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*for a sustainable future*

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## Industrial Development Board

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Agenda item 7

### ESTABLISHMENT OF UNIDO INTERNATIONAL INDUSTRIAL INSTITUTIONS

#### Note by the Executive Director

1. For several years UNIDO and the former Centre for Industrial Development have been giving attention to the problem of training of senior managers and engineers in industries in the developing countries. These highly qualified technical personnel are in need of briefing on up-to-date technological developments in their fields and on regular exchange of views and discussion with their counterparts in the same industries in other developing countries. The benefit of such discussions is further enlarged when they take place in an industrialized country and are combined with arrangements for training in industrial establishments and contacts with successful modern industrial activities.
2. Several such training projects have been arranged in different countries, namely in Zaporozhe, Ukrainian SSR (iron and steel), Sweden (electrical equipment), Poland (textile industries), Yugoslavia (non-ferrous metals), Italy (textile machinery and metallurgical industries), and France (protection against corrosion). Other projects are in preparation in Czechoslovakia (oil engines) and Denmark (cement industry). Negotiations are proceeding with several countries for similar projects in other branches of industry.
3. In these projects the host country has generally provided funds to cover the local expenses of the trainees, while the United Nations has met the cost of international travel and made some contribution toward other costs (e.g. in the form of book allowances and pocket money). The developing countries have also taken care of the salaries of the participants. Since the courses generally ran for several months the contribution by the developed countries amounted to appreciable sums.

4. The arrangements for courses were made on an individual and year-by-year basis and difficulties were experienced in financing them by the United Nations. Efforts to secure operational funds to finance fellowships for the participants and negotiate budgetary resources for documentation were only partly successful. There were other difficulties. Each course had to be negotiated individually with the host country concerned, and invitations to developing countries to participate in the course could be sent out only at a late date so that there was often not enough time to arrange to release the participants from the responsible positions they normally occupied. For the same reason the participants could not always prepare adequately for effective participation in the courses.
5. In spite of these difficulties, the in-plant training scheme proved to be a highly successful activity of UNIDO and has been very well received. Several host countries suggested more permanent arrangements and indicated their readiness to establish on their part permanent facilities including the assignment of permanent staff should a programme of three or four years duration be agreed to by UNIDO.
6. From the substantive point of view, the continuation of the same course in the same country for several years in succession would build up an important contact point in the relevant branch of industry among large numbers of senior industrial personnel from developing countries. The experience thus gathered and the discussions among participants and advisers would be of great value not only to the participants from both developing and developed countries but would also provide a source of practical guidance to UNIDO in its technical assistance and supporting activities in the branches of industry covered by the training activities.
7. To meet these requirements it is suggested that the Board request the UNDP Governing Council to consider the establishment of a series of Special Fund projects in this area.
8. Each project would consist in the setting up for a period of three to five years of an international industrial institute in one of the advanced countries for a specific branch of industry. The institute would be staffed by a United Nations director, a co-director from the host country and a small group of international advisers and local officers. Each year the institute would run

one or two cycles of training courses for participants from developing countries drawn from industries that are established or about to be established in these countries. The programme would include in-plant training in modern factories in the host countries; reviewing the technological, economic and organizational aspects of the industry; and promotion of co-operation in this particular branch of industry between the developing countries themselves as well as between them and the advanced countries.

9. In the intervals between the training courses the staff of the institute would prepare material for the succeeding courses, summarize and evaluate the experience of the previous courses and, to the extent possible, visit appropriate developing countries to gain first-hand knowledge of their problems. The staff of the institute would also maintain continuing contacts with UNIDO on the requirements of the relevant branches of industry, the operational activities of UNIDO in these branches, and the improvement of services to be rendered to the developing countries.

10. On the assumption of an average duration of five years, the cost to the UNDP for each project would be:

- 20 man-years of international staff;
- 250 fellowships for trainees, including travel;
- \$100,000 in additional costs and documentation.

The host countries would contribute funds for the provision of local staff and for lodging, travel and stipend for the trainees. The developing countries would assume responsibility for the payment of salaries to participants during the period of training; they might also contribute special studies related to the development of the industries in question in their own countries.

11. It is expected that about ten such institutes could be established within two years. A large number of developing countries would benefit in a very substantial way from the existence of these institutes through the intensive training that they would provide to their industrial cadres who have no access to such training facilities at present.

12. The establishment of such institutes in advanced countries is not only a prerequisite to securing financial contributions from the host countries concerned but offers the unique advantage of exposing the trainees to direct contacts with modern industry, which would not be the case if the institutes were established in developing countries. Thus the institutes would serve a

purpose much broader than providing participants with specific training. In the course of time each institute would become an international centre and clearing house dealing with various aspects related to the development of the relevant branch of industry in the developing country. In particular, promotion of technical and financial co-operation would be most effectively achieved by such institutes through the contacts established between the technicians of the industries concerned and resulting co-operation in a spirit of mutual understanding.





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