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Agenda item c(b)

GUIDING PRINCIPLES AND PROCEDURES FOR THE
EXECUTION OF THE REGULAR PROGRAMME

Note by the Executive Director

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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PART ONE: GUIDING PRINCIPLES

General considerations

1. Resolution 2298 (XXII), adopted by the General Assembly on 10 December 1967, provided for the establishment of a separate section in part V of the budget of the United Nations for the programme of technical assistance in industrial development at an appropriate level commensurate with the expanding requirements of the developing countries.^{1/}
2. The Executive Director was requested by the Industrial Development Board to draw up guiding principles for the execution of the regular programme while stressing "the importance of that part of the regular programme of technical assistance which is utilized as a means of promotion whereby greater direct assistance in industrial development can be given to the developing countries".^{2/}
3. In considering the guidelines for the utilization of the regular programme it may be useful to visualize its role within the over-all pattern of United Nations technical assistance available to the developing countries through UNIDO. Essentially the regular programme is intended to provide financing for areas in technical assistance that are either complementary to, or do not lend themselves conveniently to financing by, other programmes. These programmes are:

The UNDP Special Fund component covering long-term assistance, typical examples of which are, in the field of industry, research establishments and other institutions for servicing industry, pre-investment surveys and pilot plants;

The UNDP Technical Assistance component which provides for short and longer-term advisory services of experts and for individual fellowships in the fields of the experts' assignments;

^{1/} The text of General Assembly resolution 2298 (XXII) is reproduced as Annex I to the present document.

^{2/} IDE resolution 11 (II).

The Special Industrial Services, a programme that was established particularly to cover urgent short-term needs in the field of industry.

4. In considering the fields of assistance that could be covered more conveniently by the regular programme, the following factors should be borne in mind:

It is a relatively small programme which, at the present level, amounts to about 15 per cent of the total resources available under technical assistance;

Owing to its nature, it provides a certain degree of flexibility in the expenditure of funds;

it should be used to improve the operation of the rest of the technical assistance programme by exerting a leverage effect or by increasing the yield of the assistance extended under other programmes. In particular the regular programme should be used to promote contacts and consultations with Governments of the assisted countries in a way that would be beneficial both to the Governments concerned and to UNIDO. While Governments would benefit from the consultation and advice extended under the regular programme, UNIDO would be put in closer contact with the real needs and problems of the countries in the field of industry and would be in a position to provide more effective assistance under other programmes.

Types of activities to be financed under
the regular programme

Country projects

5. Some of the country projects to be financed under the regular programme would be in the field of training through provision of fellowships to top and middle echelon personnel. Training of this type would result in the upgrading of skills and in the establishment of valuable and fruitful contacts between UNIDO and the personnel engaged in various activities related to industry in developing countries. It would thus provide for more effective communications between the developing countries and UNIDO since, after returning to their countries, the former fellows would form a network of highly valuable contacts through which the needs of the countries could be better assessed. This would represent a complementary aspect to the training activities of UNIDO in the form of establishing and promoting training facilities in the developed countries.

6. Other country projects which would lend themselves particularly to financing through the regular programme are country missions for high-level consultations and for surveying the specific needs of a country in the field of industrial development.^{3/} Projects of this type may, in fact, be considered as "seed money" since they would often result in the formulation of effective longer-term projects to be financed from such sources as the UNDP/SF or the UNDP/TA.

Regional activities

7. Part of the resources of the regular programme is used at present to finance a network of regional advisers attached to the regional economic commissions. These advisers, who assist Governments in various branches of industry, may be considered as the regional field arm of UNIDO in co-operation with the regional economic commissions. They are providing an effective means of bringing the technical assistance programmes closer to the real needs of the regions. This is, and should remain, an important feature of the regular programme.

Interregional activities

8. The interregional advisers who are financed under this section of the regular programme complement and strengthen the permanent specialized staff at UNIDO headquarters. It is felt that the need for specialist services will keep increasing in the future as the field activities of UNIDO expand, and that the regular programme is the most appropriate source for the financing of such personnel. Other interregional activities financed under the regular programme aim at making available to countries, regardless of the region, technical competence in particular branches of industry. To this category belong interregional expert meetings and seminars that provide for training of nationals in various areas and branches of industry and in the economic, financial and institutional aspects of industry in general.

^{3/} In this respect the regular programme would be similar to the Special Industrial Services programme, under which missions of this type have sometimes been implemented. In view of the present uncertainty regarding the form which SIS financing may take, the alternative of financing this type of missions through the regular programme should be considered.

Promotional activities of various kinds

9. The promotional activities consist essentially in UNIDO acting as intermediary to facilitate contacts between persons and institutions interested in problems of industrialization in the developing countries. These contacts may pertain to such aspects as investment financing, promotion of exports and transfer of technology. The general feature of such activities is that they enable UNIDO to produce at relatively small expense substantial results, for such contacts, when successful, make it possible to mobilize a volume of resources much beyond the immediate input. It is considered that the regular programme lends itself particularly to financing projects of this type which could be carried out at country, regional or interregional levels.

Concluding remarks

10. In submitting these guidelines for the consideration of the board, the Executive Director has kept in mind the long-range orientation of the programme. Clearly, the re-structuring of the present programme along the lines outlined above can only be a gradual process. In particular, some time may be required before the government requests fully reflect the possibilities of assistance available under the programme.

PART TWO: PROCEDURES FOR THE REGULAR PROGRAMME OF UNIDO

11. The Board may wish to approve the following procedures to be applied to the programme of technical assistance in industrial development:

- (a) The Secretary-General would formulate his annual budget estimates for section 14, part V, related to the UNIDO regular programme of technical assistance in the field of industrial development, taking into account the expressed needs of the developing countries and regions and the recommendation of the Industrial Development Board.
- (b) The draft programme prepared by the UNIDO secretariat on the basis of preliminary consultations with the Governments concerned will be submitted for consideration and approval of the Industrial Development Board at its yearly sessions. The Secretary-General is authorized to introduce into the yearly programmes any adjustments that may be appropriate either on the basis of new high-priority requests received from Governments or of special requirements of assistance that may emerge during the year, the financing of which would come under the terms of reference of the regular programme.
- (c) Annual reports on the implementation of the programme and projects will be submitted to the Industrial Development Board.

12. A decision taken by the Governing Council of the United Nations Development Programme at its seventh session in January 1969^{4/} contains a recommendation that the Economic and Social Council propose to the General Assembly the adoption of certain programming and budgeting procedures for part V of

^{4/} The text of this decision is reproduced as Annex II to the present document.

the United Nations budget. The attention of the Board is drawn, in particular, to paragraphs d(i) and d(ii) of the text in Annex II. If these paragraphs are adopted, they will modify the procedure applicable at the present time as regards methods of financial appropriation and programming of the regular programme of technical assistance in the field of industrial development as adopted in General Assembly resolution 2298(XXII).

ANNEX I

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY
AT ITS TWENTY-SECOND SESSION

2298 (XXII). PROGRAMME OF TECHNICAL ASSISTANCE IN INDUSTRIAL DEVELOPMENT

The General Assembly

Recalling its resolution 2152 (XXI) of 17 November 1966, by which it decided that the United Nations Industrial Development Organization would function as an autonomous organization within the United Nations,

Recalling further resolution 2(I) adopted by the Industrial Development Board on 4 May 1967^{25/} at its first session,

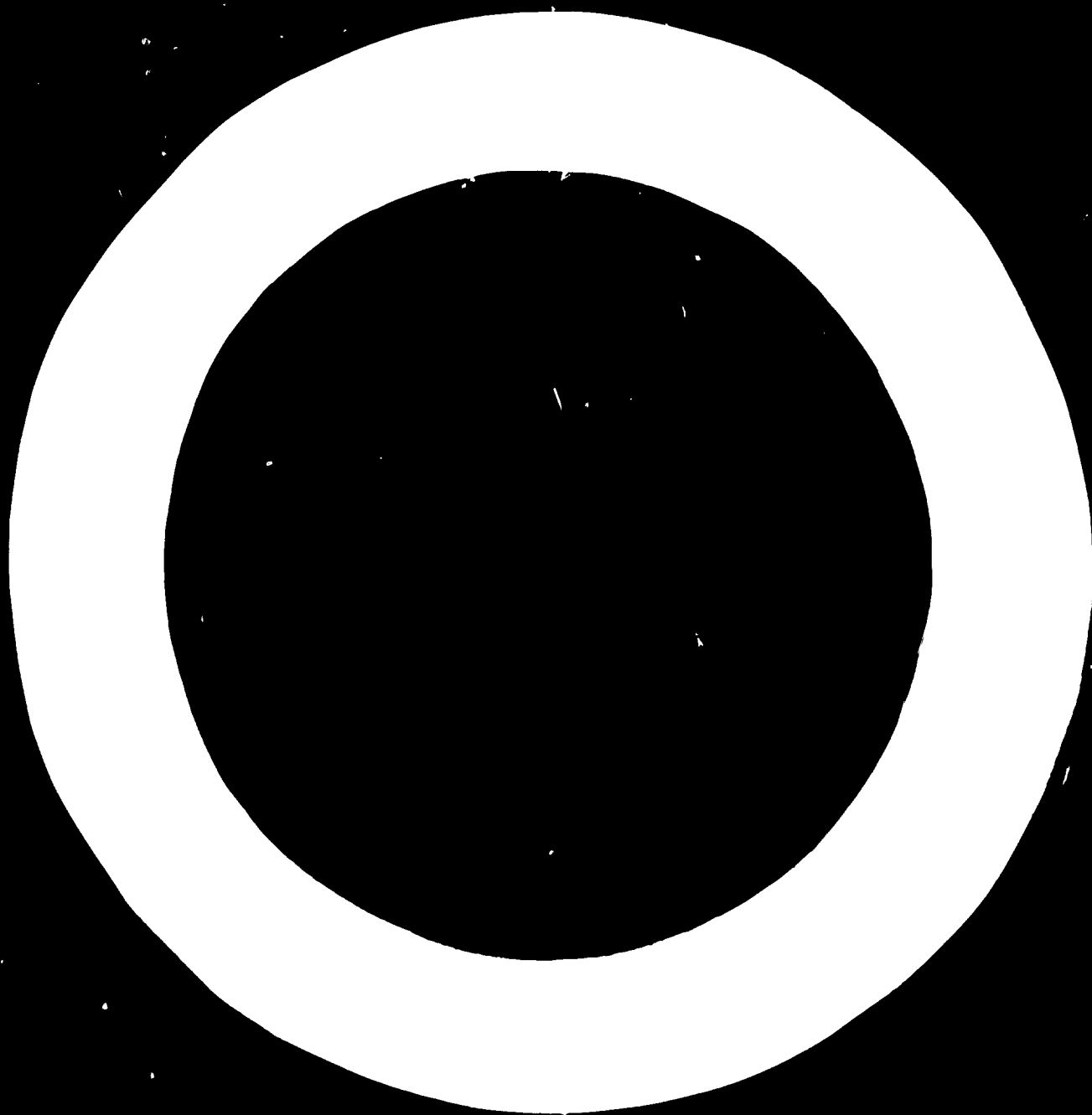
1. Decides to endorse the recommendation of the Industrial Development Board calling for the establishment of a separate section in part V of the budget of the United Nations to provide for the programme of technical assistance in industrial development at an appropriate level commensurate with the expanding requirements of the developing countries;

2. Decides further that the provisions of paragraph 4 of its resolution 2029 (XX) of 22 November 1965 shall not apply to the programme of technical assistance in industrial development provided for in paragraph 1 above;

3. Requests the Industrial Development Board to consider and approve the projects and programmes in the field of industrial development undertaken through the utilization of the resources thus appropriated and to provide general policy guidance and direction with reference to the utilization of these resources.

1626th plenary meeting,
12 December 1967.

^{25/} Official Records of the General Assembly, Twenty-second Session, Supplement No.15 (A/6715/Rev.1), annex VIII.



ANNEX II

EXCERPT FROM THE REPORT OF THE SEVENTH SESSION OF THE GOVERNING COUNCIL OF THE UNITED NATIONS DEVELOPMENT PROGRAMME TO THE FORTY-SEVENTH SESSION OF THE ECONOMIC AND SOCIAL COUNCIL
(document E/4603, para.181)

Decision of the Governing Council

At the conclusion of its consideration of item 10 of its agenda, the Council, at its 146th meeting, took the following action:

The Council,

- (a) Took note of the report of the Secretary-General (documents DP/RP/6 and DP/RP/6/Add.1) on the United Nations regular programme of technical co-operation and of the views expressed by members of the Council during the discussion;
- (b) Endorsed the recommendations of the Secretary-General regarding the future character and role of the regular programme contained in paragraph 8 of document DP/RP/6;
- (c) Stressed the importance of ensuring that regular programme resources fulfil, to the extent possible, requests for assistance from Governments for which the programme is particularly suited;
- (d) Recommended that the Economic and Social Council propose to the General Assembly the adoption of the following programming and budgeting procedures for Part V (Technical Programmes) of the United Nations budget:
 - (1) The Secretary-General would frame his annual budget estimates for Part V taking into account the expressed needs of the developing countries and regions together with the recommendations of the various programme-formulating bodies of the United Nations, including the Governing Council and the Industrial Development Board.

(ii) The current system of separate section appropriations requested under Part V will be replaced by chapter reflecting targets to be applied to the major fields of activity: economic development, industrial development, social development, public administration, human rights advisory services and narcotics drugs control.

(iii) Individual projects based on Government requests to be financed under the regular programme would be approved by the Secretary-General.

(iv) Annual reports on the programme and projects implemented will be submitted as appropriate to the Governing Council and the Industrial Development Board.





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