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REPORT OF THE SUMMARY DISCUSSIONS OF THE FIRST
UNIDO/IDCAS JOINT COMMITTEE MEETING^{1/}

Vienna, 29-30 June 1978

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CONTENTS

| | <u>Page</u> |
|--|-------------|
| PREFACE | 3 |
| 1. PIPELINE PROJECT | 3 |
| 1.1 IDCAS/UNIDO programme of technical assistance to support efforts to re- reactivate Lebanese industry | 3 |
| 1.2 The establishment of a pan-Arab cold chain | 3 |
| 1.3 Capital goods - study for the development of machine tools and related equipment manufacture in the Arab countries | 3 |
| 1.4 Assistance to the development of the Arab information network phase III | 4 |
| 2. ON-GOING PROJECT | 4 |
| 2.1 VC/IDC/73/070: Integrated techno-economic study for the manufacture of tractors, cars and ancillary industry in selected Arab countries | 4 |
| 2.2 VC/IDC/74/083: Development and promotion of the establishment of a general strategy of industrialization and long-term plan for the Arab countries | 4 |
| 2.3 VC/IDC/74/086: Assistance to the development of an industrial information network for the Arab States by IDCAS - phase II | 5 |
| 2.4 VC/IDC/75/028A: Assistance to the development of fertilizer and pesti- cide industries in the Arab States | 5 |
| 2.5 VC/IDC/76/011: Joint IDCAS/UNIDO project for development of synthetic fibre industry in the Arab countries | 5 |
| 2.6 VC/IDC/76/012: Pre-feasibility study on the establishment of special alloy steel plants in Arab countries | 5 |
| 2.7 VC/IDC/76/022: Translation into Arabic and distribution by IDCAS of UNIDO documents | 5 |
| 2.8 RP/IDC/78/001: UNIDO/IDCAS special programme for the Arab LDC's | 5 |
| 2.9 VC/INT/77/047: Fifth Conference on Industrial Development for the Arab States | 6 |
| 2.10 UF/IDC/78/024: Techno-economic development study and appraisal on the status of perspective of aluminium semi-finished and finished products industries in the Arab countries | 6 |
| 2.11 UF/IDC/78/097: Seminar on the organization and development of industrial training in Arab fertilizer enterprises | 6 |
| 2.12 UF/INT/78/081: Printing of the manual of evaluation of industrial pro- jects in English and French | 6 |
| 3. OTHER AND NEW AREAS OF CO-OPERATION | 7 |
| 4. IDCAS POSSIBLE CONTRIBUTION TO UNIDO GENERAL PROGRAMMES | 9 |
| 5. FINANCIAL REVIEW OF OUTSTANDING PROJECTS AND ACCOUNTS | 10 |
| 6. MISCELLANEOUS | 11 |

ANNEXES

| | |
|---|----|
| I. List of participants | 12 |
| II. Meeting of UNIDO/IDCAS Joint Committee, Vienna, 29-30 June 1978 and prior years | 13 |
| III. Project - UF/IDC/78/024 - Techno-economic development study and appraisal on the status and perspectives of aluminium semi-finished and finished products industries in Arab countries | 14 |
| IV. Evaluation and status of existing joint industries | 16 |
| V. List of projects discussed by Mr. Bull on outstanding IDCAS account | 17 |

PREFACE

The first UNIDO/IDCAS Joint Committee meeting was convened according to schedule in UNIDO Headquarters from 29-30 June 1978 with all Committee members present. Certain UNIDO officials participated on part-time basis. A list of the participants is to be found in annex I.

The Committee examined the detailed items of the provisional agenda (annex II). It dealt with the pipeline projects, on-going projects, and a variety of other items which it considered of interest to the objectives of both organizations.

During consideration of its agenda items the Committee listened to certain UNIDO staff members who provided explanations or elaborated certain issues. Notes were taken of these, whereas in most of the cases they were incorporated in the report, as the Committee felt appropriate.

While this report was being finalized action was taken on a couple of points. For example, the project assistance to the Arab Information Network Phase III was submitted to and approved by the UNIDO Programming Committee under project No. UF/IDC/77/055. IDCAS was informed by Mr. Luqman, cable No. 29433. Moreover UNIDO transferred \$50,000 to IDCAS constituting 80 per cent of the \$60,000, which is a part of UNIDO's contribution to the Fifth Conference of the Arab Ministers of Industry in Algiers. Mr. Ofverholm's letter dated 23 August and Mr. Luqman's cable No. 30608 refer.

1. PIPELINE PROJECT

1.1 IDCAS/UNIDO programme of technical assistance to support efforts to reactivate Lebanese industry:

The Committee noted that this project underwent a series of discussions in Vienna and in Cairo and was finally subject to a joint mission to Lebanon. IDCAS has hitherto forwarded to UNIDO a revised project document based on the agreement reached during Mr. Jawhari and Mr. Tamimi's mission in Cairo and Lebanon.

The Chairman suggested to present the revised project proposal to the UNIDO Programming Committee on an ad hoc basis for urgent consultation. However, Mr. Tandon informed the Committee that the matter can only be taken up by the forthcoming Programming Committee which will convene about the middle of July 1978.

1.2 The establishment of a pan-Arab cold chain:

The Committee was briefed on developments regarding this project and previously anticipated UNDP role in its implementation.

Following discussions in Cairo with UNDP and previous IDCAS agreement with Dr. Khane, Executive Director, UNIDO, on 13 April 1978 in the presence of Mr. Siddiqui to at least, implement the first new phases proposed by IDCAS jointly with UNIDO alone. The Committee recommends that immediate steps be taken to present IDCAS proposal to the forthcoming Programming Committee scheduled for about the middle of July 1978.

1.3 Capital goods - study for the development of machine tools and related equipment manufacture in the Arab countries:

Subsequent to the IDCAS mission to UNIDO on 7 February 1978 and discussions on IDCAS project concept about a developmental study on machine tools, Mr. Succar forwarded to IDCAS information on UNIDO's activities. The Committee is now informed that the project concept is still being elaborated by IDCAS, taking into consideration the study being prepared by the Centre.

1.4 Assistance to the development of the Arab information network phase III

The Committee took note that as proposed by UNIDO a staff member who already visited Cairo 17-19 June 1978 and made an evaluation of the activities which were completed under phase II and that based on the staff member's findings the project will be submitted to the Programming Committee of UNIDO for consideration.

2. ON-GOING PROJECT

2.1 VC/IDC/73/070: Integrated techno-economic study for the manufacture of tractors, cars and ancillary industry in selected Arab countries

UNIDO approved the project and recommended that the study be broken into 2 or 3 phases and no expenditure in the 2nd or 3rd phase before the previous one is completed. UNIDO further stipulated that IDCAS implement phase one on its own.

However, the Arab Fund for Social and Economic Development requested from IDCAS quite an exhaustive study on the status and prospects of the agricultural machinery and equipment industry in the Arab region. This study will be ready by September 1978. Its total cost is US\$160,000.

The information left UNIDO inputs to the project unutilized. On hearing the views of IDCAS on the one hand and Mr. Swami Rao and Mr. Pagani, the Committee recommended that the Engineering Industries Section of UNIDO would elaborate terms of reference for two alternative studies:

- The first proposed by IDCAS, a study on the manufacture of pistons and piston rings (market status, supply and potential manufacturing capabilities, etc.).
- The second study proposed by the same Section would be on the manufacture of irrigation equipment (sprinkler irrigation system specially suited for semi-desert regions).

Pending further consultations with IDCAS a revised project will be submitted to the Programming Committee to utilize available funds under this project.

2.2 VC/IDC/74/083: Development and promotion of the establishment of a general strategy of industrialization and long term plan for the Arab countries

IDCAS party stated that they requested transfer of US\$20,000 against project VC/IDC/77/047, Fifth Conference on Industrial Development for Arab States, to the UNIDO Model Group for participation in the preparation for Model for a strategy of Arab industrial development. Whereas, Mr. Bull from UNIDO Finance informed the Committee that this amount was charged to VC/IDC/74/083 instead.

Furthermore, the Committee was informed by the IDCAS party of the great need to have Mr. Cho and three of his assistants visit Cairo for ten days to find solutions to existing technical problems connected with availability of required data needed for construction of the above-mentioned Model.

The Committee also was reminded that Dr. Khane during his visit to IDCAS on 13 April 1978, in the presence of Mr. Siddiqui, had agreed to send Mr. Cho to Cairo.

The Committee recommended that UNIDO and IDCAS should expedite and facilitate Mr. Cho's visit to Cairo and related activities. It was agreed that IDCAS will soon cable UNIDO of dates and means of finance of the mission. August/September was considered favourable.

2.3 VC/IDC/74/086: Assistance to the development of an industrial information network for the Arab States by IDCAS - phase II

The Committee was informed that, as proposed by UNIDO, Mr. Ghelardoni visited Cairo for evaluation of this project during 17-19 June 1978, and that this project is operationally complete. IDCAS document indicated an estimated over expenditure of US\$3,838.62 as of mid-June 1978.

2.4 VC/IDC/75/028A: Assistance to the development of fertilizer and pesticide industries in the Arab States

The Committee was informed that the fertilizer report was submitted to UNIDO on 3 July 1977 and that the pesticide report was delivered on 29 June 1978. Hence this project is operationally completed.

2.5 VC/IDC/76/011: Joint IDCAS/UNIDO project for development of synthetic fibre industry in the Arab countries

IDCAS party informed the Committee that the Arab Permanent Consultation Committee on Textiles have decided that this study should be oriented towards assessment of the absorption capacity of existing and planned Arab textile factories for utilization of synthetic fibres and cost of conversion and modification required and/or expansion necessary to process synthetic fibres and their blends with natural fibre. The Committee also heard views expressed by Mr. El-Halfawy, Interregional Adviser, who thought that the activity originally visualized in the original project document is still necessary and that the two areas should be developed in parallel.

The Committee therefore, recommended that the available funds under this project be used by IDCAS as per their proposal. However, it was also felt that techno-economic studies for setting up synthetic fibre plants in Arab countries should be undertaken by UNIDO and that these may proceed in parallel with IDCAS work. IDCAS and UNIDO substantive sections would agree on continuing co-operation on both fields of interest.

2.6 VC/IDC/76/012: Pre-feasibility study on the establishment of special alloy steel plants in Arab countries

The Committee was informed that this project is operationally complete. IDCAS delivered copy of the first volume of the study to Mr. Nijhawan, Interregional Advisor, and expressed full satisfaction and appreciation for the way this project was implemented. Additional copies will be forwarded to UNIDO.

2.7 VC/IDC/76/022: Translation into Arabic and distribution by IDCAS of UNIDO documents

The Committee was informed that this is an on-going activity but over the years it became apparent that some modifications are necessary. The subject will be taken up in more detail in the second meeting of the Committee.

2.8 RP/IDC/78/001: UNIDO/IDCAS special programme for the Arab LDC's

The Committee was informed by Mr. Al-Sheih-Ali of the UNIDO LDC's section, that there is no problem regarding this project. The Committee noted with satisfaction that this is the first joint programme to be financed from the UNIDO regular programme of technical assistance. The meeting is scheduled for 31 July/3 August in Cairo.

2.9 VC/INT/77/047: Fifth Conference on Industrial Development for the Arab States

The Committee discussed UNIDO's contribution to the Fifth Industrial Development Conference for the Arab States as outlined in Project VC/INT/77/047 which approved the allocation of US\$89,000 for the preparation of documents and studies on strategy for the industrial development and regional co-operation.

The Committee took note of the letter sent by Mr. Azzeti to Dr. Khane on the subject, requesting the transfer of US\$60,000 advance against the project.

Hence, the Committee recommended that the backstopping section would request finance to transfer the requested amount as per the on-going practice as an advance. The backstopping section is understood to continue consultations with IDCAS on the subject. Mr. Bull from Finance consented to this procedure. (While drafting the report Mr. Luqman and Mr. Mikkawi were informed by Mr. El-Halfawy of a telephone conversation between Mr. Azzabi who confirmed, once again his request that UNIDO should expedite transfer of the requested finance).

2.10 UF/IDC/78/024: Techno-economic development study and appraisal on the status of perspective of aluminium semi-finished and finished products industries in the Arab countries

This Committee discussed this project with the participation of Mr. Szakal, Acting Head, Metallurgical Industries Section, IOD. The project is operational and no constraints appear at this moment. The modus operandi of co-operation was agreed upon in detail and laid out in UNIDO's letter to Mr. Hilmi, dated 29 April 1978 and confirmed by Mr. Azzabi's cable of 26 June 1978. UNIDO's next action is anticipated in October/early November 1978 with Mr. Szakal's ten days mission to IDCAS in order to assist in the evaluation of the offers and provide consultancy in the selection of the contractor. The finalized version of the terms of reference was handed over on 29 June 1978 to Mr. Szakal by Dr. Hilmi. Mr. Szakal prepared a third version reflecting UNIDO's comments on 30 June 1978.

The Committee took note of the foregoing. The work programme of this project is attached (see annex III).

2.11 UF/IDC/78/097: Seminar on the organization and development of industrial training in Arab fertilizer enterprises

The Committee noted that this project was just approved by the Programming Committee and urges the training section to effect implementation as soon as possible.

2.12 UF/INT/78/081: Printing of the manual of evaluation of industrial projects in English and French

The Committee noted that this project was just approved and urges the concerned parties to effect implementation as soon as possible.

3. OTHER AND NEW AREAS OF CO-OPERATION

3.1 Agricultural machinery and equipment:

The Committee was informed of a world UNIDO study on agricultural equipment being prepared by UNIDO's ICIS. This study will be used to prepare a document for the First Consultation Meeting on Agricultural Machinery (planned for mid-1979).

The Committee heard the views of both Mr. Gouri and Mr. Oettinger on the subject. Subsequently, the Committee recommends that IDCAS and UNIDO activities on agricultural machinery and equipment would somehow be linked. There was agreement on the importance of organizing a special IDCAS/UNIDO meeting to draw up concrete ideas for co-operation.

3.2 Follow-up on recommendations to emerge from the forthcoming meeting in Cairo for the Arab LDC's.

The Chairman stressed the fact that as a matter of principle UNIDO is, for expediency, prepared to agree to implementation by IDCAS of the jointly financed programme which will develop as a result of the meeting. The Chairman further proposed that co-operation between IDCAS and UNIDO in this regard can do benefit for UNIDO's programme of technical co-operation among developing countries (TCDC). Mr. Hassoun supported this suggestion.

3.3 Follow-up on the joint aluminium project:

The Committee listened to Mr. Szakal, who expressed conviction of the necessity of the development of this sub-sector in the IDCAS region. Preliminary ideas were exchanged on a possible second stage of the on-going sectoral aluminium project. Specific features of such services can however be formulated only in a more advanced stage of the on-going project.

3.4 Follow-up action on the petrochemical industries:

The Committee discussed with Mr. El-Halfawy, possibilities for development and programmes in downstream petrochemical industries. There was concurrence that there is need for surveying these downstream industries in the Arab countries and the potential for its development to satisfy at least the needs of the Arab market and to absorb a reasonable part of future Arab petrochemical production. The IDCAS party informed the Committee that IDCAS included a project on plastics in its 1979 programme.

Once the project as proposed is approved by IDCAS Board, IDCAS will submit a request for a joint programme with UNIDO.

3.5 Further co-operation in the field of fertilizers:

The Committee took note of a short briefing of IDCAS/UNDP meeting on the subject of future activities in the field of fertilizers on a regional level. IDCAS agreed to submit to UNDP its own proposal on the future regional programme.

Furthermore, UNDP had suggested and IDCAS accepted to organize intergovernmental and an inter-organizational meeting on the subject. Mr. El-Halfawy, on the other hand, proposed that IDCAS would convene the Permanent Committee of Four on Fertilizers, sometime during the second half of September. Representatives from concerned Arab and United Nations organizations would be invited. The objective of the meeting would be to recommend an integrated programme of action in the areas of fertilizer production distribution and application.

The Committee recommended that this co-operation should be strengthened and that consultation should continue to further elaborate modes of co-operation in this important sub-sector.

3.6 Future co-operation on agro-industries:

3.6.1 Food processing:

The Committee took note of information provided by Mr. Miklowiz on UNIDO's study on the evaluation and status of existing food industries (see annex II for more details on the UNIDO study).

The Board of UNIDO in its last meeting requested that a preliminary global study on food processing should be presented to its next meeting in August 1979. UNIDO wanted to consult with IDCAS on the best regional paper. The Chairman, who is the Chairman of the UNIDO's task force on agro-industries reiterated his belief that IDCAS presents a unique regional counterpart to UNIDO in the sense that there is no other similar regional organization elsewhere. Hence, he felt that UNIDO should seek IDCAS support in the preparation of the regional paper to be prepared for the Arab countries. UNIDO acted on its own in the other regions and in contracting consultants.

The problem remains however, that this preliminary regional paper should be ready for assessment by September. UNIDO will organize a meeting for briefing concerned parties on 24 July 1978.

The Committee recommended that UNIDO will send invitations to IDCAS to provide all necessary background information on the subject. It is understood that UNIDO will cover the cost of IDCAS participation in the forthcoming meeting and the study. The cost of the study is tentatively estimated at 4 m/m equivalent to US\$16,000 plus travel cost.

3.6.2 The Committee was informed by the Chairman of the following related areas of activities:

- (a) Regional: That discussion is underway for the establishment of a regional centre for development of leather and leather goods in Tunis.
- (b) That UNIDO is preparing terms of reference for a feasibility study on how to apply the integrated agro-industrial approach in the Gezira Scheme in Sudan.
- (c) That there are plans to organize a ministerial meeting on the integrated agro-industrial approach in Baghdad, Iraq in 1980.

The IDCAS party expressed interest in being informed of developments to make possible further elaboration of ways and means of co-operation in each of these areas.

3.7 A study of the possibility of manufacturing within the region of equipment for telecommunication and power sector.

The Committee took note of the memorandum of 6 June 1978 of Mr. Tamimi and Mr. Abdelwahab on the preliminary investigations of ECWA on the above mentioned study, and the Arab Fund interest in the ECWA activities and that UNIDO may be involved at a later stage.

The Committee recommended that more information is required from the related Senior Industrial Development Field Adviser (SIDFA).

3.8 Smelting plants for copper: The Committee took note that the Arab Fund is presently discussing the possibility of preparing a detailed feasibility study for copper smelting plants to be jointly established by Morocco and Mauritania given the commercial possibilities for copper in both countries. It was understood in discussions between UNIDO and the Arab Fund that the Fund will require the assistance of the UNIDO Interregional Adviser in metallurgical industries at a later date.

3.9 Appropriate technology: The Committee listened to Mr. Janiszewski, of the technology group on UNIDO's activities in the field of appropriate technology, i.e.

3.9.1 A forum on appropriate technology will be organized by UNIDO in India during November 1978. Fifteen forums will be organized simultaneously, each covering an area of specialization such as agro-industries, food processing, packaging, textiles, fertilizers, energy, etc.

3.9.2 Three types of metal working shops (forgery, foundry, metal sheet) using appropriate technology will be established in three different least developed countries. The metal sheet shop will be established in the Sudan. The Cameroon and Ghana will each have one of the others.

3.9.3 Investigation on transportation needs of developing countries: UNIDO developed a report on the manufacture of low-cost vehicles. This is done with the objective of avoiding assembly operations, since these have low added value.

3.9.4 Information bank on contractual agreements: UNIDO has within its programme of co-operation among developing countries organized a meeting on the above-mentioned subject. Fifteen countries agreed to exchange information on their contractual agreements. Three of these are Arab countries, namely, Algeria, Egypt and Iraq.

3.9.5 Technology advisory services: UNIDO is developing a capability to give short-term guide assistance to developing countries in contractual agreements for technology transfer in large-scale projects. It has been possible to deliver this assistance within 72 hours, but it would be better in 2-3 weeks time.

A number of related documents were handed over to the IDCAS party in anticipation of future consultation to elaborate ways and means of future co-operation between IDCAS and UNIDO so that the Arab region would benefit from these activities.

4. IDCAS POSSIBLE CONTRIBUTION TO UNIDO GENERAL PROGRAMMES

4.1 The Third General Conference for Industrial Development (UNIDO III) 1980. The Committee listened to Mr. Pflucker, Special Adviser to the Executive Director who spoke on the importance of industry in the world developmental process. He further elaborated on the importance of the Conference for industrial development to UNIDO and to the developing countries. He emphasized that IDCAS can play an important role in the preparation of the Conference and noted that it was in the meeting of the Group of 77 in Algiers that in fact the Lima Declaration and Plan of Action was developed.

The IDCAS group noted that UNIDO III was considered by the Arab Ministers as one of its last meetings. It was suggested that a document be prepared for the next meeting of the Ministers of Industry of the Arab States.

The Committee recommended that IDCAS will be invited to the forthcoming preparatory meetings for UNIDO III. It called upon Mr. Pflucker to send IDCAS, ideas, proposals and documents on the subject for their consideration.

4.2 UNIDO consultation system: Mr. Hacini, Head of the Negotiation Section made a brief statement on how this system developed in implementation of the Lima Declaration and Plan of Action, and how this system was one of the major issues raised by the developing countries. He further noted that IDCAS can play an important role in the system, especially at the regional level. Hence the Committee recommended that an informal meeting would be organized on the occasion of the next IDCAS Board meeting to be held in Tunis, 3-6 July 1978.

Furthermore, note was taken of the fact that IDCAS had participated in the past sectoral consultations, although not in the last preparatory meeting for the consultations on petrochemicals, which is a sector of special importance for the IDCAS region.

The Committee recommended that IDCAS would be invited to future consultation meetings.

4.3 Technical co-operation between the developing countries (TCDC): Mr. Hasson of the TCDC section gave a brief statement on the programme. It's concept is to identify and agree upon collective means that can enable countries more directly to communicate, more effectively to concert their development efforts. That the areas of possible co-operation between IDCAS and TCDC could be in the field of:

- Exchange of industrial experience among the Arab States themselves and between them and other developing countries;
- Training programmes within the Arab countries and in other developing countries;
- Exchange of expertise and experts;

The IDCAS party indicated that IDCAS itself is an exercise of co-operation among the Arab group of developing countries.

The Committee noted that perhaps many activities can be developed under this framework and special reference was made to the least developed countries.

4.4 Co-operation between IDCAS and the industrial field advisers in the Arab region:

The Committee noted with great satisfaction the newly emergent system of periodical meetings in IDCAS of the SIDFAs of the region. A significant development particular only to the IDCAS region. These periodical meetings will hopefully develop institutionalized channels of communication and co-operation between IDCAS and UNIDO through the SIDFAs.

4.5 Co-operation between IDCAS/UNIDO and OAPEC:

The Committee listened to a proposal delivered by Mr. Jambai on the possibility of a joint tripartite effort to rationalize and co-ordinate the vast industrial investment projects in the Arab oil countries with special reference to the Gulf with an objective of avoiding duplication and future damaging competition.

The Committee recommended that this may be further elaborated through future consultation with all concerned organizations.

5. FINANCIAL REVIEW OF OUTSTANDING PROJECTS AND ACCOUNTS

Mr. Bull from Finance enquired about the present status of a number of outstanding financial statements of IDCAS/UNIDO joint projects. See annex v.

The IDCAS party indicated the following:

- 5.1 That they could better review these projects had Finance provided their code numbers for easy reference.
- 5.2 That certain of the projects that Finance referred to were not IDCAS projects.
- 5.3 That the final statements of many of these projects were forwarded to UNIDO, however, somehow they did not reach Finance.
- 5.4 That at least two of these projects were only operationally completed (fertilizers - pesticides VC/IDC/76/028; special alloy steel VC/IDC/76/012) but that financial completion is underway.
- 5.5 That IDCAS party will review again the situation and report at the next meeting of the joint committee.

6. MISCELLANEOUS

- 6.1 Question of policy: The Committee heard different views under this item such as:
 - 6.1.1 The necessity of institutionalizing future joint programmes within continuing specific areas of activity such as sectoral studies, preparation of national surveys, training activities, etc. This was seen to lend itself to programming of institutional and rationalized joint activities.
 - 6.1.2 That IDCAS is interested in getting more involved in the UNIDO regular programme of activities.
 - 6.1.3 In the Arab region: The Committee further recommended that both Secretariats ensure that external relations sections in both organizations are kept posted on all correspondence, exchanges and contacts to make monitoring and follow-up more and more effective.
- 6.2 The second meeting of the IDCAS/UNIDO Joint Committee Meeting:

The Committee agreed to the following:

 - 6.2.1 That the Committee will meet alternatively in Cairo and Vienna.
 - 6.2.2 That the host would assign a secretary.
 - 6.2.3 That the host would prepare a summary report.
 - 6.2.4 That the host would prepare the agenda in good time.
 - 6.2.5 That the members of the Committee should be able to invite technical staff or experts of specific interest to the meeting.
 - 6.2.6 That the next meeting would be tentatively convened on 18/19 October 1978 in Cairo.
 - 6.2.7 The following items are to be considered for the next agenda:
 - Preparation of a joint programme and system of submission to respective governing bodies;
 - Ways of reporting system of joint activities;
 - Review of existing regional industrial issues;
 - UNIDO inventory of possible project areas;
 - Review of UNIDO and IDCAS reports on approved, implemented, on-going, outstanding projects and supporting activities since 1975.

ANNEX I

List of participants

Members of the Joint Committee

IDCAS Dr. A. K. Hilmi, Adviser to the Secretary General, Arab League, Chairman
 Mr. A. H. A. Mekkawi, Chief, External Relations Section

UNIDO Mr. M. M. Aref, Head, Agro-Industries Section, Chairman
 Mrs. Irene Lorenzo, Chief, Governments and Intergovernmental
 Organizations Relations Section
 Mr. Salah F. Jowhari, Regional and Country Studies Section
 Mr. Y. R. Cho, Global and Conceptual Studies Section

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* *

Mr. M. Luqman, Secretary to the Committee, External Relations Officer,
EX/CPE/REL

Part-time participation by UNIDO staff members

Mr. W. Pflucker, Special Assistant to the Executive Director
Mr. A. Hacini, Head, Negotiations Section
Mr. P. Szakal, Acting Head, Metallurgical Industries Section
Mr. K. Ahmed, Chief, Least Developed Countries Section
Mr. B. R. Nijhawan, Interregional Adviser, Metallurgical Industries
Mr. M. El Halfawy, Interregional Adviser, Chemical, Petrochemical
and Fertilizer Industries
Mr. N. N. Tandon, Senior Industrial Development Officer,
Programme Development and Evaluation Section
Mr. A. Miclowicz, Senior Industrial Development Officer,
Sectoral Studies Section
Mr. A. Swamy-Rao, Interregional Adviser, Engineering Industries
Mr. A. Pagani, Industrial Development Officer,
Engineering Industries Section
Mr. H. Janiszewski, Industrial Development Officer,
Development and Transfer of Technology Section
Mr. A. Hasson, Industrial Development Officer, Section of
Economic Co-operation among Developing Countries
Mr. Al Shaikh Ali, Industrial Development Officer,
Least Developed Countries Section
Mr. Gonod, Industrial Development Officer,
International Centre for Industrial Studies
Mr. E. Bull, Finance Officer, Financial Services Section

ANNEX II

Meeting of UNIDO/IDCAS Joint Committee, Vienna, 29-30 June 1978
and prior years

Detailed items of the provisional agenda

A. Review of 1978 programme

1. The emergency assistance to the Lebanese industry
2. The aluminium project implementation and second stage
3. Capital goods (also refer VC/IDC/73/070)
4. Fifth Conference of the Arab Ministers of Industry in Algiers (ref. VC/IDC/71/047)
5. Model for Arab regional industrial co-operation (also ref. VC/IDC/74/083)
6. Follow-up on the recommendations to emerge from the Cairo meeting on the Arab LDCs
7. Regional development of fertilizers and plastic industries (ref. VC/IDC/75/028)
8. Synthetics (ref. VC/IDC/76/01)

B. New items for 1979

1. (a) IDCAS contribution to UNIDO III
(b) IDCAS contribution to the UNIDO system of consultations
2. Programme of co-operation - IDCAS prepare wide study on agro-industries in the Arab region - UNIDO to assist in financing
3. Joint effort of UNIDO/IDCAS to develop pulp and paper industry
4. Arab countries petrochemical industries
5. Pesticides survey on IDCAS countries (VC/IDC/75/028)
6. Study of the plastics in the Arab countries
7. Regional co-operation with OAPEC
8. Co-operation through the scheme of TCDC
9. Co-operation with ECWA
 - (a) Study of agricultural machinery and implements
 - (b) Manufacturing within the region of equipment for telecommunications and the power sector
 - (c) Smelting plants for copper

C. Miscellaneous items

Unsettled accounts of completed/on-going projects

ANNEX III

1. Project - UF/IDC/78/024 - Techno-economic development study and appraisal on the status and perspectives of aluminium semi-finished and finished products industries in Arab countries

The modus-operandi of co-operation was agreed upon in detail and laid out in UNIDO's letter to Dr. Hilmi, dated 28 April 1978 and confirmed by Mr. Azzabi's cable of 26 June 1978. According to this the substantive steps and actions of both organizations are defined as follows:

UNIDO shall:

1. Prepare draft terms of reference for the contractor (sent with letter of 14 February 1978).
2. Send to IDCAS a list of potential contractors (sent with letter of 3 March 1978).
3. Send a representative to Cairo to assist in selecting the contractor on the basis of an elaborate and tabulated evaluation of bids, to be prepared by IDCAS.
4. Delegate a representative to assist IDCAS in the briefing of the contractor chosen.
5. Comment on the draft final report, to be received from IDCAS and review the comments of IDCAS on it.
6. Delegate a representative to discuss, together with IDCAS and the contractor, the comments on the draft final report.
7. Discuss with IDCAS the conclusions and recommendations also the value of the completed project and assist in the formulation of possible follow-up action in the aluminium sector, including further technical assistance and studies.
8. Be ready at any time for interim ad hoc consultations on technical matters of the project.

IDCAS shall:

1. Send to UNIDO the final version on the terms of reference.
2. Invite UNIDO to assist in the selection of the contractor.
3. Invite UNIDO to participate in the detailed briefing of the contractor selected.
4. Hand over or send to UNIDO a copy of the signed contract.
5. Send to UNIDO copies of interim reports, if any, received from the contractor.
6. Send to UNIDO the contractor's draft final report for comments and also the comments of IDCAS on it.
7. Invite UNIDO to discuss, together with the contractor, the comments made on the draft final report.
8. Send to UNIDO two copies of the final report prepared by the contractor.
9. Send to UNIDO copies of all technical correspondence between IDCAS and the contractor and keep UNIDO up to date on the progress of the project.

ANNEX III (Cont'd)

As to the next practical steps, the scenario will probably be:

| | |
|--|--------------------------------------|
| Invitation of bids by IDCAS | end July 1978 |
| Closing date for receiving bids | end September 1978 |
| Evaluation of bids and selection of contractor | end November 1978 |
| Contractual discussions and briefing of contractor | mid December 1978 |
| Work of the contractor | from January until end December 1979 |
| Submission of the draft final report | about January 1980 |

UNIDO's next intervention is visualized by end October/early November 1978 with Mr. Szakal's approximate ten days mission to Cairo/IDCAS in order to assist in the evaluation of the offers and provide consultancy in the selection of the contractor.

The finalized version of the terms of reference was handed over on 29 June 1978 to Mr. Szakal by IDCAS for comments by UNIDO. A third version text, reflecting UNIDO's comments was given to Mr. Hilmi on 30 June 1978.

ANNEX IV

Evaluation and status of existing joint industries

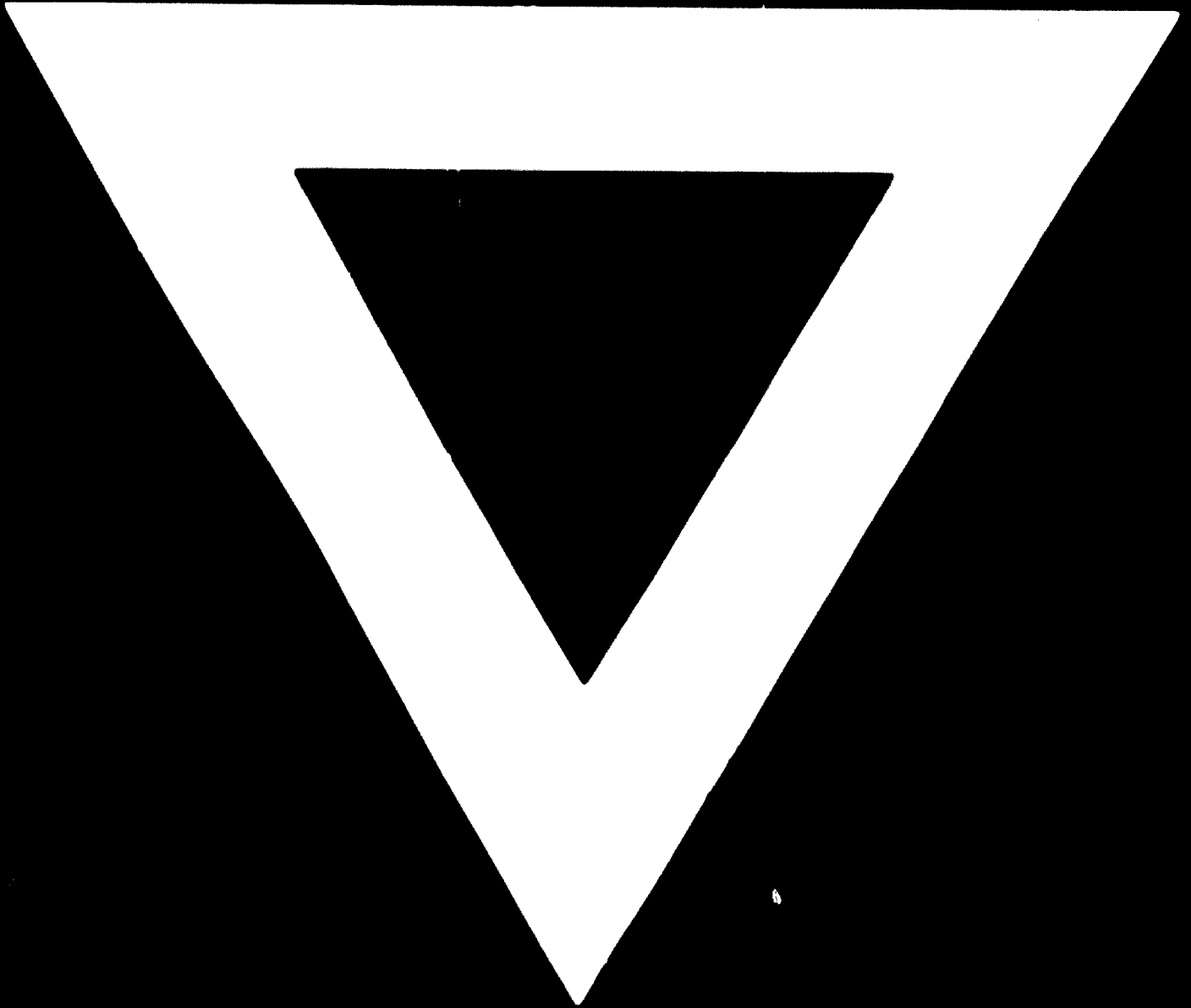
1. The study would cover the following subjects:
 - What are the major fields of industries
 - What percentage they provide
 - What are the problems they face
 - finance
 - manpower
 - technology
 - etc.
 - What are the industries that are better developed
 - What kind of strategies and national development policies exist in the same region.
2. The subsectors to be covered are:
 1. Meat and meat processing
 2. Dairy and milk
 3. Fruits and vegetable processing
 4. Fisheries
 5. Cereals
 6. Sugar
 7. Chocolate and confectionery
 8. Animal feed
 9. Oil and fats, vegetable and animal
 10. Beverages
 11. Coffee

ANNEX V

List of projects discussed by Mr. Bull on outstanding IDCAS account

1. VC/IDC/73/070
Integrated techno-economic study on manufacture of tractors, buses, cars and ancillary industry in selected Arab countries
2. Collection of industrial information and promotion of activities balance US\$20,054
3. VC/IDC/74/083
Development and promotion of the establishment of a general strategy of industrialization and long-term plan for the Arab countries
4. VC/IDC/75/028A
Assistance to the development of fertilizer and pesticide industries in the Arab States
5. VC/IDC/76/011
Joint IDCAS/UNIDO project for development of synthetic fibre industries
6. VC/IDC/76/012
Feasibility study on the establishment of special and alloy steel plants in the Arab countries
7. Tunis workshop on the project evaluation manual
8. Permanent Consultative Committee on Documentation of Industrial Information
9. Consultation Meeting on Small-Scale Industries

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