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D04114



United Nations Industrial Development Organization

Distr.
GENERAL

ID/B/45
13 February 1969

ORIGINAL: ENGLISH

Industrial Development Board

Third Session
Vienna, 24 April – 15 May 1969

Agenda item 5(1)

SUMMARY FORECAST FOR UNIDO ACTIVITIES IN 1971
AND AN OUTLINE OF A LONG-TERM PROGRAMME

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

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Introduction

1. A summary forecast of the programme of work for 1971 is presented in this document to the Industrial Development Board, in accordance with the General Assembly resolution 2370(XXII), JLB resolution 9(II) and the recommendations of the Committee for Programme and Co-ordination (E/4493/Rev.2, Chapter II). A number of considerations regarding the development of a longer term programme of work of UNIDO are also contained in this document for the attention of the Board.

PART ONE: GENERAL OUTLINE OF THE PROGRAMME OF WORK IN 1971

GENERAL CONSIDERATIONS

2. For the first time, the Industrial Development Board has before it programme material for four years, 1968-1971. The report for 1968 (ID/B/43) is a review of the activities of UNIDO in that year and the report on 1971 is essentially a projection, based on the work of previous years, that was prepared in accordance with the resolutions, guidelines and directives provided by the Industrial Development Board. The envisaged programme for 1971, or "forecast", as it is generally referred to, should be considered first in the perspective of continuity of work over the years and secondly in the context of the work programme for 1970. Brief references are made, where appropriate, to the development of the programme as a whole over the years and in particular to the programme of work for 1970.

3. Following the practice of previous years, the detailed programme of work for 1970 (ID/B/44) is presented in fifteen groups of activities. In accordance with the recommendations of the Committee for Programme and Co-ordination, the programmes of work in each of the fifteen groups have been further classified into broad headings, namely projects. Thus a group may consist of three or more projects, and these in turn are further subdivided into sub-projects. While projects are generally considered as continuing activities, the various sub-projects contain a completion date. This organization will continue in the 1971 programme which contains an overflow of continuing sub-projects under categories A and B of the work programme for 1970.

4. In 1971 some projects will receive special emphasis; in particular, it is anticipated that UNIDO will be called upon to contribute to several major projects within the United Nations system and to implement a number of major

decisions taken by the General Assembly and by other bodies in the United Nations family (e.g. UNDP capacity study, IBRD Pearson Study, Second Development Decade and development of co-operation with agencies).

SOME NOTABLE FEATURES OF THE 1971 PROGRAMME

Second Development Decade

5. The year 1971 will mark the beginning of the Second Development Decade. UNIDO will initiate action to implement the General Assembly resolutions pertaining to the Decade and to meet the demands of the developing countries for increased services. At the present time, it is difficult to outline with exactitude the programme of work for UNIDO in 1971 under this heading but it will likely involve UNIDO action at the country level in providing Governments with an evaluation of policy decisions, guidance in the establishment of adequate institutional frameworks, assistance in the development of export industries and continued direct assistance to industry. Furthermore, it is anticipated that economic co-operation between countries will be stressed. It must be emphasized that this type of activity is not necessarily new or peculiar to the Second Development Decade; the accent will be primarily on the increase in volume and on the improvement of the quality of assistance. This might mean, however, a certain reorientation of the work of UNIDO to reflect such emphasis and also the development of capabilities to meet the increased claims on the resources of the Organization.

Joint work programmes in industry

6. UNIDO is actively engaged in evolving working arrangements with specialized agencies and regional economic commissions as regards both programmes and the machinery for their implementation. These efforts are in accordance with the recommendations made by the General Assembly and by the Industrial Development Board on the role of UNIDO as the co-ordinating organization of the work of the United Nations system in the field of industrial development. The status of such arrangements is presented in detail in document ID/B/55. The notes of understanding signed with the specialized agencies and with the regional economic commissions will affect the programmes of work of UNIDO. Co-operation with these organizations will imply following the work of other

organizations, evolving procedures for programme co-ordination and, more particularly, developing joint projects. By 1970 it is expected that the discussion and agreement phase with the agencies and regional economic commissions will be completed and that in 1971 an increasing number of joint projects will be undertaken in several areas. Work in certain areas will be more pronounced, given their particular importance; for example, the work in agricultural machinery will be one of the areas of co-operation with FAO as well as with the regional economic commissions. Some preliminary work has already been undertaken and data are being collected through surveys and studies which will provide a basis for joint projects in 1970 and the following years. Similarly, co-operation is envisaged with regard to fertilizers and other industrial inputs in agriculture.

7. Joint programmes are being carried out with UNCTAD and the regional economic commissions in developing the export potential of certain industries in the industrializing countries. Preliminary joint survey missions have been organized to explore and identify potential areas for intensified work in 1970 and the following years.

8. In accordance with the resolutions of the General Assembly,^{1/} the Industrial Development Board^{2/} and the specialized agencies,^{3/} there will be considerable emphasis on training activities in 1971. UNIDO plans to accelerate its training programmes to increase the availability of skills to industry. The earlier efforts of UNIDO were directed to training programmes of a technical nature, but present efforts are being extended to involve other areas such as management of repair and maintenance services, export industries, investment promotion, project formulation and implementation, industrial administration, and standardization. These programmes will be co-ordinated with other organizations and some of the projects will be undertaken jointly with them.

1/ General Assembly resolutions 2090(XK), 2259(XXII), 2417(XXIII)

2/ Industrial Development Board resolution 8(II)

3/ UNESCO International Education Year, 1970 Ottawa plan of ILO etc.

Financing of industries

9. It is anticipated that the work of UNIDO in financing industries will be further enlarged in 1971. The current work of investment promotion activities, such as those undertaken in Athens, Teheran and Budapest, will be continued and linked to similar events in 1971. Efforts will be made to enlarge and strengthen the links of UNIDO with development banks and similar institutions so as to bring the projects in line with the availability of funds and the possibility of investment. The volume and substance of the work in this area will be somewhat influenced by the general approaches and trends in international aid. Currently, there is a slackening of pace and volume with regard to this aid, but it is to be hoped that in 1971 the situation will improve.

Provision of technical data and information services

10. It is expected that in 1971 UNIDO will be able to enlarge its services to the developing countries in a number of areas such as equipment advisory service, the provision of technical information through the question-and-answer service and of basic planning data from data banks. It must be noted, however, that these are long-term programmes which require constant nourishment and continuous feed-back to make them effective. In view of their significance to the developing countries, these activities will form an important part of the work of UNIDO in 1971.

Repair and maintenance

11. The work to be undertaken by UNIDO in 1969 and 1970 in the field of repair and maintenance will provide a substantial basis for work in 1971. It will be another important feature of the programme of UNIDO in 1971 and will be largely in the nature of technical co-operation projects, including provision of mobile repair and maintenance equipment, to be financed by UNDP and by voluntary contributions. Work in this area will require a sustaining effort in summarizing experiences, promoting concepts and providing general guidance on request; it may be necessary to establish a centre specializing in such work.

SOME ORDERS OF MAGNITUDE OF THE WORK PROGRAMME: 1969 TO 1971

12. It may be useful to provide a comparison between the relative size and development of programme (by functional groups) for 1969, 1970 and 1971. Table 1 provides an estimate of professional man-months, listed under the fifteen groups of activities as well as under the respective substantive divisions, required to implement the various programmes. In table 1 the data are interpreted from the point of view of growth within each group of activity. The relative importance of these groups is essentially a reflection of the priorities indicated by Governments in their requests for technical assistance; the distribution of man-months among the groups of activities reflects to some extent these priorities. The data contained in table 1 are intended to provide an approximate and general appreciation of the size and growth of programmes, although the choice of man-months as an indicator of growth of programmes leaves much to be desired. The implementation of programmes requires not only professional staff but also other resources - above all, operational funds to provide direct assistance. The data should be looked upon as an indication of orders of magnitude only.

13. It can be seen that the growth of programmes in the Industrial Policies and Programming Division will be largely in Group 13 in industrial policies and in Group 15 in country advisory missions, as well as in the preparation of material for the Second Development Decade. Similarly, the increase in activity in the Industrial Services and Institutions Division is reflected in Group 10 (Industrial Training, Industrial Management and Consulting Services). Substantial increase in activities related to industrial information and promotion is also forecast. In the case of the Industrial Technology Division, the main increase will be under Group 3 (Construction and Building Materials Industries) and Group 6 (Light Industries).

14. In 1971, UNIDO will have completed the first five years of its existence, and the work programmes for this period thus reflect a stage of growth and consolidation on the basis of the directives and guidelines provided by the Industrial Development Board over the years. By 1971 UNIDO should be functioning as a full-fledged organization.

Table 1
Man-months required for the implementation of the various
programmes, by groups of activities, 1969 to 1971

		<u>1969</u>	<u>1970</u>		<u>1971</u>	
		<u>Man-</u>	<u>Man-</u>	<u>Increase</u>	<u>Man</u>	<u>Increase</u>
		<u>months</u>	<u>months</u>	<u>over 1969</u>	<u>months</u>	<u>over 1970</u>
				<u>(per cent)</u>		<u>(per cent)</u>
<u>Industrial Technology Division</u>						
Group 1	Engineering Industries	84	120	42.85	120	
Group 2	Metallurgical Industries	60	72	20.00	72	
Group 3	Construction and Building Materials Industries	18	24	33.30	30	25.00
Group 4	Chemicals, Pharmaceuticals and Other Related Industries	42	48	14.30	54	12.50
Group 5	Fertilizers, Pesticides and Petrochemical Industries	96	96		108	12.50
Group 6	Light Industries	108	144	33.30	156	8.30
Group 15	Industrial Reviews and Surveys (ITD)	48	60	25.00	60	
Divisional Management and Co-ordination		60	60		60	
Total IT Division		<u>516</u>	<u>624</u>	<u>20.90</u>	<u>660</u>	<u>5.76</u>
<u>Industrial Services and Institutions Division</u>						
Group 7	Industrial Legislation, Patents and Licensing	24	30	25.00	36	20.30
Group 8	Industrial Services and Their Administration	120	126	5.00	144	14.30
Group 9	Industrial Information and Promotion	108	144	33.30	168	16.60
Group 10a	Industrial Training	48	72	50.00	96	33.30
Group 10b	Industrial Management and Consulting Services	60	84	40.00	96	14.30
Group 11	Small-scale Industries, including Industrial Estates and Industrial Extension Services	96	108	12.50	132	22.20
Divisional Management and Co-ordination		48	48		48	
Total ISI Division		<u>504</u>	<u>612</u>	<u>21.40</u>	<u>720</u>	<u>17.60</u>
<u>Industrial Policies and Programming Division</u>						
Group 12	Industrial Programming and Project Planning	144	180	25.00	180	
Group 13	Industrial Policies and Industrial Financing	144	180	25.00	240	33.30
Group 14	Promotion of Export-oriented Industries	120	132	10.00	144	9.90
Group 15	Industrial Reviews and Surveys (IPP)	120	156	30.00	168	7.70
* Second Development Decade		-	48	-	48	
Divisional Management and Co-ordination		48	48		48	
Total IPP Division		<u>576</u>	<u>744</u>	<u>29.10</u>	<u>828</u>	<u>11.30</u>
GRAND TOTAL		<u>1,596</u>	<u>1,990</u>	<u>24.00</u>	<u>2,208</u>	<u>11.50</u>

PART TWO: FORECASTS OF THE PROGRAMME FOR 1971

15. The work programmes of UNIDO have been characterized by the mutually self-supporting nature of the two major components, namely the operational and the supporting activities. The requests of Governments for technical assistance required preliminary substantive work on the project level as well as a general investigation of the functional area involved. A continuing effort was made to strengthen the capability of the UNIDO secretariat to deal with government requests. An element of promotion has been introduced into this effort as a dynamic element of the activities of UNIDO. There is a linkage between the operational, supporting and promotional activities. The operational activities contain a certain element of promotional activity and the supporting activities occasionally contain both. The forecast given below, of the activities of UNIDO in 1971 follow the form of presentation of previous years, namely field activities and supporting activities.

FIELD ACTIVITIES

16. The forecast of the size of the technical assistance activities for 1971 is not an easy task. The structure and size of the technical assistance programme in the field of industry are determined by the countries themselves and forecasts are necessarily tentative and uncertain. However, an attempt is made to project requirements of resources for 1971 under various sources of finance available for technical assistance operations, and some orders of magnitude are presented in tables 2 and 3.

Table 1
Estimate of the demand for technical assistance
activities of UNIDO
(in millions of US dollars)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
<u>Short and medium-term assistance</u>				
Regular Programme	1.0	2.2	2.5	2.5
UNDP/TA and SIS ^{a/}	<u>7.0</u>	<u>10.1^{b/}</u>	<u>12.8^{b/}</u>	<u>14.0^{b/}</u>
Total	8.0	12.3	15.3	17.5
<u>Long-term assistance (UNDP/SF)^{c/}</u>				
Continuing projects	5.8	5.7	7.0	11.0
Forecast of new projects ^{b/}	<u>-</u>	<u>2.6</u>	<u>5.0</u>	<u>6.0</u>
Total	5.8	8.3	12.0	17.0

a/ The figures for 1969, 1970 and 1971 include both continuing projects and the forecast of new projects. UNDP/TA continuing projects known as of end 1968, and for which requests have been received include regional and inter-regional projects amounting to \$2.3 million in 1969 and \$1.2 million in 1970. For 1970 and 1971 a forecast of \$600,000 is included for inter-regional projects.

b/ The forecast of new projects is made by UNIDO on the basis of an assessment of the indicated needs of the developing countries in the field of industry, resulting from direct contact with government representatives, as well as from communications with UNDP resident representatives, experts' reports and field missions.

c/ The figures for UNDP/SF represent the average annual cost of projects arrived at by dividing the cost of each project by the number of years required to complete it.

Table 3

Estimate of supply of funds for technical
co-operation activities of UNIDO
(in millions of US dollars)

	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
<u>Short and medium-term assistance</u>				
Regular Programme	1.0	1.5	1.5 ^{a/}	1.5 ^{a/}
UNDP/TA ^{b/}	3.0	3.5	4.5	5.0
SIS	4.0	1.7	-	-
UNIDO General Trust Fund	-	<u>0.5</u>	-	-
Total	8.0	7.2	6.0	6.5
<u>Long-term assistance</u>				
UNDP/SF	5.8	2.6 ^{c/}	5.0 ^{c/}	6.0 ^{c/}

a/ Based on the assumption that the \$1.5 million ceiling will be maintained.

b/ Based on the assumption that funds will be available under the continuous programming procedure.

c/ Based on the assumption that all projects currently in the pipeline, to be initiated by UNIDO, will be approved and allocated to UNIDO.

17. In presenting data (table 2) on estimates of demand for technical assistance for short, medium and long-term operations, account is first taken of continuing projects. The estimates are based on information provided by the resident representatives as to the wishes of the Governments in regard to medium-term assistance. Estimates are also made of continuing long-term projects (Special Fund) on the assumption that implementation will proceed according to schedule. As to new short and medium-term projects in 1971, the data are based on the rate of growth of the demand as well as on information gleaned from direct contacts. The estimate of the supply of resources (table 3) is based on current experience and on other relevant information. The assumptions made in estimating the data are explained in the footnotes to table 3.

18. There is no hard and fast rule in financing a short or medium-term request from the three sources, i.e. Regular Programme, UNDP/TA and SIS. In the case of SIS, each project is examined and jointly approved by UNIDO and

UNDP, and the criteria of confidentiality, urgency of request, tenure and nature of the project etc. are normally applied. The use of SIS funds is generally oriented to problem solving, providing quick and confidential policy appreciation and promotional projects leading to investment. UNDP/TA funds are generally used for medium-term types of requests. The Regular Programme funds are used for training and interregional and regional types of assistance.

19. On the basis of the estimate of demand for assistance and the supply of funds to meet the requests, approximately \$5.3 million will be required in 1969, \$9.3 million in 1970 and \$11.0 million in 1971, under the assumption that Governments will submit requests as estimated and that UNIDO will have the means and capability to deliver the projects. It should be noted in this connexion that the availability of SIS trust funds filled an important need of Governments in meeting requests of a short-term nature and if no funds are forthcoming to meet the SIS type of requests, this need will be keenly felt. As the situation now stands the SIS trust funds will be fully committed in 1969.

Regular Programme

20. The level of the Regular Programme for 1971 is subject to the recommendation of the Board and to the final decision of the General Assembly on the over-all level of the Programme. It is expected that the UNIDO Regular Programme for 1971 will be at least on the same level as for 1970, i.e. \$1.5 million. The Regular Programme will continue to place emphasis on training, thus complementing other UNIDO programmes. Short-term expert missions may also be provided through the Regular Programme, especially for projects which could possibly be developed later into larger projects under various sources of financing. UNIDO will also continue to assist countries under the Programme by providing posts for regional industrial development advisers attached to the regional economic commissions, and posts for a number of interregional advisers in particular fields of activity to be attached to UNIDO headquarters.

UNDP/TA

21. Continuing UNDP/TA projects and new UNDP/TA projects submitted by Governments for UNDP approval before the end of 1968 included provision for 1971; it can be estimated that of the projects approved for about 40 countries in 1968, several projects, amounting to about \$1 million, will possibly continue into 1971. About \$4 million may be added to this figure for the continuation in 1971 of technical assistance projects approved during the years 1969 to 1971 so that the total value of the UNDP/TA continuing projects in 1971, for which UNIDO will be the participating and executing agency, will be of the order of some \$5 million. The main fields are chemical and petrochemical industries, food industries, industrial planning and programming, industrial research, development of small and medium-sized industries, industrial estates etc. Greater emphasis will be placed on regional and interregional projects to be undertaken in co-operation with the regional economic commissions. In 1969 UNDP/TA funds will be utilized, inter alia, for the execution of new types of projects, e.g. workshops on industrial investment promotion, seminars and expert group meetings for participants from developing countries on promotion of export industries and incentives for industrial investment. It is expected that similar projects will also be developed in 1971 at a regional level. UNDP/TA funds will also be used to finance in-plant training programmes in various industrial fields.

UNDP/SF

22. It is expected that some 45 to 50 approved UNDP/SF projects will be under implementation in 1971 and that some 20 new projects will be approved during that year, thus making a total 65 to 70 UNDP/SF projects for which UNIDO will act as participating and executing agency. UNIDO would assist some 50 to 60 countries under this programme. As a result of the emphasis placed by UNIDO on maintenance and repair, it is expected that at least three UNDP/SF projects in this field will be in operation in selected countries by 1971 and that other projects will be in preparation. It is also expected that more assistance will be given in the field of industrial management, particularly for state-owned enterprises as regards both continuing projects and new projects. It is

expected that more countries will submit requests in the area of national centres for industrial development since services of the type provided by these centres are increasingly appreciated. In countries of a higher level of industrialization, requests for Special Fund assistance are expected for design centres for machine tools, electric and mechanical industries.

SUPPORTING ACTIVITIES

Industrial Technology Division

Group 1 Engineering Industries

23. This group of activity covers a number of important industries such as agricultural machinery, electrical equipment, metalworking, transportation equipment and processing machinery. In 1971 major emphasis will be given to work in the field of agricultural machinery and implements, as stated earlier. In other industries where work has been initiated in a modest way in earlier years, UNIDO will strengthen its capacity of providing effective assistance. Emphasis will be placed on work in metalworking industries since this area lends itself to the organization of efficient small units. Moreover, these industries are important both in terms of employment and of value added within the industrial sectors. Another area of work is repair and maintenance which covers different functional groups. Thus technical aspects will be co-ordinated with management and training programmes mentioned elsewhere under the relevant groups.

24. Several countries with a relatively advanced level of industrialization have requested assistance from UNIDO to develop their product design and engineering design capabilities, and UNIDO will continue work in this area in co-operation with leading design establishments. Furthermore, it is expected that the existing trend in the demand for services from UNIDO in strengthening production of low cost consumer goods will continue in 1971.

Group 2 Metallurgical Industries

25. In the field of iron and steel the considerable work undertaken in previous years will be consolidated in 1971. UNIDO will seek to implement the recommendations of the second International Symposium on Iron and Steel,

held in Moscow towards the end of 1968. Provision of advice on problems such as the establishment of plants and technological processes will continue, as well as expert services for establishing small units to serve local needs. With regard to the processing of domestic raw materials, it is expected that there will be activities in beneficiation and treatment of ores as well as metallurgical investigation; there will also be considerable work in foundries. In 1971 this area of work will be extended to include selected non-ferrous metals like copper, zinc etc.

Group 3 Construction and Building Materials Industries

26. Work in this area was initiated in 1969 and it is expected that there will be a considerable increase in 1970 and 1971. Since building activity accounts for a large share of investment in the developing countries, the work of UNIDO will be directed to the use and adaptation of locally available materials. Attention will be paid to the establishment of new cement plants and the rehabilitation and improvement of existing ones; in addition, work will be undertaken on fibro-cement composites.

27. Attention will also be paid to the mechanization of the brick industry and the production of equipment. It is expected to promote the use of plastics, especially in combining them with local materials for use as building materials. Some of the work will be undertaken in co-operation with the regional economic commissions and the United Nations Centre for Housing, Building and Planning.

Group 4 Chemicals, Pharmaceuticals and Other Related Industries

28. The emphasis in 1971 will be placed on the development of the pharmaceutical industry, basic chemicals and utilization of industrial wastes. The work in basic chemicals will be in the form of feasibility and market studies for the manufacture of caustic soda, chlorine, potash etc. The production of these chemicals on a competitive basis requires a fairly large-scale production, whereas domestic demand in the developing countries is generally small. The assistance requested from UNIDO will therefore probably be in the form of general economic and technical studies for the establishment of such industries.

Group 5 Fertilizers, Pesticides and Petrochemical Industries

29. The emphasis will be on providing assistance to countries that are in the process of establishing fertilizer plants. Such assistance will involve, among other activities, maintaining contacts with industrial and business interests in the advanced countries and providing information on the progress of activities planned or carried out in establishing plants in the developing countries. Attention will also be given to dry mixing and bulk-blending of fertilizers and to the production of superphosphate. Case studies will be undertaken of under-utilization of capacity in fertilizer factories to identify difficulties and to assist in preventive maintenance.

30. In petrochemicals, attention will be given to problems connected with the manufacture of protein and fodder yeast from gas and oil, and to selected projects recommended by the Second Interregional Seminar on Petrochemicals. Consideration will also be given to a project to be undertaken in consultation with ECAFE on the possibility of bringing together the countries in the Indian Ocean Basin to formulate ways and means of utilizing to the best advantage of the region the natural gas now being flared in the Persian Gulf.

Group 6 Light Industries

31. UNIDO will continue work in co-operation with FAO in the food processing industry in response to government requests. The work of UNIDO, judging from the present trends, will be largely in establishing plants, reorganizing existing plants for fruit, vegetable and meat processing, including plants for canning of citrus fruits. In view of the importance of this industry, UNIDO will devote its attention in co-operation with FAO to the planning of food industry as a whole and to the preparation of feasibility studies in the establishment of agro-based industries.

32. In the textile sector, the work will be generally related to requests for rehabilitation of the industry. Requests for assistance are anticipated in plant reorganization, marketing, quality control, better use of raw materials etc. Attention will also be given to the establishment and expansion of the knitting garment industry.

33. Work will be undertaken in the field of wood and leather industries. Considerable interest exists in the processing of hides and skins, modernization of tanning and mechanization of the shoe industry. Attention will also be given to sawmills, furniture, glue and panel production facilities.

Industrial Services and Institutions Division

Group 7 Industrial Legislation, Patents and Licensing

34. In 1971 UNIDO will continue to expand and strengthen its activities in industrial legislation, including patents and licensing, with a view to assisting developing countries in securing modern and effective systems of industrial legislation. The approach will be geared as in previous years to publications on industrial legislation, improvement of administration of patent offices and facilitating the flow of information on propriety and technology. Training workshops on the organization and administration of patent offices for government officials are planned. Similarly, a seminar cum training programme will be organized for potential licensees to acquaint them with various aspects of licensing including costs, agreements and protection of licensees.

Group 8 Industrial Services and Their Administration

35. The work in this field will be geared largely to provision of assistance based on the assessment and diagnostic missions undertaken in the previous years. Assistance will be provided to countries in the establishment and improvement of industrial research and development institutions.

36. In standardization, the work will consist of providing a larger volume of assistance to developing countries and of implementing joint programmes with the International Standards Organization and the regional economic commissions. Efforts will also be made to promote and assist developing countries to establish quality control programmes and quality seals to be operated by standards organizations or appropriate government departments.

37. Following the experience gained from the various studies during the previous years, assistance will be provided, for improving the public sector administrative machinery for industrial development. Emphasis will be placed

on training of local officials. Dependent upon a favourable outcome of the investigations of the feasibility of such action, consideration will be given to the establishment of international industrial transfer institutions on an experimental level.

Group 9 Industrial Information and Promotion

38. UNIDO will continue to expand and strengthen its activities in this area with a view to accelerating the flow of industrial information to the developing countries. As in the past, three main instruments will be used: (i) a network of transfer of information, (ii) advice on matching industrial situations in developing countries needing external financial and managerial inputs with potential sources of such inputs and (iii) implementation of the recommendations made by the United Nations Advisory Committee on the Application of Science and Technology to Development.

39. In the fields of information and data collection, it is expected that by the end of 1970 correspondents will have been posted and the activities will be oriented towards strengthening this network of correspondents including up-grading of the local personnel. As mentioned elsewhere, the technical enquiry service as well as the equipment advisory service would be in a position to provide assistance to the developing countries. In addition, work will be undertaken in the use of audio-visual aids for training, information and promotion purposes. It is proposed to assemble or develop in 1971 a set of films on the metalworking industry, promotional material on repair and maintenance and educational material for in-plant group training in selected areas. UNIDO will continue to publish the UNIDO Newsletter and the Industrial Development Abstracts on a monthly basis, and the Industrial Research and Development News on a quarterly basis. The experience gained in the organization of promotion services at a number of industrial fairs and selected international gatherings will be assessed and the services will be re-adjusted to meet the demands.

Group 10 Industrial Training

40. In accordance with resolution 8(II) of the Industrial Development Board, a long-term programme in training will have been prepared and relevant parts

of the programme will begin to be implemented in 1971. Following consultations with ILO and UNESCO, UNIDO will initiate the establishment of national industrial training organizations in a number of developing countries as recommended by the Athens Symposium.

41. While the volume of the current in-plant training programme will be increased in 1971 in the established projects in the developed countries, UNIDO will endeavour to organize similar training programmes in some developing countries. UNIDO will also be participating in the implementation of work programmes emanating from the International Education Year in 1970 and from the regional manpower plans evolved by ILO.

Group 10b Industrial Management and Consulting Services

42. The work of UNIDO in industrial management will continue to grow along the pattern laid down and experimented with in previous years, in co-operation with other interested organizations in the United Nations system. These activities will be geared to direct assistance to industries, organization of industrial management clinics and mobilization of consulting resources from the developing and developed countries. The industrial management clinics, which are essentially short-term trouble-shooting and problem-solving missions, will be increased in number utilizing the experience gained in the organizations of such programmes. About twenty management clinics are expected to be organized in 1971.

43. The work of UNIDO in the field of local industrial management consultation services will be strengthened. By 1971, UNIDO will have information on the feasibility of organizing consortia of consulting firms in the industrialized countries to make temporarily under-utilized expert capacity available at reduced rates. It should be possible to initiate this programme in 1971. The studies of UNIDO on the application of modern management techniques to special situations in industry in the developing countries will be continued. On the basis of the data and appreciation of problem areas, it is hoped that assistance will be developed to meet the needs of the industrializing countries.

Group 11 Small-scale Industries, including Industrial Estates and Industrial Extension Services

44. Work in this area will emphasize promotion projects in co-operation with ILO and the regional economic commissions, joint UNIDO/ILO missions for the organization of industrial extension services and a group training programme in industrial estates. Promotional efforts undertaken in 1969 and 1970 are expected to result in the formulation of major technical co-operation projects for the establishment, predominantly in Africa, of industrial estates which are expected to be financed by UNDP/SF.

45. Advisory short-term missions which have proved to be effective for drawing up programmes for the development of industry will increase as resources become available. A number of studies will be undertaken on specialized subjects such as port and airport industrial estate facilities, and certain manufacturing facilities such as power presses and woodworking machines. The publication programme will be considerably expanded.

Industrial Policies and Programming Division

Group 12 Industrial Programming and Project Planning

46. The work of UNIDO in this area will continue, as in previous years, and will expand both at the macro-economic level of general aspects of the industrialization process and at the micro-economic level of project preparation and implementation. Three main areas of work will be emphasized in 1971, namely country surveys in industrial programming, projections by industrial sectors and multi-national co-operation for industrial development. At the level of the project planning, emphasis will be given to problems of project implementation and, in particular, of delays associated with it.

47. In undertaking programmes in these fields, advisory missions will be organized at the request of the Governments to deal with the strategy of industrial programming, evaluating key industries, identifying priorities and examining procedures for the preparation of projects. Another instrument to be increasingly used will be the organization of periodic meetings of UNIDO field experts to exchange experience on specific problems dealt with by them and to discuss ways and means of alleviating such problems. International working parties, similar to the one organized in 1969 and consisting of specialists directly involved in problems of planning, will be convened at the regional levels.

48. Work in the field of industrial programmes for data and data development will be continued and expanded to cover data on industrial plants including project identification, management of project performance etc. The "programme note-book" will be further developed and publications will be prepared highlighting data, particularly with the user-oriented approach in mind. As the result of the seminar, training programmes in project evaluation and implementation will be organized.

Group 13: Industrial Policies and Industrial Financing

49. UNIDO will continue to increase assistance in the formulation of appropriate policies, incentives and other means for implementing industrial development programmes. Emphasis will be given to certain policy problems arising from the current experience in the operation of public industrial undertakings and to case studies on policies involved in regional industrial development programmes.

50. In industrial financing, UNIDO will endeavour to assist developing countries in mobilizing and channelling financial resources for industrial development and in financial planning at the level of the industrial enterprises. As mentioned earlier, work in this broad area will consist of establishing and improving contacts with industrial financing institutions, training of personnel and providing information on the sources of finances, terms, repayment conditions etc. Benefiting from previous experience, UNIDO will accelerate its work in promoting industrial investment; this will be done by sponsoring meetings to promote specific projects and by initiating a dialogue between the interested parties. It is expected that, as this type of programme becomes better known among the developing countries, UNIDO will have a growing portfolio of project reports and related promotional activities.

Group 14: Promotion of Export-oriented Industries

51. In view of the high priority attached by the developing countries to exports of manufactured products, considerable requests for assistance to help export-oriented industries are expected in 1971. In co-operation with UNCTAD/GATT/International Trade Centre and regional economic commissions

UNIDO has undertaken exploratory missions in various regions. In countries with problems in these areas, the current pragmatic approach, including analyses of bottlenecks and problems in specific industrial branches, will continue. Emphasis will be placed on exports of products of a range of higher quality and of improved design with due attention to competitiveness on the international market.

52. An examination of problems of incentives for export, including the institutional framework required to make them effective, will be undertaken in 1971. An evaluation will be made of the broad range of strategies and policies of industrialization which have been instrumental in boosting exports, and consideration will be given to undertaking case studies to illustrate the reasons for successes or failures and to assess the appropriateness of the incentives employed. In undertaking the above work, UNIDO will adhere to the guidelines and programmes established under the United Nations Combined Programme for Promotion of Exports and will work in collaboration with UNCTAD, the regional economic commissions, and the International Trade Centre.

Group 15 Industrial Reviews and Surveys^{4/}

53. The work of UNIDO in this area will consist of the preparation of world industrial development surveys, over-all industry sector surveys and the establishment of mechanisms in the developing countries to undertake their own investigations and surveys. While the objective of the industrial development surveys is to provide a general assessment of the trends and directions of work, the specific industry surveys will be concerned with industry-wide reviews to facilitate policy and planning at country level. By 1971 three industrial surveys will have been completed, including an updating of the survey prepared for the Athens Symposium. Several sectoral studies will also be available. These and other studies and surveys will provide background for the work to be undertaken under the Second Development Decade.

^{4/} Work under this Group will be carried out jointly by the Industrial Policies and Programming Division and the Industrial Technology Division.

54. Assistance will be provided in establishing and strengthening mechanisms in the developing countries so that they will be able to undertake their own industrial investigations and surveys. Training programmes will be initiated for personnel involved in this work. Consideration will be given to establishing a system of country consultation at the highest level, similar to those undertaken by the World Bank and the International Monetary Fund (IMF), and/or to carry out periodic and ad hoc missions for country reviews as are undertaken by OECD.

PART THREE: EVOLUTION OF A LONG-TERM PROGRAMME OF WORK

PREPARATION OF A LONG-TERM PROGRAMME OF WORK

55. As mentioned earlier, UNIDO by 1971 will have completed the first phase of its work, marked by setting up an organization in Vienna, expanding, shaping and consolidating its work programme, establishing a base for providing services to Governments and, generally, developing an international instrument for influencing and promoting the process of industrialization in the developing countries through international co-operation. On these matters UNIDO has received guidance, suggestions and policy directives from the Board. It has implemented major projects and recommendations contained in the resolutions of the Board, the Economic and Social Council and the General Assembly. Its work has been influenced over the years by the diversity of sources of finance and the volume of resources available, and in view of this, it has maintained a certain degree of flexibility of programming to facilitate matching projects with funds.

56. In order to strengthen the work of UNIDO and to establish it as a significant instrument of international economic co-operation for promoting industrialization in the developing countries, the Industrial Development Board may wish to look beyond 1971 and to initiate discussions on the matter. In this connexion it may wish to consider the recommendation contained in General Assembly resolution 2370(XXII), operative paragraph 1, which invited:

"the programme-formulating bodies of the United Nations, including the Economic and Social Council and the Committee for Programme and Co-ordination, bearing in mind the provisions of paragraph 2 below and in consultation with the Secretary-General, to develop their own processes to carry out at the earliest possible date a system of long-term planning and programme formulation, within their respective fields of competence, taking into account the recommendations in paragraph 73 of the second report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies".

57. It may be recalled that paragraph 73 of the second report of the Ad Hoc Committee of Experts, mentioned in the General Assembly resolution, contains some recommendations with regard to the preparation of a long-term plan by the organizations in the United Nations system. One recommendation calls for, inter alia, development of an:

"effective long-term plan in keeping with the broad goals included in its charter or statute. The process would involve making these broad goals more specific by formulating the priority objectives to be accomplished by the organization within the planning period. Specific courses of action for accomplishing the agreed objectives and goals to be contained in the organization's proposed plan".

The Ad Hoc Committee also indicated (see paragraph 71 of its report) that the planning cycle might consist of a two-year programme and budget, a second two-year plan and a further two-year tentative plan, thus suggesting in effect a plan for six years.

58. The recommendations made by the Ad Hoc Committee of Experts originated from considerations of budget and effective utilization of financial resources in the United Nations system. On the other hand, the recommendations have also a dimension of substance which should be considered in the light of some significant developments. A series of reappraisals of substance and method is currently being undertaken in a number of areas within the United Nations system itself. One such appraisal is being undertaken in the field of development aid by the World Bank. The Governing Council of UNDP has appointed a commissioner to undertake a "capacity study" with a view to reviewing the experience of multilateral aid to development by the United Nations system and to make recommendations on methods, procedures and contents of programmes. Since UNDP is the main source of funds for operational programmes, these recommendations should have far-reaching implications for UNIDO. Finally, efforts are now under way to prepare a long-range development plan under the Second Development Decade. UNIDO has undertaken considerable work in this area in so far as the industrial part is concerned and the recommendations of the General Assembly in this regard have significance for the work of UNIDO.

SOME GUIDELINES FOR A LONG-TERM PROGRAMME OF WORK

59. The process of planning involves considerable effort and time. The Board may, if it so wishes, initiate discussions on this process at the third session. In order to provide a basis for these discussions, it may be useful to review some factors relevant to the preparation of a long-term programme of work. The choice of projects for implementation in any given year is determined to a great extent by the funds available in that year. There are several sources of finance available to UNIDO and these cannot always be fully anticipated in advance. The detailed programmes of work as approved by the Board for a given year have generally been larger than the funds available for implementation. There is, then, a continuous restructuring and adjustment of programmes, particularly operational programmes, since they are dependent on government requests and on consequent allocation of funds from UNDP. In view of these and other factors, some flexibility in programming and implementation is essential and a long-term programme for the work of UNIDO cannot consist merely of a detailed enumeration of projects. The elements of the long-term programme will therefore consist of general considerations that influence the preparation of the detailed yearly programmes. The elements basic to a long-term programme consist of directives as regards the capacity of UNIDO to respond to the demands made to it, the relative emphasis on types of programmes and the machinery to implement programmes.

Development of basic services

60. To an increasing extent UNIDO will be called upon by Governments within the context of the programme of the Second Development Decade, to review, diagnose and advise on problems of industrial development. The work of UNIDO in and beyond 1971 will consist of involvement, at the country level, in the policies of the countries and in their decision making on policies. UNIDO will also endeavour to function as a reference centre in matters pertaining to the industrialization of developing countries. In order to enable it to discharge the responsibilities entrusted to it by the Board and to strengthen its capacity to meet new tasks and challenges, UNIDO will be building up its

present programmes of work and expand activities in certain numbers of areas, particularly to provide basic services to the developing countries. These services, to be provided on a regular basis through periodic publications, question-and-answer services, network of correspondents, links with professional and research organizations, organization of meetings and workshops etc., will consist of providing information on questions of technology planning data, markets, world trends and important events affecting industry.

61. Another element of the programme of providing basic services will consist of developing a system of high-level consultation and review, in the manner currently practised by a number of international organizations. The IMF organizes from time to time general consultations with Governments on monetary measures and financial problems. The World Bank organizes high-level missions, as distinct from technical assistance missions, to provide an opportunity to Governments to discuss important economic problems affecting aid. There is also a mechanism of consultations whereby European countries examine mutual experiences and consult on specific matters. UNIDO could initiate a system of high-level consultations on matters of industrialization in order to provide an opportunity to Governments to obtain on-the-spot advice and confidential evaluations of their programmes and policies. Such consultations may not necessarily lead to recommendations but could provide an effective machinery for getting clarification of the most urgent problems. This system, though similar to regular forms of technical assistance, would be different in the sense that it would involve high-level people on both sides, and would have the confidential nature of consultations. Such high-level missions might have a significant impact on the course of the industrial development of the developing countries.

Promotional role of UNIDO

62. If UNIDO is to be in the market place of industrial development, it should be involved in some form or another in the activities undertaken at the government-to-government level and at other levels. The involvement of UNIDO would consist of association and co-operation with bilateral programmes of assistance, with federations of industry and with industrial associations in the developing and developed countries. The promotional

role of UNIDO can be described as consisting of those activities which are directed at shaping, influencing and mobilizing resources external to the Organization. If these activities are appropriately undertaken, they could exert a very high leverage or multiplier effect on the course of development of industry in the developing countries. The promotional role of UNIDO leading to a high multiplier effect has been emphasized by General Assembly resolution 2152(XXI) as well as by the Industrial Development Board in its resolution 1(I), operative paragraph (e).

63. The significance and impact of the promotional role of UNIDO can be better appreciated in the light of two factors: one relates to the size of investment in industry in the developing countries, and the other relates to that proportion of financial flow from the developed to the developing countries which is directed to investment in industry. On the basis of available data, the investment in industry in the developing countries was estimated to be approximately \$6,000 million in 1964.^{5/} It is possible to conceive that by 1971, this would have increased to some \$10,000 million, of which an estimated \$1,800 million would be derived from external sources.^{6/} This provides some orders of magnitude for the work of UNIDO. The outlay of some \$20 million (total regular budget and the UNDP operational funds for industry) represent a ratio of about 1 to 400 of domestic investment and approximately 1 to 100 of the foreign financial flow. These figures, which provide orders of magnitude, lead to a reflection as to how UNIDO could utilize its resources to have a significant impact, in a qualitative and quantitative sense, upon process of industrialization of the developing countries. The work of UNIDO currently undertaken in the field of investment promotion and financing of industry is only one element of promotion. The promotional activities should result in the last analysis in the mobilization of funds for industry on the government-to-government level as well as on the level of private investment. This requires the development of many appropriate mechanisms and methods of work.

^{5/} UNIDO, ID/CONF.1/46, Industrial Development Survey, p.209.

^{6/} Ibid., p.255.

Links with public authorities, industries and agencies

64. In order to be effective in promotion as well as in technical assistance, UNIDO should establish close and continuous contacts with the industrial and business communities in developing and developed countries. This requirement has been repeatedly discussed and generally accepted by the Industrial Development Board and by other United Nations bodies. But the difficulty is to implement it. To establish closer contact with the business community in the advanced countries a series of measures is required. UNIDO has little contact with public authorities in the advanced countries except through the Industrial Development Board and, to some extent, through negotiations for the utilization of voluntary contributions when donated by such countries. This is a very limited area of contact. There are conceivably many more aspects of the work of UNIDO of interest to the advanced countries. Foremost are the bilateral aid programmes, a small part of which is assigned to industry. It would be useful to exchange information and views between UNIDO and the public authorities of the advanced countries as regards the possible harmonization and co-operation between the multi-lateral programme of UNIDO and the bilateral programmes of the donor countries. There are, for instance, the policies of Governments of the advanced countries as regards industrial development in the developing countries. The encouragement of joint ventures and promotion of exports of manufactured goods from the developing countries may also be subjects of discussions. Other areas are questions of recruitment of experts for UNIDO and the possible establishment of special facilities to assist such recruitment.

65. UNIDO should also be capable of establishing useful and viable relations with the business and industrial communities in the advanced countries. These relations may be developed with individual industrial establishments as is now the case in certain training programmes, or they may be developed more generally through federations of industry and chambers of commerce, ministries of industries and important industrial establishments in both market and centrally-planned economies. In the advanced countries there is also a multitude of agencies and organizations aside from manufacturing enterprises which are concerned with industrial technology, research, training, information and financing. UNIDO should act as a useful contact point with all

such bodies in matters related to the industrialization of developing countries. In order to attain this objective contacts would have to be developed and maintained by the different units of the UNIDO secretariat. In the case of the developing countries, a system of field advisers financed by the UNDP has been developed. A similar system of liaison could be developed between UNIDO and the advanced countries that would be financed by the advanced countries themselves.

66. As regards the developing countries, technical assistance activities including SIS programmes now represent an effective means of contact between UNIDO and such countries. However, for the purposes of promotion, new avenues of contact may have to be established since the mechanism of industrial field advisers and regional advisers in the regional economic commissions is conceived essentially as part of the technical assistance activity and may not be fully appropriate in this respect. The contacts of UNIDO with the developing countries, including relations through the regional economic commissions and the UNIDO National Committees may be adopted gradually to the promotion function, but at a certain point some new machinery will be required. Country consultation visits might be arranged similar to the periodic missions of the IMF or to the ad hoc missions of the IBRD as mentioned earlier.

67. During the 1970s, UNIDO - as the central point of co-ordination of activities in the United Nations system in the field of industrialization - will hold continuous consultations with agencies, as regards formulation and implementation of joint projects and, more gradually, harmonization of programmes of work. The joint consultative machinery will be continuously developed and improved to provide for effective co-operation with all agencies interested in the industrialisation of the developing countries.

68. Another element of work of UNIDO that will receive considerable emphasis is the training, in co-operation with the other organizations in the United Nations system, of personnel to support industrial development plans and programmes in accordance with a long-term plan recommended by the Industrial Development Board at its second session.

69. The above suggestions on the programme components, along with others which the Board may consider relevant, may be regarded as a first step in evolving a long-term programme of work. The Board may wish to give its appropriate considerations and make its own recommendations as to the content of, and the machinery for, the preparation of a long-term programme, should it be considered desirable. At the same time, on the basis of the current recommendations of the Board, UNIDO will continue, as in the past, to submit to the Board at its annual sessions detailed programmes of work for its approval.

SIZE AND GROWTH OF UNIDO BEYOND 1971

70. As the formulation and implementation of programmes and the availability of resources are closely linked, the Board may wish to consider a tentative projection of the size and growth of UNIDO beyond 1971. The process of planning, as called for by the General Assembly and the Ad Hoc Committee of Experts to examine finances of the United Nations, requires examination of both the programmes and the resources to implement them.

Volume of financial and staff resources

71. A review of the resources originating from the regular budget will provide a basis to examine the size and capacity of UNIDO to deal with its activities for the planning period beginning in 1971. The data contained in table 4 throw some light on the growth of UNIDO in its first phase.

Table 4
Resources available to UNIDO from the Regular Budget

Nos.	<u>Professional staff in substantive divisions^{a/}</u>		<u>Appropriation and budget</u>	
	<u>Annual increase (per cent)^{b/}</u>		<u>in millions of dollars</u>	<u>Annual increase (per cent)</u>
1966	91	-	3.0	-
1967	125	37.4	5.9	96.7
1968	131	4.8	8.3	40.6
1969	133	1.5	9.7	16.8
1970	148	11.1	10.7	10.3
1971	177	19.5	11.7	9.3

^{a/} Data refer to professional staff in the IT, IPP and ISI divisions.

^{b/} Data for 1970-1971 refer to budgetary estimates; the data for the previous years refer to appropriation.

72. As indicated in Table 4, the data for the period 1966 to 1968 refer to appropriation and the data for 1970 to 1971 are estimated based on the work programme for the corresponding periods. The data contained in table 4 should be interpreted in the light of two considerations: the first refers to the decision of the General Assembly to locate UNIDO in Vienna, and the second refers to the normal growth requirement of substantive staff during the initial phase of growth and consolidation. The decision by the General Assembly to locate UNIDO in Vienna as of 1 January 1968 required the creation of overhead facilities which in previous years had been made available by the United Nations Secretariat in New York. The establishment of administrative, financial, conference, personnel of general service facilities as well as the staffing of the Technical Co-operation Division had to be provided for and this is reflected in the growth of the budget for the years 1968 to 1971. By 1971 UNIDO will have completed the establishment of its administrative and overhead facilities and should be capable of providing services for the organization to function smoothly. Increases in this area in later years would largely reflect changes in price levels and decisions of the General Assembly affecting the welfare of the staff.

73. A significant indicator in assessing the growth of UNIDO is the number of professional staff in the three substantive divisions which are responsible for the programme as a whole as organized in the 15 groups of activities. It is estimated that by 1971 the number of such staff will reach 177.^{7/} It may be noted that after a substantial increase in the first year of the establishment of the organization, the increase in the later years has been considerably reduced.

Sources of funds outside of the regular budget
for UNIDO activities^{8/}

74. The most significant element in the work of UNIDO is the technical co-operation activities. The volume of funds available for this purpose determines the effectiveness of UNIDO at the country level. Most of the funds for technical assistance operations come from UNDP; the UNDP Special Fund component to finance long-term projects and the UNDP Technical Assistance

^{7/} The target of 200 professional staff was mentioned in the budget estimates for 1966, A/6005, p.41.

^{8/} See tables 2 and 3, pages 11 and 12.

component for short and medium-term projects. UNIDO also benefits from funds under the Special Industrial Services programme, funds which will be fully committed in 1969. In addition UNIDO has received pledges of about \$1.7 million at the Pledging Conference recently held in New York.

75. It is clear that as long as UNIDO depends predominantly on the financing of its operations by UNDP, the type of programmes that will be established will necessarily depend on the procedures and methods of UNDP. UNIDO is following the prescribed procedures under the UNDP programmes. In the case of the SIS trust fund, which is financially outside the UNDP, the rules for the utilization of this fund, as established by the donor countries, require the joint approval of the Administrator of the UNDP and the Executive Director of UNIDO for each project.

76. A large part of the activities of UNIDO during the last two years has been financed by the SIS trust funds which have led to the development of a large number of projects in different countries. The SIS trust funds represent a third source of technical assistance funds in addition to the other two sources, EPTA and UNDP/SF. The resources now available for SIS are not sufficient for continuing throughout 1969. If UNIDO is to maintain its momentum and to accelerate its assistance in critical areas, the SIS type of projects will have to be financed, whether through separate contributions to UNIDO or through a new arrangement within the UNDP.^{9/} It is almost certain that without a SIS component UNIDO's programme of work is bound to lose a great deal of its dynamism in the sense that it will not be in a position to provide essential services and opportunities to industry in an effective and expeditious manner.

77. During the last two years, UNIDO has received funds which are outside the UNDP and the SIS programmes, namely contributions from Austria, Bulgaria, Czechoslovakia, Poland, Sweden, Switzerland and the Union of Soviet Socialist Republics which were either in the form of non-convertible currency, earmarked for certain projects, or which required the approval of the donor country for the projects implemented with the funds. This is another

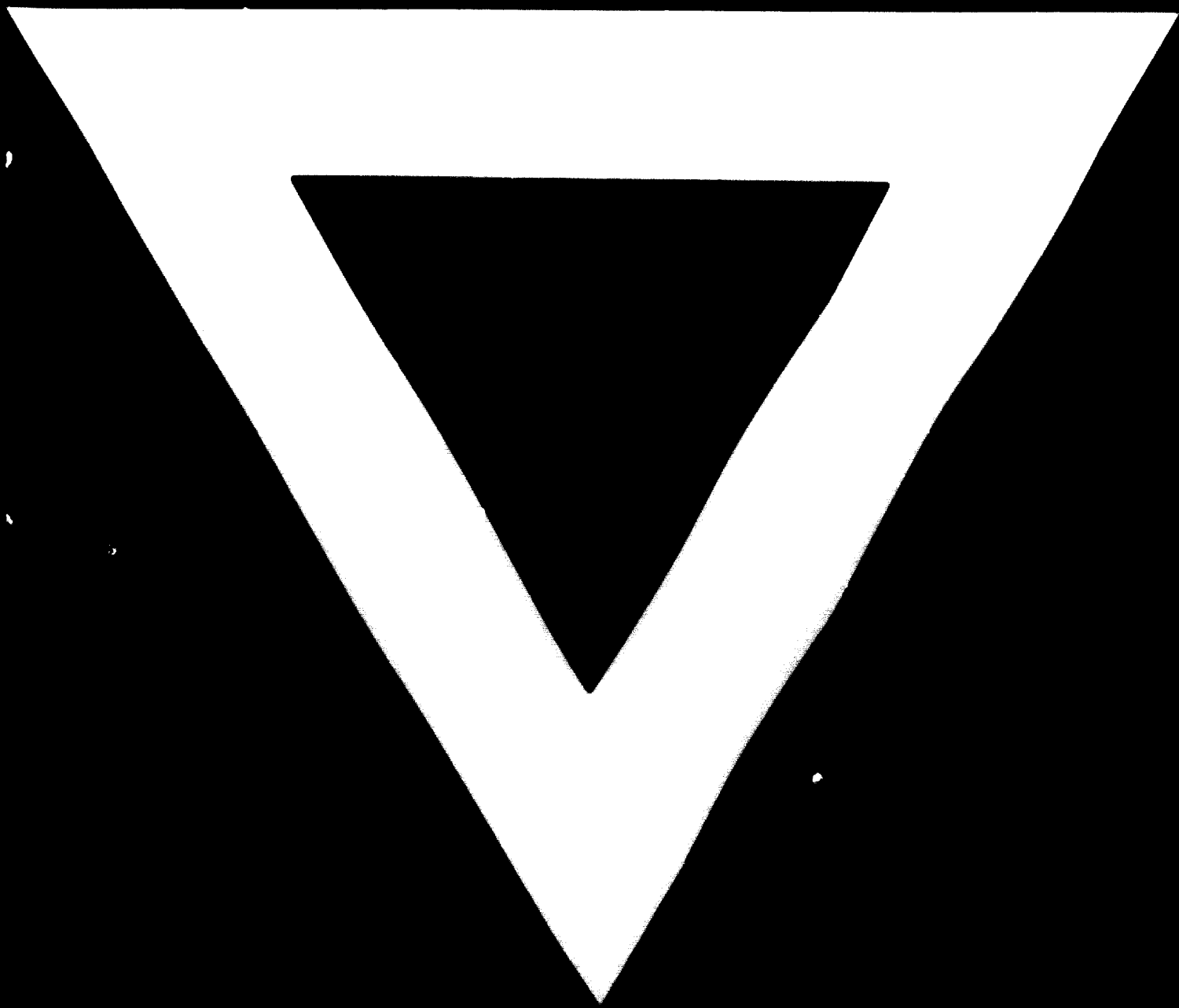
^{9/} The Governing Council of UNDP, at its last session held in New York in January 1969, requested the Administrator of UNDP and the Executive Director of UNIDO to study the financing of SIS type of projects.

illustration of the need for flexibility of programming in the work of UNIDO in order to utilize fully the type of resources that are more available from the various sources.

78. The first Pledging Conference of UNIDO, held on 4 December 1970, resulted in pledges totalling about US\$2.6 million. Out of this, US\$1 million was pledged by the Federal Republic of Germany to the SIS programme. US\$300,000 were pledged by Italy in convertible currency but for programmes to be negotiated and approved by the Government of Italy. The Union of Soviet Socialist Republics and other socialist countries of Eastern Europe have contributed approximately \$900,000 in local currencies. Some developing countries gave funds in local currencies. The utilization of these non-convertible and conditional funds will have to be accomplished through negotiations and will result in a series of adjustments in the programme of work beginning in 1969.

Concluding observations

79. An attempt has been made to review the past experience and to invite the attention of the Board to the problems of long-term planning of UNIDO activities. Some guidelines for such a long-term programme of work have been spelled out and an assessment of the availability of resources to match the programmes has been provided. The Board may wish to consider this matter in this and later sessions, and provide guidance to the secretariat regarding the next steps.



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