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TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES
IN THE FIELD OF INDUSTRIAL DEVELOPMENT

Prepared by the secretariat of UNIDO,
Section for Economic Co-operation
among Developing Countries

id. 78-5206

Introduction

1. The establishment of the new international economic order called for by the sixth and seventh special sessions of the United Nations General Assembly will require co-operation between developing countries themselves to attain the levels of national and collective self-reliance necessary for effective participation in international economic relations on the basis of equality and mutual benefit. Such co-operation is particularly important in industrialization. In this paper are considered some of the advantages offered by co-operation between developing countries in the industry sector; initiatives taken by UNIDO to promote such co-operation are described; and further measures and mechanisms are suggested that might make it more effective.

The importance of TCDC for industrialization

2. Industrialization is essential to the rapid economic and social development of the developing countries. Industrial growth in a particular country depends largely upon the size and skills of its population, its natural resources, and its industrial development strategy and policies. By encouraging international co-operation, such strategy and policies may compensate for deficiencies in factor endowments and thus contribute to industrialization. Co-operation may take different forms, with varying benefits to the countries involved. In recent years, increasing attention has been given to co-operation between developing countries themselves which offers particular advantages in the industry and other sectors.

3. For any country, industrialization is a complex and demanding process which may require knowledge or skills not readily available within its own boundaries; technical co-operation, as a means of acquiring these, has characterized industrialization in both developed and developing countries. In the past, developing countries have sought technical advice and assistance from countries that had been industrializing for a long time and had attained a high degree of technological sophistication. This tendency was strengthened by various bilateral programmes of assistance that encouraged, or sometimes required, the use of services and equipment provided by the donor country. Also, the shortage of skilled manpower, the absence of well-developed institutes for research and training, and the relatively low levels of industrialization in most developing countries meant that prospects were limited for obtaining technical assistance in industrialization through co-operation with other developing countries.

4. The situation has now changed. Developing countries need no longer rely exclusively upon advanced industrialized countries for technical co-operation and assistance. Nor is it desirable to do so. Many problems of industrialization may best be solved through co-operation between developing countries. There are many reasons why this is so. The experience of many highly industrialized countries may not be applicable to the present concerns of developing countries, whose policy makers and industrialists may be interested in a different pattern of industrialization. Problems with which the advanced industrial countries are most concerned often have little relevance for the industrializing countries because of the great technological gap between them. More useful advice and assistance is likely to be available from countries that are themselves currently facing, or have recently faced, early-stage industrialization problems. Because their own industrialization is relatively recent, even the more industrially developed of the developing countries may find this so although there are exceptions.

5. There are other reasons why the developed countries may not always be the best source of assistance in industrialization. Technical advisers from these countries may experience difficulties in adjusting to the social, cultural and intellectual ambience of the community that requires assistance or in providing advice in locally acceptable terms. Persons sent for technical or managerial training to an advanced industrial country may encounter conditions that bear little resemblance to those in which they must work at home. Equipment provided as part of technical co-operation projects may be too sophisticated for the requirements, may not be the most appropriate for the factor endowment, or may over-tax the operating or maintenance skills of workers in the developing country. Assistance from advanced industrialized countries may also directly or indirectly contribute to distortions or undesirable dependencies in the development process.

6. In addition to avoiding some of the problems mentioned above, co-operation among developing countries may also offer such benefits as the exploitation of resources or the development of production facilities that would not be feasible for a single country. Technical co-operation in carrying out resource surveys, market studies, feasibility studies, and research and development programmes may lead to significant economic co-operation in industrial production. Exchanges of information concerning (a) the applicability or terms and conditions of acquisition of various industrial technologies, (b) industrial research in progress, or (c) the availability of industrial equipment or technical services may significantly increase the range of options open to developing countries in pursuing industrialization policies and programmes.

7. These and other advantages offered by technical co-operation in industrialization between developing countries have been recognized and the importance of such co-operation has been emphasized in recent years by a series of global meetings. In his opening statement to the Second General Conference of UNIDO at Lima, Peru, in 1975, the Executive Director of UNIDO urged intensified co-operation between the developing countries. The Conference shared this view, and the Lima Declaration and Plan of Action on Industrial Development and Co-operation, which it adopted, lists (para. 60) 14 measures to be taken (annex I). Some of the initiatives taken by UNIDO in promoting TCDC are described briefly below in the hope that the experience of UNIDO will be useful when considering further measures to be taken in this important area.

Activities of UNIDO to promote TCDC

8. Even before the Lima Conference, UNIDO had initiated activities to encourage economic and technical co-operation between developing countries in the industry sector, working in close co-ordination with the UNDP, UNCTAD, the United Nations Regional Commissions, and other bodies. Its special interest in this field began with a proposal submitted by the Government of Senegal to the first meeting of the Permanent Committee of the Industrial Development Board in December 1972, calling for an exchange of experience between developing countries in the creation or development of small and medium-scale industries. In response to the support expressed for this proposal, the UNIDO secretariat, in consultation with the Member States, suggested some initial activities; these were subsequently expanded into a programme of operational activities in response to resolution 36 (VII) adopted by the IDB at its seventh session in May 1973. In that resolution, the Board invited the Executive Director "to establish as soon as possible, and as a first stage, a concrete programme of operation activities for the purpose of promoting technical co-operation among developing countries, by the exchange of duly adapted technology, information and development assistance formulas in the field of industry, including small and medium-scale industries, industrial programming, industrial financing etc." At its eighth session in May 1974, the Board approved the programme of action proposed by the Executive Director, and, in subsequent sessions, has kept the implementation of the programme under periodic review.

9. At its seventh session, the IDB also requested the Governing Council and the Administrator of the United Nations Development Programme "to consider the

measures necessary to encourage this new form of co-operation and technical assistance." In August 1973, the Executive Director of UNIDO informed the Member States that a programme was being initiated by the UNDP and UNIDO to provide assistance to a few priority bilateral and multi-lateral co-operative activities mainly involving industrial advisory services, consultations or training. Resources from the programme for Special Industrial Services would be used to meet the costs of international travel and selected other services, but the co-operating countries themselves were expected to bear the costs normally involving only local currency expenditures, such as the normal salaries of technical advisers, consultants and trainees, and their in-country subsistence and travel costs while on mission. Although of modest dimensions, this programme has provided a useful impetus to co-operation among developing countries. Activities financed under this programme include inter-country study tours and consultations, seminars and other forms of training, and assistance in feasibility studies.

10. Special allocations for technical co-operation between developing countries have been included in the UNIDO Regular Programme of Technical Assistance beginning with the 1974-1975 biennium. In addition, allocations for activities in this field have been made from voluntary contributions to UNIDO and, most recently, from the United Nations Industrial Development Fund. Resources available, however, are not sufficient to meet the growing demand for such activities.

11. As one of the first steps in the implementation of its programme, the UNIDO secretariat carried out a survey to define specific areas in which developing countries could offer technical co-operation for industrial development or would welcome such offers from other developing countries. In consultation with some 40 developing countries, a preliminary list of opportunities for co-operation was issued in May 1975, including some 360 specific needs and 265 specific offers of resources. Although this preliminary sample did not include information concerning a number of countries with important resources to offer, it nevertheless indicated a considerable potential for co-operation among developing countries in a fairly wide range of industrial fields and offered a useful basis for further development of the programme.

12. In view of the growing importance of TCDC activities, in May 1977, a separate section was established in the UNIDO secretariat, within the Division of Policy Co-ordination, to co-ordinate specific UNIDO activities and shape them into a coherent programme to promote economic and technical co-operation among developing countries in respect of industrialization.

13. The UNIDO operational programme of TCDC activities is primarily intended:

(a) To increase the awareness of the developing countries of their abilities to initiate co-operation, as well as their awareness of the existence of industrial goods and services in developing countries that could be appropriately used in their own industrialization process;

(b) To stimulate Governments of developing countries to re-orient their development policies and to break attitudinal barriers in order to obtain maximum benefit from opportunities for co-operation;

(c) To promote implementation of specific projects for co-operation.

14. A summary table of operational activities undertaken in pursuance of the above aims from January 1973 through June 1978 is provided as annex II of this paper. Projects are classified into broad categories and the financing allocated from the various sources of funds available to UNIDO for programming is indicated. During this period, a total of 137 TCDC projects were approved, with total allocations of almost \$2.4 million.^{1/}

15. More than half the UNIDO operational TCDC activities (78 projects with total allocations of \$1.2 million) have been various kinds of study tours, meetings and consultations for exchange of information. These activities, which can usually be organized with relatively little cost and effort, represent the essential preliminary reconnaissance required to establish a sound foundation for further co-operation; an important by-product of such exchanges is often the removal or diminution of attitudinal barriers to co-operation. The following are examples of activities in this category:

(a) The Nigerian Federal Commissioner for Industries visited the Philippines to study that country's experience in the areas of industrial priorities, industrial consultancy, and technology transfer, with a view to the reorganization of the Federal Ministry of Industry;

(b) Brazil, with UNIDO assistance, has planned the establishment of an agro-industry development centre in Rio Grande do Sul, based as far as possible on Yugoslav experience; the staff of the Brazilian consultancy firm involved visited agro-industry combines in Yugoslavia to obtain information relative to their detailed planning.

16. Industrialization requires the acquisition or development of both technology and skills and almost a quarter of the TCDC operational activities (39 projects with allocations of \$530,000) are related to the transfer of technology and to technical and managerial training, including workshops and seminars. Most of the technology transfer projects and half of the training projects were approved in the last year and a half which partly reflects the natural result of inter-

^{1/} All references to dollars (\$) are to United States dollars.

country exchanges of information in the immediately preceding years. Among projects in this category are the following:

(a) UNIDO will co-operate with the ECA, ESCAP and the FAO in transferring to African countries the bio-gas plant experience and technology already developed in the ESCAP region, particularly in India. The project would involve the establishment, with Indian assistance, of 8-10 demonstration bio-gas plants in the United Republic of Tanzania, to form the basis for a subsequent regional workshop on bio-gas technology;

(b) The Asian and Pacific Coconut Community, with the co-operation of UNIDO, arranged for representatives of their member states to take a 10-day study tour of Indonesian coconut processing plants, with discussion and demonstration of production and processing facilities; this was followed by a 7-day conference to evaluate processing technologies and arrive at solutions for processing problems;

(c) UNIDO is co-operating with UNICEF and the Governments of India and of Somalia to establish solar water distillation facilities at Khuda, Mogadiscio, and 10 other localities to be selected in Somalia; India is providing the basic designs and specifications for the facilities, UNICEF the equipment and materials, and UNIDO the expertise.

17. A further 14 per cent of the total allocations (\$331,000) went to TCDC projects involving the establishment or strengthening of industrial institutional infrastructure, and \$250,000 was allocated to projects involving feasibility studies, such as the following:

(a) The National Design and Industrial Services Corporation of Pakistan carried out a techno-economic feasibility study for the production of certain agricultural implements, pumps and small electric motors in Libya;

(b) In co-operation with the UNDP and the Scientific and Technical Research Council of Turkey, an international seminar was held in Istanbul for an exchange of experience between developing countries concerning institutional arrangements to use the experience and technical capabilities of expatriate nationals; the report of this seminar will be considered at the Buenos Aires Conference under agenda item 8 (h): "Measures for reducing through promotion of TCDC, the 'brain-drain' affecting developing countries";

(c) In Yugoslavia, an expert group meeting was organized by the Yugoslav Federal Institute for International Scientific, Educational, Cultural and Technical Co-operation with the collaboration of the International Center for Public Enterprises in Developing Countries and UNIDO to analyse the role, problems and possibilities for the use of industrial consultancy services in the industrialization process of developing countries; the report and recommendations of this meeting will be considered at the Buenos Aires Conference under agenda item 8 (i).

18. Although they are not yet completed, special mention might be made of a series of three successive projects involving co-operation between India and the Andean Group countries as an example of the interrelations between various kinds of TCDC activities and the possibilities for their further development into programmes of long-term economic co-operation. First, a senior Indian government official visited Peru and Venezuela for preliminary discussions with Andean Group

officials for a programme for the mutual transfer of technology. Next, there was an exchange visit to India by a policy-making group and a technical group from the Andean Group of countries to formulate practical proposals for technical co-operation, particularly with reference to a selected group of engineering industries. Finally, a team of five Indian experts visited the Andean Group of countries to prepare a set of specific project profiles covering industrial institutions, the planning of selected industrial sectors, the establishment of infrastructure and production facilities in the engineering industry, development of the metallurgical industry, and development of the production of locomotives, rolling stock and other railway equipment. A priority list was drawn up for the implementation of projects.

19. In the first years of the programme, TCDC resources and facilities have been offered by a relatively small number of countries: Egypt, India, Mexico and Yugoslavia accounted for more than half of the total number of projects and resource allocations. As the programme develops, however, more developing countries are offering services and facilities, often with assistance from the United Nations system. Most of the UNIDO TCDC projects benefitted more than one developing country: 49 projects, with 52 per cent of the total allocations, were interregional in character; 18, with 18 per cent of the allocations, were regional or subregional.

20. In addition to direct TCDC activities, UNIDO has for some time, as part of its programme to encourage technical co-operation among developing countries, been devoting special attention to measures to make greater use of experts, services and equipment from developing countries in its development co-operation field activities. Considerable progress has been made in the recruitment of experts: over the three years 1975-1977, a total of 499 experts were recruited from 33 developing countries, representing 30 per cent of the recruitment of UNIDO from all sources. With respect to training, about 15 per cent of the placements of UNIDO during 1975-1977 were in developing countries. In 30 cases, consultancy contracts were placed in 15 developing countries with a total value of \$663,000, and 64 equipment orders with a total value of \$353,100 were placed in 13 developing countries. While these figures are still very low, efforts by the UNIDO secretariat have intensified to identify sources of equipment and services in developing countries, and to ensure that potential suppliers in developing countries are informed about UNIDO procurement procedures and prospective projects; special missions for this purpose were undertaken by secretariat staff members to Latin America and Asia.

21. In a number of other ways, apart from its operational field activities, UNIDO has actively promoted co-operation between developing countries in industrialization. Among these activities are the following:

(a) Dissemination of information and exchange of ideas and experiences on specific technological problems among experts from developing countries through expert group meetings and their follow-up;

(b) Promotion of contacts and co-operation between developing countries producing certain types of industrial goods;

(c) Dissemination of information between developing countries through industrial information surveys;

(d) Distribution to developing countries of summaries of industrial plans of other developing countries;

(e) Promotion of exchanges of experience among the secretariats of regional groupings;

(f) Promotion of interregional and regional co-operation in specific industrial projects through investment promotion meetings at regional or sectoral levels;

(g) Promotion of exchange of information and business contacts among financing institutions of different developing regions.

22. Together with other concerned organizations, UNIDO has actively participated in the 1973-1974 UNDP Working Group on Technical Co-operation Among Developing Countries and in the regional TCDC meetings in Bangkok, Lima, Addis Ababa and Kuwait which preceded the United Nations Conference on Technical Co-operation Among Developing Countries in Buenos Aires in August/September 1978. There has also been long-standing and close collaboration between UNIDO and UNCTAD on the industrial aspects of TCDC.

23. Two major areas of UNIDO activities are of particular importance for co-operation between developing countries and should therefore perhaps be described in somewhat more detail: the first is the system of consultations and the second is the strengthening of technological capabilities in developing countries. Both received priority attention at the Second General Conference of UNIDO and subsequent sessions of the IDB and are likely to become even more important. They offer excellent prospects for co-operation among developing countries.

24. Under the guidance of the IDB, the UNIDO secretariat initiated in 1977 a series of consultation meetings to facilitate the redeployment of certain productive capacities existing in developed countries and the creation of new industrial facilities in developing countries. So far meetings have been convened for iron and steel, fertilizers, leather and leather products, and

vegetable oils and fats. The meetings provided a forum at which all concerned could exchange views on the future global development of the industry or industrial branch, taking into account the industrial aspirations of the developing world. Although this is not their primary objective, it is expected that these consultations will play a major role in identifying areas and specific opportunities for linkages between developing countries, especially at regional and inter-regional levels.

25. In virtually all consultation meetings, the importance of sectoral co-operation between developing countries has been stressed. In the case of fertilizers, for example, upon the recommendation of the First Consultation Meeting an expert group meeting was convened by UNIDO to examine opportunities for co-operation between developing countries; its report will be submitted to the Second Consultation Meeting in November 1978. The First Consultation Meeting for Iron and Steel recognized that some of the more advanced developing countries were in a position to offer trained personnel and design and engineering services and to supply certain capital goods to other developing countries. A meeting of representatives of research and development institutions engaged in the adaptation of iron and steel technology for developing countries, held in Jamshedpur, India, late in 1977, considered in detail the need for, and the scope and methods of, regional and subregional co-operation between such institutions. The preparatory meeting held in Addis Ababa in co-operation with the ECA to consolidate the position of the African States prior to the global consultations on leather and leather products and on vegetable oils and fats provided a useful means of identifying areas for co-operation among the African countries. Similar recommendations for various forms of co-operation were made in other consultation meetings, preparatory meetings or follow-up meetings.

26. The sectoral consultations in themselves offer excellent opportunities for an exchange of experience and ideas between those actually engaged in planning and operating the relevant industries. They may be expected to lead to the establishment and strengthening of informal as well as institutional arrangements for intensifying practical sectoral co-operation between developing countries. Experience so far indicates that consultations at a regional level might provide a significant vehicle for regional co-operation, integration and industrial development. The effectiveness of consultations and their follow-up at regional and subregional levels would be enhanced by appropriate institutional arrangements to provide focal points.

27. The selection and acquisition of appropriate technology is essential in industrialization and offers considerable scope for co-operation between developing countries. As part of the UNIDO programme of TCDC activities, a round-table ministerial meeting on industrial and technological co-operation between developing countries was held at New Delhi, India, in January 1977, under the joint auspices of UNIDO and the Government of India. This meeting produced a number of recommendations which have provided valuable guidance to UNIDO in its subsequent activities relating to co-operation between developing countries in strengthening their industrial technological capabilities. An expert group meeting in February 1977 examined the role of national technological institutions in the development of national technological capabilities; the conclusions and recommendations of this group contributed to the preparation of a co-operative programme of action on appropriate industrial technology which was endorsed by the Industrial Development Board at its eleventh session and now forms the basis for UNIDO activities in this field. One of the central themes of this programme is choice of technology, and UNIDO is giving particular attention to the promotion of exchange of information and experience between developing countries themselves. For example, a meeting between heads of technology transfer registries and other regulatory institutions in developing countries to exchange views on the terms and conditions of technology acquisition was held under UNIDO sponsorship in March 1978. Also, UNIDO is carrying out pilot activities for the establishment of an industrial and technological information bank whose activities are to be co-ordinated as a component of an international network for the exchange of technological information.

28. The co-operation possible in the area of technology transfer is indicated by a project in the pharmaceutical industry. Following a meeting organized with UNIDO assistance in Lucknow, India, concerning the transfer of technology in developing countries, and a follow-up mission by Indian experts to selected countries in Latin America, financing under the United Nations Industrial Development Fund has recently been approved for assistance in the establishment in Cuba of a multi-purpose pilot plant for the production of pharmaceuticals. The project, using an appropriate technology developed in India, will be carried out under subcontract with an Indian firm; there is a possibility for further co-operation between India and Cuba in commercial-scale production as a follow-up.

29. Special attention should also be given to another important aspect of co-operation among developing countries: activities directed toward the benefit of the least developed among the developing countries. The Lima Declaration

(para. 60 (d), (g), (j) and (l)) emphasizes the importance of such activities, and UNIDO has encouraged them. The Intergovernmental Expert Group Meeting on Industrialization of the LDCs convened by UNIDO in Vienna in November 1976 recommended the establishment of consortia of developing countries that had already made considerable progress in developing individual capability to assist the LDCs. A similar proposal was made by the round-table ministerial meeting in New Delhi in January 1977. The consortial approach is being further studied in UNIDO and concerned regional organizations such as ESCAP and IDCAS. Following a detailed study of the specific industrial development needs of a few LDCs, and the identification, in close consultation with them, of programme areas and project opportunities to be proposed to a TCDC consortium, as well as consultations with potential members of the consortium, high level meetings should be convened in co-operation with the host LDCs to consider specific programme and project proposals for implementation on a co-operative basis.

30. In co-operation with the Industrial Development Centre for Arab States, UNIDO recently convened a meeting of representatives of Arab LDCs and some of the Arab financial and technical agencies to discuss a programme of assistance to LDCs. Among other things, the meeting recommended that a consultative body (consortium) be formed from the LDCs, the Arab Funds, and the Arab technical bodies, with UNIDO and IDCAS to assist the Arab LDCs in implementing the industrial sectors of their development plans. It is planned that an IDCAS/UNIDO team will visit Arab LDCs, review their industrial development plans with local teams of officials, and then jointly identify priority programmes and projects with the necessary external assistance. Following a review by Arab LDC ministers of industry in a meeting to be held early in 1979, the findings would be presented to various Arab funding or technical assistance organizations.

31. The preceding paragraphs have indicated some of the activities of UNIDO since 1973 to promote technical co-operation between developing countries in the industry sector. There is great scope for such co-operation and, judging by the growing interest in it expressed at a series of international meetings in recent years, it should increase dramatically if sufficient resources are made available. UNIDO would welcome the opportunity to extend to this high priority programme all the assistance its resources permit. In the concluding section of this paper, attention is drawn to some particularly important measures for co-operation.

Measures and mechanisms for further
TCDC in industry

32. At virtually every stage of the process of industrialization, from the initial planning of industries through the establishment and operation of individual plants, there are advantages to be derived from technical co-operation between developing countries. Such co-operation should be encouraged by the establishment or strengthening of appropriate institutional arrangements at the national, subregional, regional and interregional levels. Co-operation in industrial planning is essential for optimum industrialization, and the capabilities of organizations such as the Andean Group in Latin America, the Association of South-East Asian Nations (ASEAN), the Common Organization of African and Malagasy States (OCAM), the Central African Customs and Economic Union (UDEAC), the Organization for the Development of the Senegal River (OMVS) and the Mano River Union as well as other groupings in industrial planning, project identification and project formulation should be more strongly developed as necessary through international assistance. More use should be made of regional and subregional centres, such as the Industrial Development Centre for Arab States (IDCAS) and the Caribbean Investment Corporation (CIC), in carrying out feasibility and prefeasibility studies and other investment promotion activities.

33. The experience of UNIDO so far in the consultations shows that considerable advantages would be offered by consultations at the regional and interregional and global levels, and at regional preparatory and follow-up meetings for global sectoral consultations attention has been drawn to the desirability of having focal points established at regional or subregional levels. The Latin American Economic System (SELA) effectively demonstrates the role such an organization might play on a regional basis, and such sectoral groupings as the Arab Federation of Chemical Fertilizer Producers (AFCEP) and the Association for the Development of the Fertilizer Industry in Latin America (ADIFAL) may provide models for organizations at the industry level. Such regional or subregional organizations make valuable contributions to the follow-up of decisions or recommendations of global meetings. They would also facilitate the exchange of current operating experience and the design and implementation of programmes for co-operation in the establishment or expansion of industrial capacity in the region.

34. The importance of the exchange of industrial and technological information cannot be over-estimated. It is a prerequisite for the selection of an appropriate industrial technology and for the adaptation or application of technology. It is hoped that on the basis of the pilot activities now in progress, the

industrial and technological information bank of UNIDO will be appropriately expanded and further developed. Other measures should be taken as well to encourage a constant flow of information at all levels between developing countries to facilitate access to relevant industrial information. The capabilities of regional and subregional institutions in this regard should be more strengthened.

35. In the important areas of training and research, more use should be made of institutions in developing countries, particularly those engaged in activities at the regional or subregional level, such as the Caribbean Industrial Research Institute (CARIRI). Networks among research institutes in developing countries should be strengthened, and joint research activities encouraged. Greater use should be made of facilities in developing countries for in-plant training and other forms of practical industrial training.

36. Industrial planning, investment promotion, industrial research, industrial training, and transfer of technology are some of the fields in which technical co-operation between developing countries might bring significant benefits. Measures to promote such co-operation should be encouraged and additional resources allocated for assistance in these fields. In considering the draft plan of action proposed for promoting and implementing technical co-operation between developing countries, it is urged that full attention be given to the high priority requirements for such co-operation in the industry sector.

Annex I

LIMA DECLARATION AND PLAN OF ACTION ON
INDUSTRIAL DEVELOPMENT AND CO-OPERATION

Lima, Peru, 12-26 March 1975

II. Co-operation among developing countries

60. At the subregional, regional and interregional levels the developing countries should adopt the following measures:

(a) Promotion of direct trade between developing countries in order to substantially improve the share of developing countries in international trade in finished products, to eliminate any adverse effects resulting from triangular trade, and to establish appropriate mechanism to that end;

(b) Creation of the necessary institutional machinery to enable consultation and co-ordination in order to obtain better terms for the acquisition of technology, expertise, licences, equipment, etc., for the developing countries;

(c) The harmonization and co-ordination of economic policies, particularly in the industrial field, and the greater utilization of industrial complementarity, taking into account economy of scale and specialization. This complementarity must be based primarily on the possibilities and requirements of each country through the establishment and strengthening of consultation machinery at the regional, subregional and interregional levels in order that it may result in a harmonious, balanced and more rapid industrial development in the community of developing countries;

(d) In order to accelerate the industrial development of the least developed countries and in order to promote co-operation among developing countries, the Conference invites the developing countries' main producers and exporters of basic raw materials to grant, within the framework of their over-all economic policy and/or bilateral arrangements, favourable conditions, and in particular favourable facilities for payment;

(e) Measures, within the framework of systems of economic co-operation, to support the present processes of economic integration and search for new forms of economic co-operation with a view to contributing to a steady growth of the world economy and to the acceleration of the development of the developing countries, notably through the action of producers' associations of the developing countries, by means of a continuous exchange of experience, harmonization of their actions and mobilization of support for any of them in case of need, so as to ensure, inter alia, the solidarity of developing countries and their full sovereignty over their natural resources;

(f) In particular, action through producers' associations with a view to putting an end to speculative practices and erratic movements in prices harmful to the harmonious development of world trade and the growth of the developing countries. The developing countries can thus use existing or future producers'

associations to co-ordinate their production and pricing policies. Furthermore, the developed countries note the intention expressed by the developing countries to set up, among themselves, a fund, yielding returns on the capital invested therein, designed to support the prices of raw materials exported by developing countries and, in particular, to counteract measures aimed at bringing down the prices of raw materials exported by the developing countries;

(g) Developing countries with sufficient financial resources accept to share in the economic and social development efforts of the least advanced countries. For this purpose, consideration must be given to the establishment of appropriate mechanisms for regular consultation with a view to adopting new concrete measures;

(h) The consolidation of the relevant measures for evaluating the International Development Strategy and the Programme of Action on the Establishment of a New International Economic Order;

(i) Conclusion of long-term agreements on product specialization, as deemed appropriate by the respective countries or regional economic associations, and a corresponding allocation of production or product-sharing through industrial complementary agreements;

(j) The adoption of suitable measures and the strengthening of those now in use for the benefit of the least developed, land-locked or island developing countries and for the developing countries most affected by the international economic crisis and those that have been affected by natural disasters;

(k) The sharing of experience in industrialization and technology by those who have already acquired this know-how, together with experience in the application of legislative machinery in the economic field in order that it may be widely known among developing countries. This knowledge may be of greater relevance than that which is acquired from highly developed areas. While a start has been made in co-operative arrangements, more intensive and innovative programmes are required for transmitting relevant technology and technical and managerial skills, particularly to the less industrialized countries within the region, through the establishment of regional and subregional institutional machinery. The experience shared should include experience in dealing with foreign investment and transnational corporations, with a view to harmonizing and co-ordinating policies in this respect. To this effect, UNIDO should implement and expand its programme in this area;

(l) Preference should be given by the more industrialized developing countries, as far as possible, to imports of goods produced by the less industrialized countries. Positive policies are needed to increase intra-regional and interregional trade in manufacturing;

(m) The creation of national, regional, and interregional enterprises in the field of maritime transport, capable of competing with enterprises in the developed countries and the transnational corporations' merchant fleets, with a view to promoting the development of trade between developing countries, facilitating the assumption of control of foreign trade by national, regional or interregional structures and improving the export returns of the developing countries;

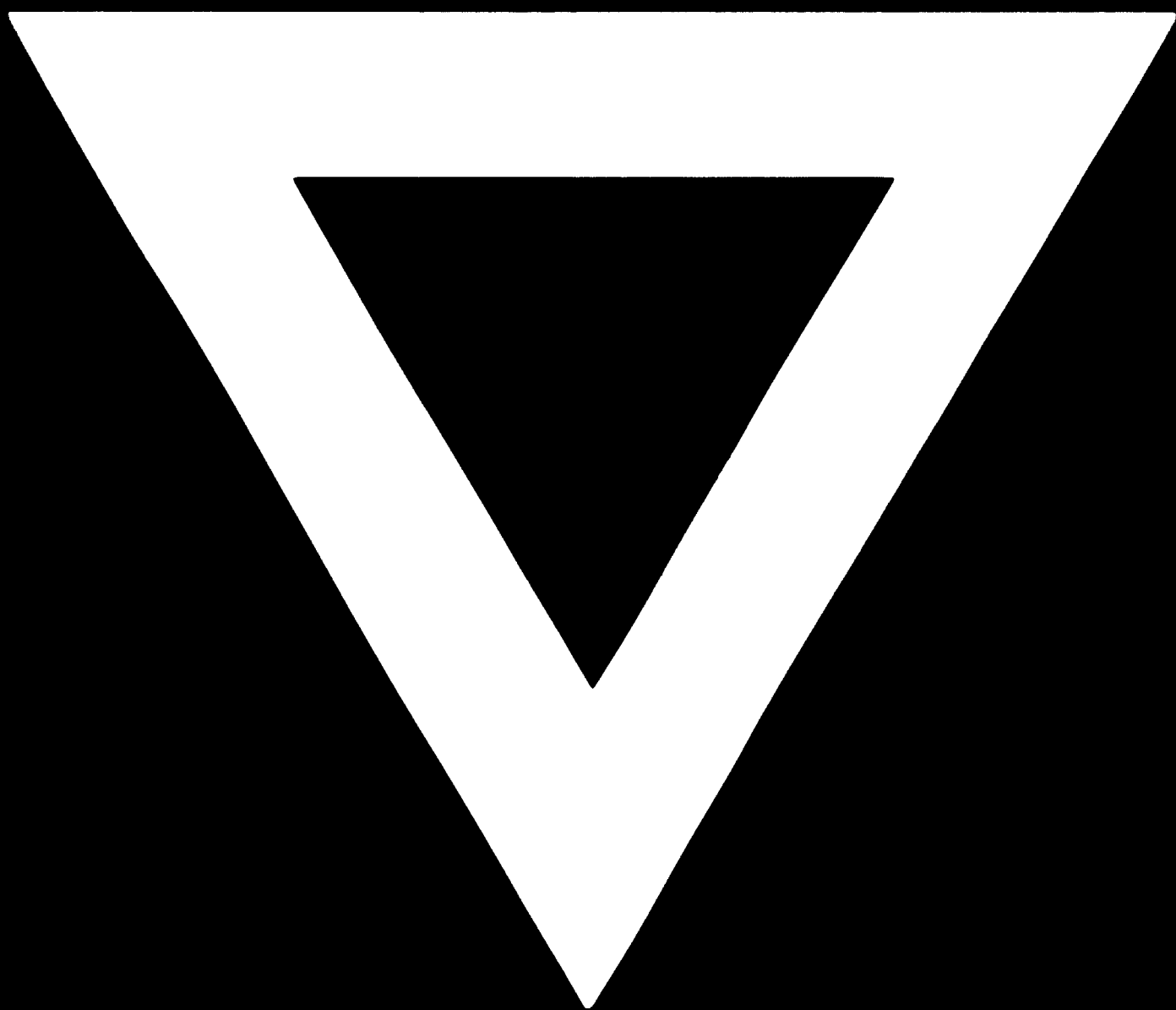
(n) Strengthening regional institutions responsible for the promotion of economic co-operation between developing countries.

Annex II

SUMMARY OF UNIDO TDC PROJECTS
(Approved as of 31 July 1978)

Project category	Source of financing	1973/74		1975		1976		1977		1978		Total		
		No.	UNIDO input (\$)	No.	UNIDO input (\$)	No.	UNIDO input (\$)	No.	UNIDO input (\$)	No.	UNIDO input (\$)	No.	UNIDO input (\$)	
A. Inter-country study tours	RP	1	2,000	-	-	2	3,830	5	13,956	10	52,640	18	72,426	
	VC/UNIDF	2	67,600	-	-	1	36,000	-	-	-	-	3	103,600	
	UNDP/SIS	-	-	1	3,200	-	-	8	37,005	-	-	9	40,205	
	SIS Trust Fund	6	18,750	-	-	5	15,600	-	-	-	-	11	34,350	
	UNDP/IPF	-	-	-	-	-	-	-	-	-	-	-	-	
	At no cost to UN	-	-	1	-	1	-	-	-	-	-	3	-	
Total		9	88,350	2	3,200	9	55,430	14	50,961	10	52,640	44	240,581	
B. Inter-country consultations	RP	-	-	-	-	1	3,300	1	5,610	5	51,695	7	60,605	
	VC/UNIDF	4	92,985	3	83,100	5	240,803	6	213,195	6	221,086	24	847,219	
	UNDP/SIS	-	-	-	-	-	-	1	2,828	1	43,150	2	46,998	
	SIS Trust Fund	-	-	-	-	1	7,200	-	-	-	-	1	7,200	
	UNDP/IPF	-	-	-	-	-	-	-	-	-	-	-	-	
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-	-	
Total		4	92,985	3	83,100	7	241,303	8	221,653	12	316,931	34	967,002	
C. Seminars	RP	1	20,000	3	38,000	-	-	-	-	-	-	4	58,000	
	VC/UNIDF	1	30,000	-	-	-	-	-	-	1	39,200	-	69,200	
	UNDP/SIS	-	-	-	-	-	-	-	-	-	-	-	-	
	SIS Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	
	UNDP/IPF	-	-	-	-	-	-	-	-	-	-	-	-	
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-	-	
Total		2	50,000	3	38,000	-	-	-	-	1	39,200	6	127,200	
D. Training	RP	-	-	1	450	-	-	2	5,256	3	3,450	6	9,156	
	VC/UNIDF	-	-	-	-	-	-	1	14,658	-	-	1	14,658	
	UNDP/SIS	1	40,500	1	25,800	-	-	2	3,653	-	-	4	69,953	
	SIS Trust Fund	-	-	-	-	1	700	-	-	-	-	1	700	
	UNDP/IPF	-	-	-	-	-	-	-	-	-	-	-	-	
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-	-	
Total		1	40,500	2	26,250	1	700	5	23,567	3	3,450	12	94,467	
E. Technology transfer	RP	-	-	1	2,000	2	3,980	3	6,985	1	4,500	7	17,465	
	VC/UNIDF	1	2,350	2	49,000	-	-	6	181,022	1	18,195	10	240,567	
	UNDP/SIS	-	-	-	-	-	-	1	6,320	1	12,600	2	19,920	
	SIS Trust Fund	-	-	-	-	1	900	-	-	-	-	1	900	
	UNDP/IPF	-	-	-	-	-	-	1	20,000	-	-	1	20,000	
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-	-	
Total		1	2,350	3	51,000	3	4,880	11	214,927	3	35,295	14	308,452	
F. Institutional infrastructure	RP	-	-	-	-	1	944	1	6,700	-	-	2	7,644	
	VC/UNIDF	-	-	-	-	3	1,4,120	1	25,550	2	18,700	6	303,370	
	UNDP/SIS	-	-	-	-	-	-	2	19,100	-	-	2	19,100	
	SIS Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-	
	UNDP/IPF	-	-	-	-	-	-	1	1,040	-	-	1	1,040	
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-	-	
Total		-	-	-	-	4	125,064	5	52,390	2	18,700	11	331,144	
G. Feasibility studies	RP	-	-	-	-	-	-	-	1	2,740	1	2,740		
	VC/UNIDF	-	-	1	17,500	-	-	-	1	6,088	-	-	2	23,528
	UNDP/SIS	-	-	-	-	-	-	1	61,400	-	-	1	61,400	
	SIS Trust Fund	1	648	-	-	-	-	-	-	-	-	1	648	
	UNDP/IPF	-	-	-	-	1	100,000	-	-	-	-	1	100,000	
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-	-	
Total		1	648	1	17,500	1	100,000	1	61,400	2	6,088	4	170,768	
H. Other inter-country activities	RP	-	-	-	-	1	8,000	1	10,000	-	-	2	18,000	
	VC/UNIDF	-	-	-	-	-	-	-	1	4,000	1	4,000		
	UNDP/SIS	-	-	-	-	-	-	-	-	-	-	-		
	SIS Trust Fund	-	-	-	-	-	-	-	-	-	-	-		
	UNDP/IPF	-	-	-	-	-	-	-	-	-	-	-		
	At no cost to UN	-	-	-	-	-	-	-	-	-	-	-		
Total		-	-	-	-	1	8,000	1	10,000	1	4,000	3	18,000	
Total	RP	-	2,000	1	40,450	2	20,054	13	48,507	20	111,095	47	240,006	
	VC/UNIDF	6	192,985	6	149,600	9	400,973	14	434,435	12	407,700	43	1,775,693	
	UNDP/SIS	1	40,500	-	29,800	-	-	15	135,976	-	12,600	16	207,876	
	SIS Trust Fund	7	19,398	-	-	8	24,400	-	-	-	-	15	66,198	
	UNDP/IPF	-	-	-	-	1	100,000	-	21,040	-	-	1	121,040	
	At no cost to UN	-	-	1	-	1	-	1	-	-	-	3	-	
Total		14	24,843	14	17,050	12	4,447	41	63,828	34	211,395	127	590,727	

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