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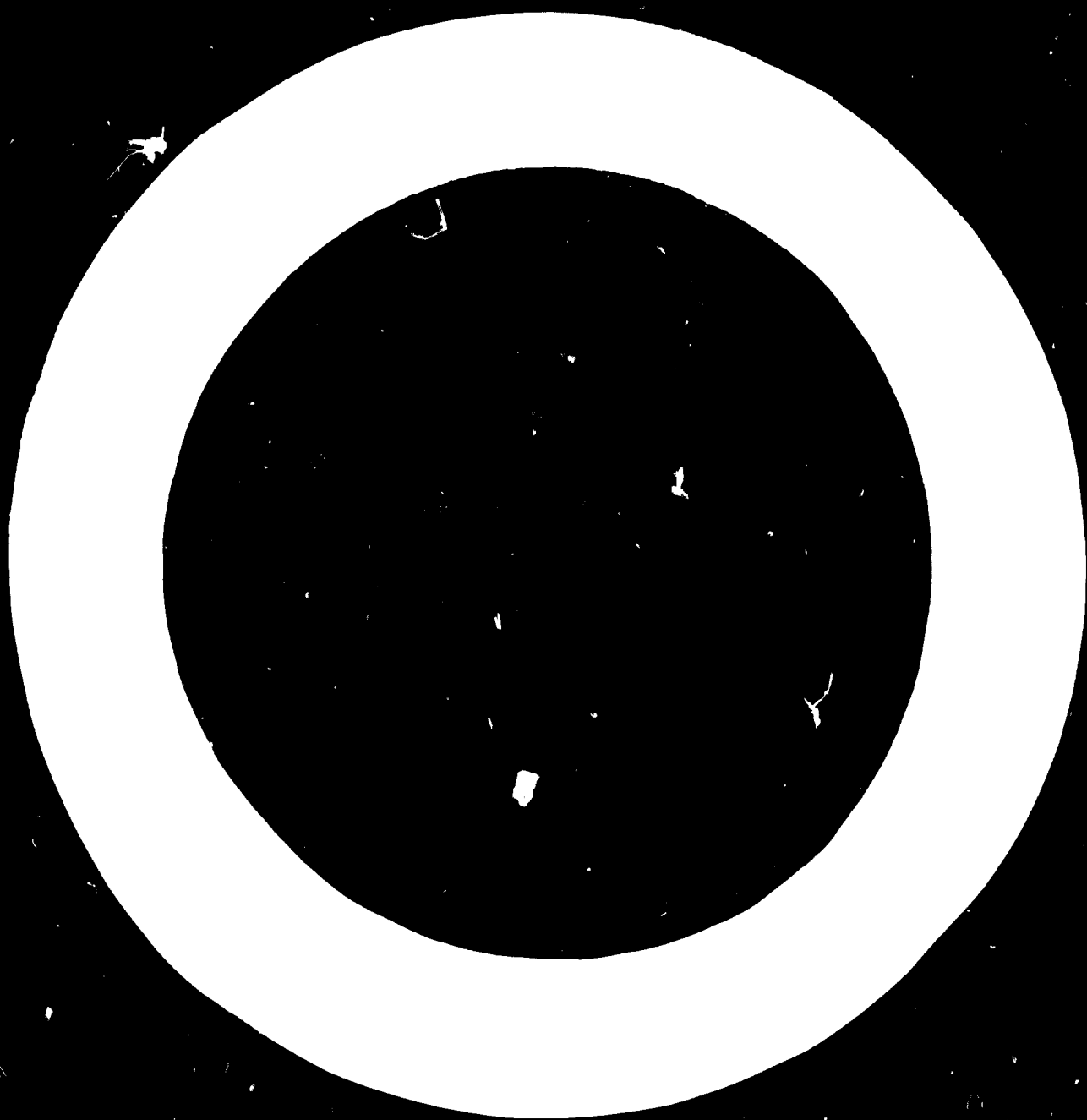
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Agenda Item 8

### REPORT ON THE PROMOTION OF FIELD OPERATIONS OF UNIDO

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REPORT ON THE PROMOTION OF FIELD OPERATIONS OF UNIDO

General

1. The following report, which contains details of the work undertaken by UNIDO for the promotion of field operations is submitted to the Industrial Development Board for its information.

2. At its first session, the Board adopted a resolution in which it was stated that "a more dynamic approach should be increasingly built into the programme of the United Nations Industrial Development Organization in such a way that the field activities may provide a leverage for much larger undertakings within the promotional role of the Organization. Promotional activities in turn should lead to the expansion and greater effectiveness of studies and field operations"; and, that "operational activities of the United Nations Industrial Development Organization should be widely publicized and brought specifically to the attention of Governments of developing countries in order to assist them in formulating their requests under the operational programme of the Organization, in the immediate future". (ID/B/Res.1 (I)).

3. In response to this resolution, UNIDO conducted promotional activity designed to better acquaint the developing countries with the establishment of UNIDO and its mandate, the main fields in which technical assistance can be obtained, the forms of technical assistance available, and the official channels to be followed for submitting requests which should lead to technical assistance projects.

Field service

4. Following the directives of the Industrial Development Board that operational activities of UNIDO should be expanded through the establishment of closer and direct contacts with the developing countries, negotiations took place between the Executive Director of UNIDO and the Administrator of the UNDP, which resulted in a memorandum of agreement signed on 3 October 1967 between the two Organizations for the establishment of a UNIDO Field Service to be integrated within UNDP field offices. References to this agreement and initial measures taken by UNIDO to put it into effect may be found in the Organization's 1967 Report of Activities (ID/B/22), and the 1968 Programme of Work (ID/B/20/Rev.1 and Addendum I).

5. Even prior to the firm establishment of the Field Service, a number of UNIDO staff members were entrusted with the functions of Industrial Development Field Advisers as a provisional measure to initiate direct contact and promotional activities with Governments in the field. These staff members undertook missions to various countries and subsequently took part in the Athens Symposium on Industrial Development where they followed up with a number of delegations their promotional missions to the field. As a result of these direct contacts several new projects under the Special Industrial Services Programme are being processed and consultations are continuing with the UNDP and with the Governments concerned for the establishment of projects under the other programmes of technical assistance.

#### The International Symposium on Industrial Development

6. General discussions which took place during the Athens Symposium in December 1967 helped to determine the requirements of developing countries in specific fields of industry. These general discussions under the various items of the Symposium agenda were followed up by consultations with delegations on specific projects. The Symposium permitted therefore not only the provision of general information on industrial development policies but also the establishment of direct high-level contacts with governments and a clear definition of a further course of action.

7. The presence of UNDP representatives at many of the consultations with individual governments helped to accelerate the formulation of projects and assisted in cutting down considerably the flow of correspondence which is normally necessary in the preparatory stages of the larger projects. Much positive action is already taking place on proposed projects whose promotion or definition took place at the Athens Symposium.

#### Exploratory missions

8. In 1967, a number of special missions were organized in agreement with the respective governments to explore the over-all requirements of certain countries. Special mention should be made of the missions to India, Bolivia and Brazil. These missions were composed in each case of a number of staff members and outside consultants specialized in various industrial fields. The composition of such missions permitted the exploration, in a short time, of projects in different sectors of industry as well as discussions with governments at the policy level regarding the possibilities of large-scale assistance. These missions were

carried out under the Programme of Special Industrial Services and have already resulted in the preparation of numerous projects which are already being implemented or for which experts will be sent to the respective countries in the near future. Another mission of this type was carried out in Central America regarding the promotion of export-oriented industries. It is expected that other missions of this type will be organized in 1968.

#### Written information

9. Following the guidelines of the Board referred to above, the Executive Director prepared a detailed circular letter which was sent to all governments of developing countries in November 1967. This letter contained information on the establishment of UNIDO, the decisions of the General Assembly and the Industrial Development Board and, more specifically, the form in which the Organization could assist developing countries to improve their existing industries or to establish new ones. The letter explained also the course to be followed by governments for obtaining technical assistance through UNIDO as an Executing and Participating Agency within the United Nations Development Programme.

10. Along the same lines, a small booklet entitled "UNIDO, Technical Assistance for Industry" was prepared for easy reference by countries desiring technical assistance. It summarized the main fields in which technical assistance can be obtained through UNIDO and the forms of technical assistance available, i.e. long-term advisory experts' services, the Special Industrial Services, Special Fund projects, fellowships, OPEX experts, sub-contracts to consulting firms, equipment and supplies, and special programming missions. The booklet contained also an outline of the official channels to be followed for submitting requests. The first issue was available at the Athens Symposium where several hundred copies were distributed. As a result of the big demand for this booklet, which was published in English, French and Spanish, a reprint was made in January 1968 to satisfy additional requests.

#### Establishment of UNIDO National Committees

11. During the International Symposium for Industrial Development in Athens, an idea was advanced by the participants for the establishment of National Committees in the various member countries with the purpose of assisting in the promotion of UNIDO activities. As a result of this suggestion, a National Committee has already been established in the Sudan and consultations are in progress to establish

similar committees elsewhere. These committees will include representatives of the public and of semi-governmental and private entities connected with industry; they will facilitate the promotion of the field activities of UNIDO within their own countries and will help greatly in making such assistance available to all sectors concerned. Further developments in this connexion will be reported to subsequent meetings of the Board.

#### Promotional action at regional and interregional levels

12. Activity of a promotional and advisory nature is also carried out by Regional Advisers attached to the Regional Commissions in the four geographical regions of the developing world. These advisers are mainly financed by UNIDO under the United Nations Regular Programme. The number of these advisers programmed for 1968 is 17, at a total cost of about \$330,000. Three additional advisers at a total cost of about \$70,000 will be financed under UNDP/TA. At the interregional level, there are six interregional advisers attached to UNIDO headquarters. They have in the course of the past year undertaken a number of advisory studies and missions on specific sectors of industry or general industrial development. Their emoluments in 1968 will amount to about \$150,000.

#### Industrial Promotion Service

13. Simultaneously with the Athens Symposium, UNIDO sponsored an Industrial Promotion Service. The main purpose of this Service was to explore the desirability of providing a meeting ground for parties from developing countries and from the industrially advanced ones, in order to discuss the possibilities of mutual co-operation. Developing countries presented specific projects to potential investors from banking or other financial institutions and consulting firms could be approached for possible participation in development projects, either directly or through UNIDO sponsored programmes. It was also possible to exchange a considerable amount of technical and financial information with direct or indirect impact on the development of operational activities. There were several hundred participants attending this first meeting and the delegations who participated in the Symposium favoured the continuation of the Industrial Promotion Services. In line with these expressions UNIDO is making arrangements for developing further the work of the Industrial Promotion Service.



### Conclusions

14. As explained above, several steps have been taken to promote the operational activities of UNIDO with the purpose of making the services which the Organization can provide more efficient and readily available for assisting developing countries in the establishment or expansion of industry. The steps which have so far been implemented have shown : (a) that there is a considerable need, as indicated by developing countries, for assistance in the field of industry; and (b) that UNIDO can play a very important role in providing such assistance.

15. Requests for assistance under the UNIDO Programme for Special Industrial Services increased by 600 per cent during 1967, and the volume of approved projects rose from \$500,000 at the end of 1966 to almost \$3 million at the end of 1967. In the Special Fund sector there is considerable demand for pilot and demonstration plants which should serve as a tangible example for the development of other industries in the developing countries. Also under the Technical Assistance component, the proposed UNIDO programme of work for 1969 (ID/B/26 and Addenda) reflects the great potential need of the developing countries for assistance to industry. These growing needs in such a dynamic field as industry call for a higher assessment of the share of industry in UNDP allotments. There is considerable need for investment and, in view of the limited financial resources available, expert scrutiny is necessary in order to establish adequate priorities and to eliminate to the largest extent the possibilities of failure.

16. While in general the promotional activities established by the Executive Director have resulted in large demands from developing countries, the fact remains that available resources for such assistance are restricted and the present procedures for recruitment and for placing contracts with consulting firms or enterprises are not suitable for the urgent requirements of industry. The problems attending the recruitment of experts have been brought out more fully in other documents submitted to the Board particularly that dealing with the Programme of Special Industrial Services. While UNIDO has sought to follow the guidelines and directives of the Industrial Development Board in relation to the promotion of operational activities, the present ways and means attending the implementation of technical assistance projects require re-examination with a view to permitting a more adequate and hasty delivery of such assistance to industry.



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