm expert	lead to 2nd phase
	DP	Universal Laboratory Pilot Plant 1/6 mm expert and equipment	no follow-up

1973/74/75 Summary of Country Programming

1st 1PF = \$ 15,000,000

2nd 1PF = \$ 39,500,000

A. Approved Projects

1. DP/BUR/70/012 Universal Process Trainer(\$ 34,200, equipment, consultant) in 1972 main equipment was delivered and in 1973 a consultant installed it and trained counterparts. In 1975 additional equipment was delivered.
2. DP/BUR/72/007 Establishment of Applied Polymer Research Laboratory in Central Research Organization. (\$957,000 duration 5 years 8/135 expert 15/130 fellowship equipment \$ 352,700) project started in May 1974.
3. DP/BUR/73/015 In-Plant Training of Refinery Personnel (\$68,300 duration 1 year 1/12 expert equipment \$ 30,300) in 1975 a part of equipment was delivered, in January 1976 expert is expected to report to the field.
4. DP/BUR/73/016 Expansion of Research Facilities and Training of Refinery Personnel (\$168,900 duration 2 years 1/24 expert 4/48 fellowships equipment \$43,000) project will start in 1976.
5. DP/BUR/74/031 Assistance to Rubber Goods Manufacturing Industry (\$81,000 duration 3 years 1/6 expert 5/60 fellowships) project will start in 1976.

6. DP/BUR/74/022 Strengthening of Production-Oriented and Technical Support Services at Rangoon Institute of Technology (\$878,000 duration 3 years and 6 months 5/72 expert 12/111 fellowships equipment \$578,500) in October 1975 Administrator, UNDP, approved the project. Project will start in 1976.
- B. Not yet approved projects for which UNIDO will be Executing Agency
1. DP/BUR/74/028 Research and Development Work on Essential Oils (exploratory mission should finalize project document: mission will be undertaken in 1st quarter 1976).
 2. DP/BUR/74/029 Pilot Plant for Pulping Research on Tropical Raw Materials (joint UNIDO/FAO fact-finding mission should finalize project document in 1st quarter 1976).
 3. DP/BUR/74/030 Development of Technologies based on Indigenous Natural Resources (preparatory mission will start by end 1975).
 4. DP/BUR/74/024 Technical Consultancy Project Study for Establishment of Iron and Steel Industry (UNIDO may become Associated Agency).
 5. DP/BUR/74/032 Pilot Plant for Pyrethrum Extraction and Pesticides Formulation (preparatory mission will start in 1st quarter 1976).
 6. DP/BUR/74/033 Pilot Plant for Kraft Paper (joint UNIDO/FAO fact-finding mission should finalize project document together with DP/BUR/74/029).

UNIDO Activities since 1967

FIJI

1. General

Fiji, with a population of approximately 560,000^{a/} and the total area of 18,272 square kilometers (844 islands - 166 inhabited), is by far the largest island state in the Southern Pacific region. It also has the most diversified and flourishing economy, which combines with its central geographical location, to give it a regional "pace-maker" role of increasing economic and political significance. This role has been reinforced especially after the attainment of independence on 10 October 1970, and Fiji's subsequent admission to the United Nations.

Though the economy of Fiji has managed in recent years to maintain an over-all surplus in the balance of payments, this has largely been achieved by a continuing inflow of private foreign capital, in particular by the strong growth in receipts from tourism. This strong growth in the tourist industry and continuing flow of private foreign capital has permitted Fiji to offset increased imports and to undertake a large investment programme. However, this growing dependence on imports at a time of world-wide inflation has combined to produce a rapid rate of domestic inflation.

The most characteristic feature of a rapid economic growth that Fiji has experienced within recent years, is the emergence of a service economy, facilitated mainly by the large and growing proportion of the steadily by an extremely rapid growth in the tourist industry. Growth in the sectors of transport, finance and construction is also largely accounted for through the rapid expansion of tourism and urbanization. Such economic growth was concentrated heavily in the urban areas and as such has attracted considerable migrants from the rural and agricultural areas. Therefore, the Government, in an effort to counteract a potentially dangerous situation, has identified rural development as a top priority project. The Government's Development Plans provide their national objectives as follows: (1) improvement of the present unequal distribution of income and wealth within the country, (2) the creation of job opportunity to absorb the nation's rapidly rising labour force and (3) maintain the target rate of growth of gross domestic product of 6.7 per cent per annum average over the respective plan periods.

2. Country Programme

The original Country Programme (1972-1975) was approved in January 1972 session of the Governing Council and the revised one (1973-1975) in June 1973. The Second Programme (1976-1980) is to be submitted to January 1976 session.

The first (1972-1976) and second (1977-1981) cycle IPFS for Fiji are each amounting to US \$5million. Since the second Country Programme covers the period 1976 through 1980 and thus straddles the two cycles, the amount which may be programmed is equal to the sum of the unexpended balance from the first cycle IPF plus 80 per cent of the second cycle IPF.

The share of industry in the original Country Programme was only 15.4% (\$763,800). However in the revised Country Programme, the total value of projects to which UNIDO is already designated as the Executing Agency reaches \$1,604,300 viz, 32% of IPP.

3. UNIDO Activities

It can be said that Fiji has embarked on independence on a much firmer economic base than most other new countries. Receipts from the tourist industry, coupled with long-term capital flows, have more than offset the trade deficit. Balance of payments problems have been avoided and equilibrium should not be difficult to maintain, provided appropriate government policies, particularly with regard to foreign investment, are pursued.

However, as far as sectoral share of the economy is concerned agriculture still continues as the most important sector of the economy, employing more than 50% of the labour force.

While the industrial sector is not seen as the key component in the Government development strategy, with growing importance to the Fiji economy, it is still expected to contribute significantly towards the Plan objectives as mentioned in the above para 1. It is the central aim of the Government to ensure a favourable investment climate for both domestic and overseas investors against the broader background of national priorities. Therefore, the Government is going to operate more largely indirectly in this sector since investment is overwhelmingly private. It also has already been creating the appropriate infrastructure and trying to influence the investment climate indirectly via concessions and other forms of assistance to industry.

Under such condition, an effective UNIDO Technical Assistance has been rendered since 1974 through the project "Rural and Urban Industrial Support Services". This project is very comprehensive in the respect that it (1) contains many of the different suggestions and ideas having been discussed between the Fiji authorities and UNIDO on the past different occasions, and (2) covers Small-scale Industry Promotion project, developed agro-based industries projects, building components of wood/furniture project and the discussions on a possible Free Trade Zone project etc.

Consequently UNIDO activities for this country, making the above project a nucleus, and under co-operation and co-ordination with ESCAP, other specialized agencies namely the South Pacific Commission and the South Pacific Bureau of Economic Co-operation as necessary and appropriate, would become the most substantial ones since UNIDO's commencement of the first Technical Assistance to Fiji in 1968.

Besides the above-mentioned project, we have to raise the two other successful projects in Fiji — that is, Industrial Economist and Shipyard Manager both operated under OPAS. The former is successful to prepare joint venture projects and a set of feasibility studies on various industries for the Government for the use in discussion with potential investors. Meanwhile the latter, being responsible for a shipyard with 250 workers and a turnover per year of about F\$ 600,000 continues successfully to build various types of vessels as requested, and make it possible for the Shipyard to supply shipowners and yards in the region with basic design and information concerned for all the different types of vessels required specifically in this region.

Furthermore, a large scale project - Centre for Leather Training, Development and Promotion (\$413,900) is under process of project revision

in accordance with the proposal made by UNIDO early 1975. The Government has requested UNIDO to conduct a Feasibility Study (\$7,500 - 2 months - IS) on the Establishment of Commercial Tannery to decide whether it would be possible to operate a tannery which will be one of the main objectives of the large scale project, on a commercial basis from the beginning. This study is under implementation and scheduled to be completed in early December.

..... The attached are lists of UNIDO Technical Assistance Projects implemented/being implemented in Fiji since 1967. Some of the projects will still be implemented.

UNIC Technical Assistance Activities in Fiji
since 1967

<u>Project Number/Title</u>	<u>Duration/Start</u>	<u>Cost</u>
SIS 70/870 Exploratory Mission on Sugar cane based industry	20.06.70 - 02.07.70	US\$ 3,000
SIS 69/533 Fruit/Vegetable Processing/ Marketing	26.07.70 - 28.11.70	8,000
TA 68/3 Industrial Programming	14.10.68 - 31.12.70	23,000
SIS 69/532 Tanning/Footwear Manufacturing	17.03.70 - 16.04.71	24,000
SIS 70/887 Heavy Clay Products Industry	02.03.71 - 01.08.71	10,000
SIS 69/531 Metal Working	14.03.70 - 13.08.71	24,000
SIS 69/542 TA 70/3 DP 70/003 Shipbuilding, Repair and Maintenance	19.10.69 - 18.05.72	49,400
TS 70/001 Exploratory Mission of Assessment of Solar Salt Industry Sectors	09.07.72 - 16.07.72	4,300
SF FIJ-6 DP 71/506 Centre for Leather Training, Develop- ment and Promotion	17.04.71 - (Under project revision)	413,000
DP 71/007 Shipyard Manager (OPAS)	19.05.72 - 18.05.76	124,200
DP 68/003 Industrial Development Economist (OPAS)	18.09.72 - 17.09.75	118,700
DP 73/008 Rural/Urban Industries Support Services	22.06.74 - (about 4 years)	838,500

UNICEF Technical Assistance Activities in China
since 1967 (continued)

IS 75/010	Feasibility Study on the Establishment of a Tannery	02.10.75 - 01.12.75	7,500
DF 75/002	Light Industry - Food Processing	9 months in 76	5,700
TS 75/001	Preparatory Mission for Discussion of Cement Project	21.08.75 - 15.09.75	2,500
DF 75/009	Claybrick Industry Development	12 months in 76	48,000
DF 75/008	Industrial Promotion	3 years To be started 76	216,000
IS 75/005	Incentive Measures for Industrial Development	2 months in 76	7,500

TECHNICAL ASSISTANCE PROVIDED BY UNIDO
TO NEPAL

1. GENERAL

Within the first Country Programme, total value of which is \$ 15 million, \$ 1,150,000 was allocated for industry and commerce.

UNIDO's programme of technical assistance to the country during the period of the first C.P. practically was based on the findings and recommendations of the UNIDO/ILO/UNDP Industrial Advisory Mission which visited Nepal in 1970/71.

Now, Nepal is on the threshold of the second C.P. which will be presented to the January 1976 Session of the Governing Council.

The second C.P. covers the period 1976 - 1980, corresponding to the period of the Government of Nepal's Fifth Five-Year Plan. (UNIDO's activity for this period is shown mainly below in pipeline section). The total value of the second C.P. is \$ 31,0 million of which 19% are allocated for Industry, Commerce, Power and Mining.

2. On-going projects:

(a) IPF projects:

- DP/NEP/74/007 : Assistance to the Vegetable Oil and Vegetable Ghee Industry.

The main objective of the project is establishment of a Vegetable Oil factory.

- DP/NEP/72/001 : Preparatory Assistance to establish Industrial Services Centre of Nepal.
- DP/NEP/75/001 : Pharmaceutical Training

(b) AIS projects:

- IS/NEP/75/003 : Pharmaceutical Industry Adviser (6 m/m)
- IS/NEP/75/005 : Development of a Foundry Industry (6 m/m)
- TS/NEP/75/001 : Exploratory Mission on Industrial Administration (2w.)

(c) Fellowships:

- VC/NEP/73/040 : Agricultural Tools Training (will be in India)
- RP/NEP/74/001 : Maintenance and Repair (6 m/m)
- RP/NEP/74/002 : Food Processing (6 m/m)

3. Pipeline Projects:

- Industrial Services Centre (\$ 934,000)
- Institute of Standardization (Phase I under SIS - \$ 9,000; Phase II under IPF - \$ 100,000)
- Development of a Foundry Industry (Phase I under SIS - see above; Phase II under IPF - \$ 90,000)
- Paper Manufacture. ISC has been requested to carry out a survey on the establishment of a plant (10-50 t/day)
- Alcohol Distillery
- Pyrethrum Development for Pesticides (\$83,000)
- Assistance to Birganj Agricultural Tools Factory.
Government has shown keen interest in this project. Availability of fund will be considered during future annual review
- Strengthening and Expansion of Agricultural Machinery Design, Development, Adaptation and Testing Activities (UNDP input \$ 190,000)
- Fertilizer Bulk Handling (UNDP input \$ 500,000 in reserve list).

4. Completed projects:

- DP/NEP/70/006 - Industrial Planning and Advisory Mission - lead to several projects included in first C.P.
- DP/NEP/70/006 - Assistance to Textile Industry - lead to creation (under bilateral agreement) of a Textile Plant
- IS/NEP/70/801 - Assistance in development of vegetable oil industries - follow-up.- Present project under DP (see above)
- IS/NEP/71/806 - Design, production and Marketing of Agricultural Machinery and Implements - lead to 3 projects (ongoing and in pipeline) see above.
- TS/NEP/72/001 - Alcohol Distillery Expert - lead to a new project in this field (see above)
- During 1972/73 6 Fellowship projects under RP programme have been implemented.

PAPUA NEW GUINEA

Since the country achieved its independence only in October 1975, no definite Government Policies and/or a final five-year plan could be formulated which might have served as guidelines for preparation of the Country Programme. However, the Country Programme (1975-1977) was approved in June 1973 covering an IPE of \$5,000,000 for this period. Industrial activities are included in the sector of Business/Industry Programme (736.700 or 14.6%). UNIDO activity in the country, however, includes the following projects:

<u>Operational Projects</u>	<u>Amount</u>	<u>Status</u>
(a) DP/PNG/74/049 Small-scale Industry Development Preparatory Assistance	\$ 188,000	under recruitment
(b) DP/PNG/74/049 Priority Sectors for Foreign Investment	67,300	under recruitment

Pipeline Projects

(a) IS/PNG/75/010 Assistance to the Establishment of a National Cement Industry	The second phase of Mr. Mortensen's mission has to be approved by the Government.
(b) DP/PNG/74/039 Small-scale Industry Development	Draft PD to be revised under Prep. Assistance

Completed Projects

<u>Completed Projects</u>	<u>Date Commenced/Date Completed</u>
(a) RP/PAP/73/003 Silk Culture (Fellowship)	18.03.74 - 15.06.74
(b) DP/PAP/73/020 Small Industry Development Survey	01.05.74 - 11.08.74
(c) DP/PNG/74/035 High Altitude Crop Study	12.05.75 - 15.06.75
(d) IS/PNG/75/010 Assistance to the Esta. of a National Cement Industry	3.05.75 - 02.07.75

Trend and Achievement of UNIDO Activities in 1975

As definite Government policies are not yet formulated, it cannot be said whether the priorities set out in the Country Programme will be in line with those of the Government after the independence. However, the Government of Papua New Guinea has set out an "Eight Point Improvement Programme" which gives the basic principles of its development strategy. The policy directives include emphasis on small artisan activity, decentralisation of economic activity with emphasis on village industry, a more self-reliant economy with a programme of economic activities by

Paper, new lines and more equal distribution of economic benefits among the people and different areas of the country.

It seems therefore that a great emphasis has been and will be placed on the development of small-scale industries, with particular stress on rural development which caters to the afore-mentioned socio-economic and political objectives.

UNIDO's largest project, therefore, is concentrated in this field. The on-going project (\$188,000) is meant to assess the detailed requirements and draft accordingly the project document for the extended project which may include (\$875,000) UNDP input. The candidatures for three experts (12 m/m each) have already been submitted and the approval of the Government is awaited.

The next field of UNIDO activity which also leads to the fulfillment of the above-mentioned programme is "Priority Sectors for Foreign Investment". The project (approved in July 1975) includes two experts (18 m/m) and one fellowship (6 m/m) to study and find out those areas which are best suitable for foreign investment and could encourage the foreign capital inflow. The candidature of the envisaged expert (industrial economist) has been submitted for Government's evaluation.

UNIDO has also implemented at the beginning 1975, under SIS funds, two man month project under which assistance has been rendered to the Establishment of National Cement Industry. The Government intends to request for the extension of this project for two more months. The official request is awaited.

TECHNICAL ASSISTANCE PROVIDED BY UNIDO
TO SRI LANKA (CEYLON)

1. General:

According to the Government's request \$ 500,000 were allocated within the First Country Programme (\$15,000,000) for the development of the industrial sector. Following the approval of the assistance in the various industrial fields this original allocation has been exceeded and presently stands at \$ 624,000.

The second UNDP/Government periodic review of the present Country Programme (which covered the period 1972 to 1976 inclusive) considered the measures to be undertaken to ensure smooth transition from the present CP to the second one, starting in 1977. Since the IPF for the period 1977-81 is more than double the present figure - \$ 31,000,000 against \$ 15,000,000 it was recognised that this transition would be much eased by a substantial measure of apparent over-programming at the present stage.

The current status of industrial projects and potential projects to be financed under IPF are as follows:

<u>Category</u>	<u>No. of projects</u>	<u>UNDP input (\$ '000)</u>
A. Completed projects	8	62,200
B. Projects approved or requested	22	893,982
C. Projects under active consideration	7	1,407,600
	<hr/> 37	<hr/> 2,363,782

The present Sri Lanka Five-Year Plan has proposed an approximate doubling of the net output of industrial sector by 1976. It involves all areas with particular emphasis on handloom textiles, wood products, rubber products, mining and so on. The UNIDO programme of technical assistance to the country is in accordance with the Government's targets, which can be seen from the following list of our projects in the country:

2. On-going projects

(a) IPF projects:

- DP/SRL/69/012: Development of Chemical Industry (expert Mr. Adhia), UNDP input is \$ 167,000. The expert is mainly working as a Senior Adviser to the Paranthan Chemicals Corporation under the expansion programme of this Corporation;

- DP/SRL/70/010: Assistance to the Handloom Sector (expert Mr. Holms), UNDP input is \$ 193,632. The main objective of the project is the establishment of the Textile Design Centre;
- DP/SRL/74/032: Industrial Scale Trial Metallurgical Processing of 1200 t. of Ilmenite Concentrate and 300 t. of Charcoal reductant (sub contract project), UNDP input is \$256,000. The contract is signed, test will commence soon.
- DP/SRL/73/020 and DP/SRL/75/014: Assistance to the Ceylon Plywoods Corporation, UNDP input is \$ 156,000. The main objective is the improvement of the engineering function at the Ceylon Woodworking Complex.

The above projects absorb about 70 percent of the total IPF current fund.

(b) Fellowships:

Twenty projects within the A and B categories (see page 1) are concerned solely with overseas training of Sri Lanka specialists and absorb about 20 percent of the current IPF fund.

(c) SIS projects:

During the second part of 1974 and 1975 the Sri Lanka Government has expanded their SIS programme tremendously. The list of approved SIS projects is as follows:

1. IS/SRI/74/054: Industrial Manufacture of Cigars (\$ 9,000)
2. IS/SRI/74/055: Production of Board from Leather Scrapings and Agricultural Wastes (\$ 9,000)
3. IS/SRI/74/060: Cottonseed Processing (\$ 9,000)
4. IS/SRI/74/061: Production of Glue from Tannery Wastes (\$ 9,000)
5. IS/SRI/74/063: Coconut Industry Development (\$ 18,000)
6. IS/SRI/74/067: Industrial Processing of Cashewnut and By-products (\$ 9,000)
7. IS/SRI/74/068: Quality Control Programme for Manufacture of Rubber Goods for Export (\$ 10,000)
8. IS/SRI/74/069: Installation of a Rubber Plant for the Manufacture of Rubber Components for the Footwear Trade (\$ 9,000)
9. IS/SRI/74/070: Product Adaptation for Manufacture of Rubber Goods for Export (\$ 21,000)
10. IS/SRI/74/071: Improvement in Design of Footwear Manufacture (\$ 9,000)
11. IS/SRI/74/073: Development of Oil Industry (\$ 9,000)
12. IS/SRI/74/075: Integrated Industrial Processing of Manioc (\$ 9,000)
13. IS/SRI/74/074: Development of New Sources of Fibre and Fibre Production (\$ 9,000)

14. IS/SRL/74/063: Assistance in the reorganization of Soap Factory (\$ 18,000)
15. IS/SRL/74/071: Assistance in Design of the Footwear Manufacture (\$ 9,000)
16. IS/SRL/74/076: Development of Agro-based Small-Scale Industries (\$ 18,000)
17. TS/SRL/75/002: Preparatory mission. Establishment of a ceramic quality control laboratory (\$ 4,000)

The total value of these SIS projects is \$ 188,000.

Twelve candidates for various projects mentioned above have been submitted for the Government's consideration and five have been selected.

3. Pipeline projects:

- (a) Establishment of a Ceramic Quality Control and Research Laboratory: UNDP input \$ 433,800 (\$ 300,000 for equipment). PD has been prepared and submitted to the Government for approval in May 1975. The final approval depends now on the findings of the expert who will be sent to the country with preparatory assistance mission under TS/SRL/75/002 project (see above).
- (b) National Engineering Research and Development Centre: Government does not intend to make a formal request now.
- (c) Assistance to the Ceylon Leather Corporation, Phase I: UNDP input \$ 210,000. The project is awaiting approval of the Government. It is most likely that an official request will be formulated after completion of several SIS projects in similar field (see above).
- (d) Establishment of a Pharmaceutical Laboratory in Sri Lanka Sterile Products Laboratory: The Ministry of Industry seems to be very interested in this project. The matter will be discussed UNIDO's staff member visit to the country in conjunction with the project.
- (e) Establishment of a two furnace industrial plant for electro-smelting of ilmenite concentrates into titanium slag: It will be the final Phase of this large-scale and important project, provided the results of the industrial test prove to be satisfactory. There is some possibility that this last stage will be implemented on the basis of bilateral agreement between Sri Lanka and Hungary, Yugoslavia.

4. Completed projects:

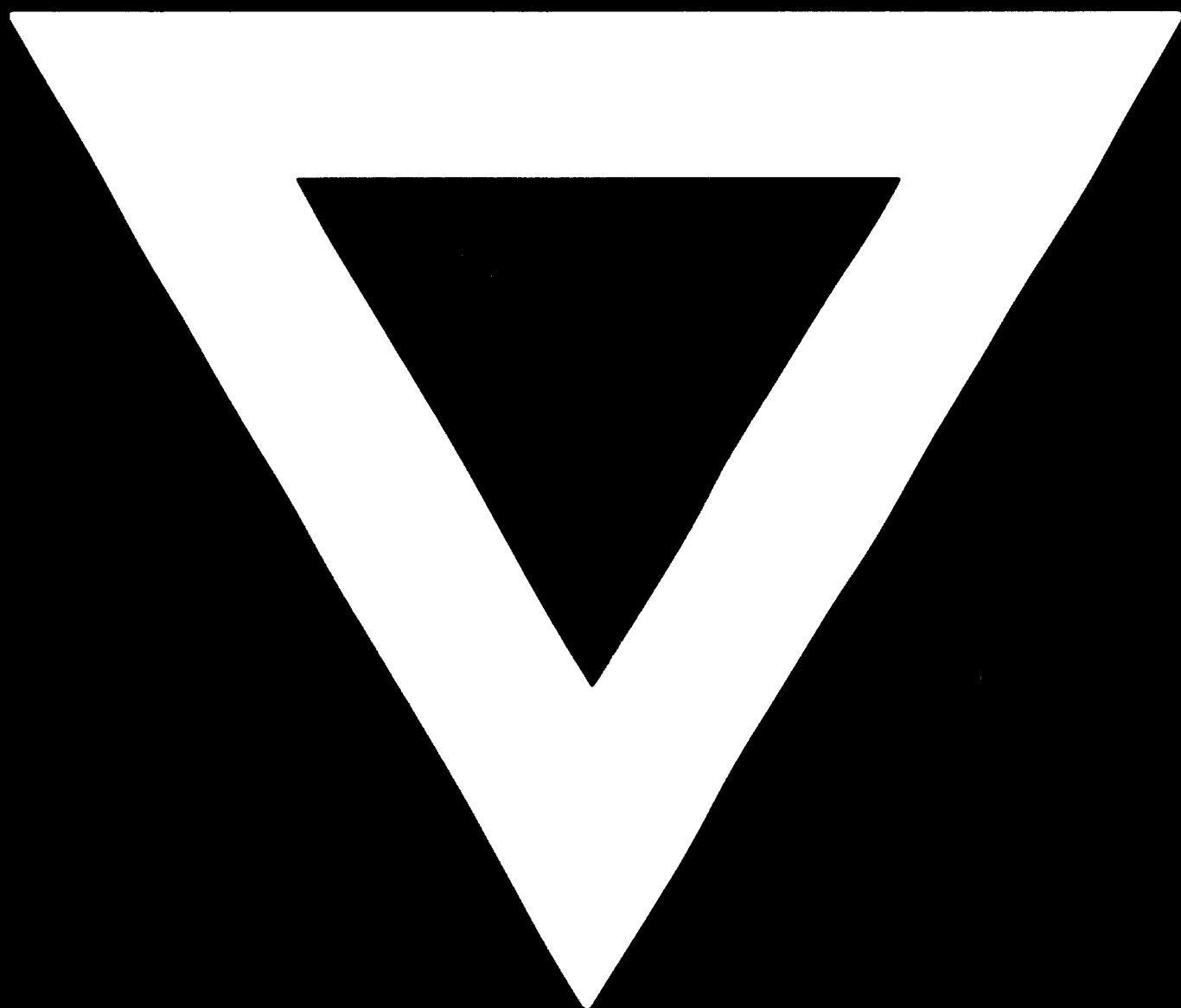
Evaluation

IS/CEY/68/003	- Assistance to Ceramics Industry	Creation of a Quality Control Lab. (see pipeline)
TS/CEY/69/003	- Consultancy Services to the State Fertilizer Manufact. Corporation	lead to another SIS project in 1972
DP/CEY/71/017	- Systems Analyst Industry	No follow-up
IS/CEY/71/805	- Assistance to the Ceylon Cement Corporation	No follow-up
IS/CEY/71/809	- Adviser on Pharmaceutical Developm.	lead to DP project in this field (see pipeline)
IS/CEY/71/810	- Feasibility Study of Electro-Metallurgical Processing of Ilmenite Concentrates	lead to further Phase of this project (DP/SRL/74/032)
IS/CEY/71/821	- Assistance in market analysis of titanium tetrachloride and synthetic rutile type slag	ditto
IS/CEY/71/817	- Assistance to the Ceylon Leather Corporation	DP project in this field is included in C.P. (see pipeline)
IS/CEY/71/818	- Assistance to the Ceylon Oils and Fats Corporation	lead to further SIS projects in these fields to elaborate the matter (see SIS projects)
IS/CEY/71/819	- Efficiency Study of Coconut Industry	(see SIS projects)
IS/CEY/71/823	- Assistance to the Ceylon Steel Corporation	New project under IPP Engineering Centre (see pipeline)
IS/CEY/72/808	- Expert in Materials Handling - Fertilizers	At present no follow-up but prospects for 2nd C.P.
TS/CEY/72/006	- Pre-Feasibility Study of an Aluminium Rolling Plant	No follow-up
TS/CEY/72/007	- Pre-Feasibility Study on Export-Oriented Industrial Free Zone	Establishment of a Free Zone is now under Gov. consideration.

Evaluation

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|---------------|--|--|
| DP/SRL/74/021 | - Preparatory Assistance to Establish Export-Oriented Free Zone | Establishment of a Free Zone is now under Gov. consider. |
| IS/SRL/72/054 | - Consultant in the Utilization of Wood for the Manufacture of Charcoal | Follow-up is present Ilmenite project. |
| TS/SRL/73/001 | - Follow-up discussion of Feasibility Study for Electromelting of Ilmenite concentrates. | ditto |
| DP/SRL/73/025 | - Consultant on Electro Porcelain Manufacture | Project is closely connected to pipeline project in ceramics |
| DP/SRL/73/001 | - Development of Gem Industry | Follow-up-creation of a Training Lab. in this field. |





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