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UNIDO ASSISTANCE OF THE TEXTILE INDUSTRY
IN DEVELOPING COUNTRIES

Introductory paper
presented by

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at the
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Scope and Activities of UNIDO

UNIDO, the United Nations Industrial Development Organization, was established by a General Assembly resolution passed in 1966, and started its activities on 1 January 1967 in New York, as part of the UN secretariat there. Ten countries had offered sites for the headquarters of the new sub-organization of the United Nations and, by a majority vote in the General Assembly, Vienna was chosen. The physical move from New York to Vienna took place during the summer and autumn of 1967. The purpose of the organization, as set out in the General Assembly resolution 2152 (XXI), is "to promote industrial development in accordance with the United Nations Charter, and encourage the mobilization of national and international resources to facilitate the industrialization of the developing countries emphasizing the manufacturing sector".

The principal policy formulation organ of the organization is the Industrial Development Board which consists of the representatives of 45 member countries elected by the General Assembly for a period of three years from members of the UN family on a geographical basis. It reports to the General Assembly of the UN through the Economic and Social Council. The secretariat of UNIDO, headed by an Executive Director who is appointed by the Secretary General and confirmed by the General Assembly, consists at present of 387 professional staff members representing some 80 nationalities.

The operational activities of UNIDO consist mainly of technical assistance to the industry in developing countries on the basis of official Government requests. This assistance is provided

- a) by making available the services of internationally recruited experts;
- b) by training technical staff from developing countries through fellowship grants and group training programmes; and c) by supplying equipment for institutional projects. In the process of establishing new production capacity, UNIDO is involved only during the pre-investment stages: surveys, feasibility studies and technical advice. It does not finance capital equipment except for experimental and pilot plants. To bridge this gap between

pre-investment activities and actual capital investment, a joint UNIDO/IBRD investment Co-operative Programme has been established. It screens UNIDO technical assistance reports and feasibility studies for potential investment projects suitable for financing by the World Bank.

In addition to operational activities to assist the developing countries in improving the efficiency of their industrial production, in programming and planning, in strengthening their institutions and in training their personnel, UNIDO provides a forum for consultations between the industrialized and developing countries, co-operates with the UN Regional Economic Commissions in industrial development planning, develops concepts and carries out action-oriented studies and research programmes in support of its operational projects and reviews and promotes the co-ordination of all United Nations activities relating to industrial development.

The various activities are financed from several sources of funds. The bulk comes from the United Nations Development Programme (UNDP) for UNIDO's technical assistance projects. In 1978 it was \$42,1 million. In addition, the UN Regular Programme, the fund for Special Industrial Services and the UN Industrial Development Fund from contributions pledged direct to UNIDO provided altogether \$12,8 million. The Regular Budget of UNIDO for managerial and administrative support of its technical co-operation activities was \$30 million in 1978. The expenditure for technical assistance to the textile industry in developing countries was \$3 million, representing about 7% of UNIDO's UNDP-funded technical assistance last year.

Operational System

As an Executing Agency of UNDP-financed technical assistance projects, UNIDO is part of the mechanism through which UNDP utilizes the funds placed at its disposal by the donor countries. For reasons of financial and project planning it has been found advisable to forecast the expenditure in five-year periods. Each developing country is given an estimated allocation of UNDP funds for the five-year period and within the limits of this "indicative planning figure" the country concerned, together with the UNDP Resident Representative in that country, establishes the priorities for the use of that money. This is called the "country programming exercise".

The Executing Agencies participate in this exercise by making proposals and comments each within its competence and in the light of its experience. Once the priorities have been established, the rough project outlines are developed into detailed projects, usually with the assistance of the Agency concerned and then submitted by the Government officially to UNDP for approval. An approved project document bears the signatures of UNDP, the Government and the Executing Agency and constitutes a financial authorization for the Executing Agency to incur expenditure.

UNIDO's Textile Activities

The emphasis on UNIDO's textile activities during the eleven years of its existence has been on technical assistance to the developing countries to help increase the productivity of the mills, to improve the quality of the products and to advise on specific production problems. This assistance is often realized in the form of large-scale projects where a group of several experts, covering between them the entire production process from spinning to finishing and often also garment manufacture, operate in a given country for several years. The expert services are complemented by the provision of testing instruments and other equipment for laboratory work and by financing fellowships for local personnel.

Projects of this type have been or are operational in several Asian countries: Indonesia, Thailand, India, Pakistan, Turkey, Syria. In Africa, only Egypt has requested and received such assistance. In Latin America UNIDO's involvement in textiles has been almost non-existent.

In addition to practical, mill-level technical assistance UNIDO has completed, at the request of the recipient governments, several sectoral studies to analyse the textile industry sector from both a technical and an economic point of view and to recommend measures for its further development. For such studies, thus far carried out in Brazil, Peru, Ecuador, Indonesia, Ethiopia, Kenya, Tanzania, Uganda and Tunisia, we have usually engaged a consulting firm.

The majority of the projects is concerned with the cotton industry for obvious reasons; the most notable exceptions to this rule are our wool project in Punjab, India, where a central dyeing and finishing facility is being set up to serve the small Punjab wool knitters, and our cashmere and camel hair project in Mongolia, where a small pilot plant was built for the processing of local raw material.

Over the years we have also commissioned a number of studies on specific topics such as quality control, equipment selection and the applicability of certain new production processes to conditions in developing countries. We have then usually convened a meeting of a small group of internationally known experts to discuss these papers in the light of their experience. The reports of such meetings serve as guidance to ourselves in the UNIDO secretariat and to technical and government personnel in the developing countries. The last two of such meetings were organized and convened in collaboration with the International Institute for Cotton in Manchester. One was concerned with mechanical processing of cotton and the other one with wet processing.

ATIRA Project

To illustrate what I have said so far about UNIDO's textile activities and since this meeting is connected with the scientific work done at the Ahmedabad Textile Industry's Research Association, ATIRA, I would like to explain UNIDO's role in supporting that work.

ATIRA approached UNDP and UNIDO in 1974 with a request to assist the institute in improving its capability and facilities needed to carry out its programme of research aiming at giving cotton fibres new and improved functional properties. In particular, ATIRA was handicapped by the lack of facilities and expertise to focus on areas such as easy-care, soiling and soil removal and flame retardancy. The UNIDO technical assistance project which started in 1975 and has just been completed, provided, with a budget of \$560.000, the following inputs:

equipment: - scanning electron microscope with accessories;
- ultra microtome;
- vacuum coating unit;
- infrared spectrophotometer with accessories.

training: - fellowships and study tours for ATIRA staff in infrared spectroscopy and scanning electron microscopy.

expertise: - a total of 37 man-months in the areas mentioned.

The results of this assistance will be described, to some extent, in the scientific papers to be presented by ATIRA staff at this Symposium, and that will give you an opportunity to judge for yourselves the effectiveness of UN assistance of this type.

Most of the other UNIDO textile projects are concerned with direct assistance to the industry to improve its productivity and product quality. Much of the assistance is channeled through existing institutions, and we hope that, in the process, the capability of these institutions is strengthened to the extent that they can carry out such work independently in the future.



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