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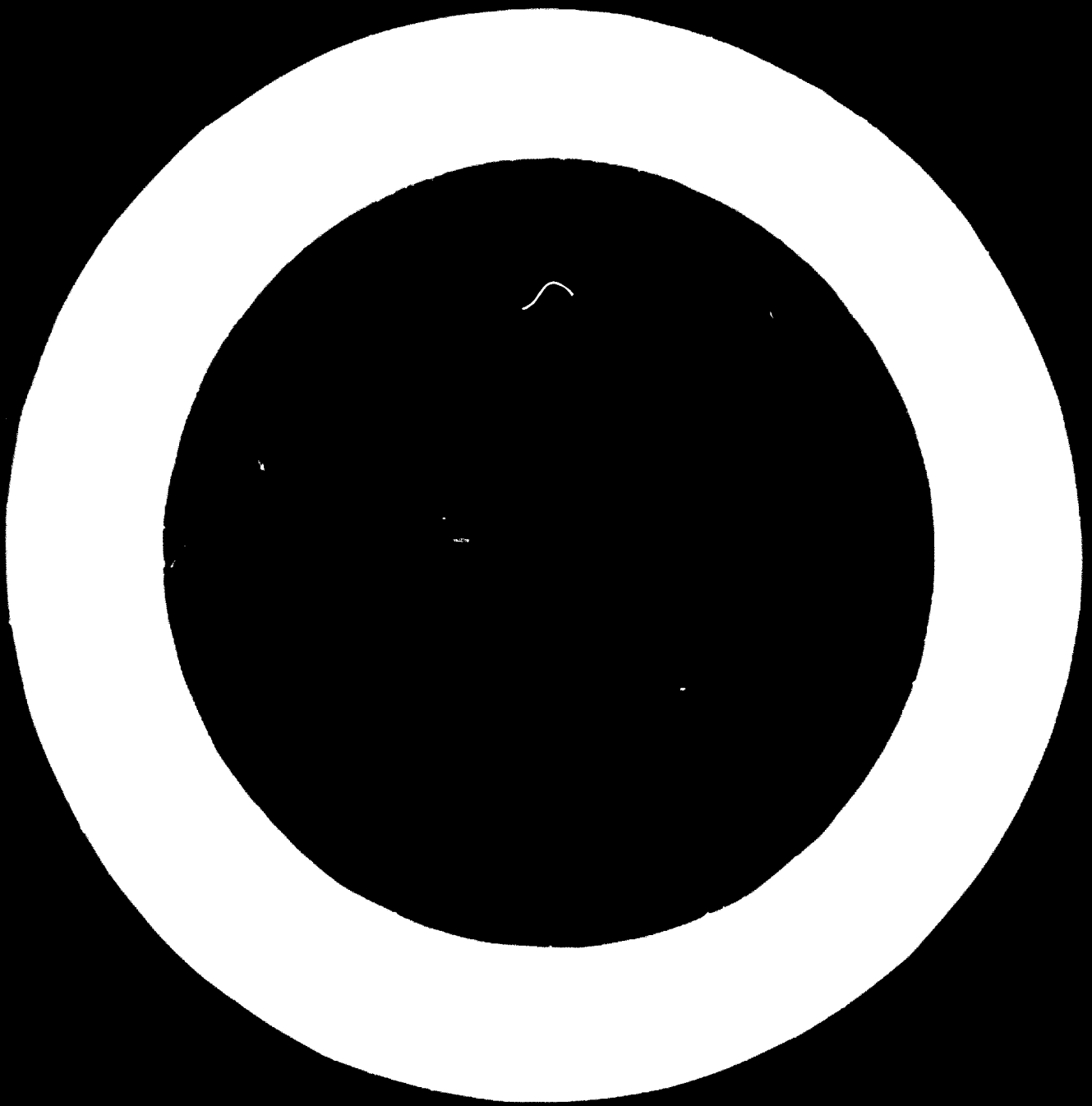
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Industrial Development Board

REPORT OF THE INDUSTRIAL DEVELOPMENT
BOARD ON THE WORK OF ITS
FOURTH SESSION

Vienna, 20 - 30 April 1970

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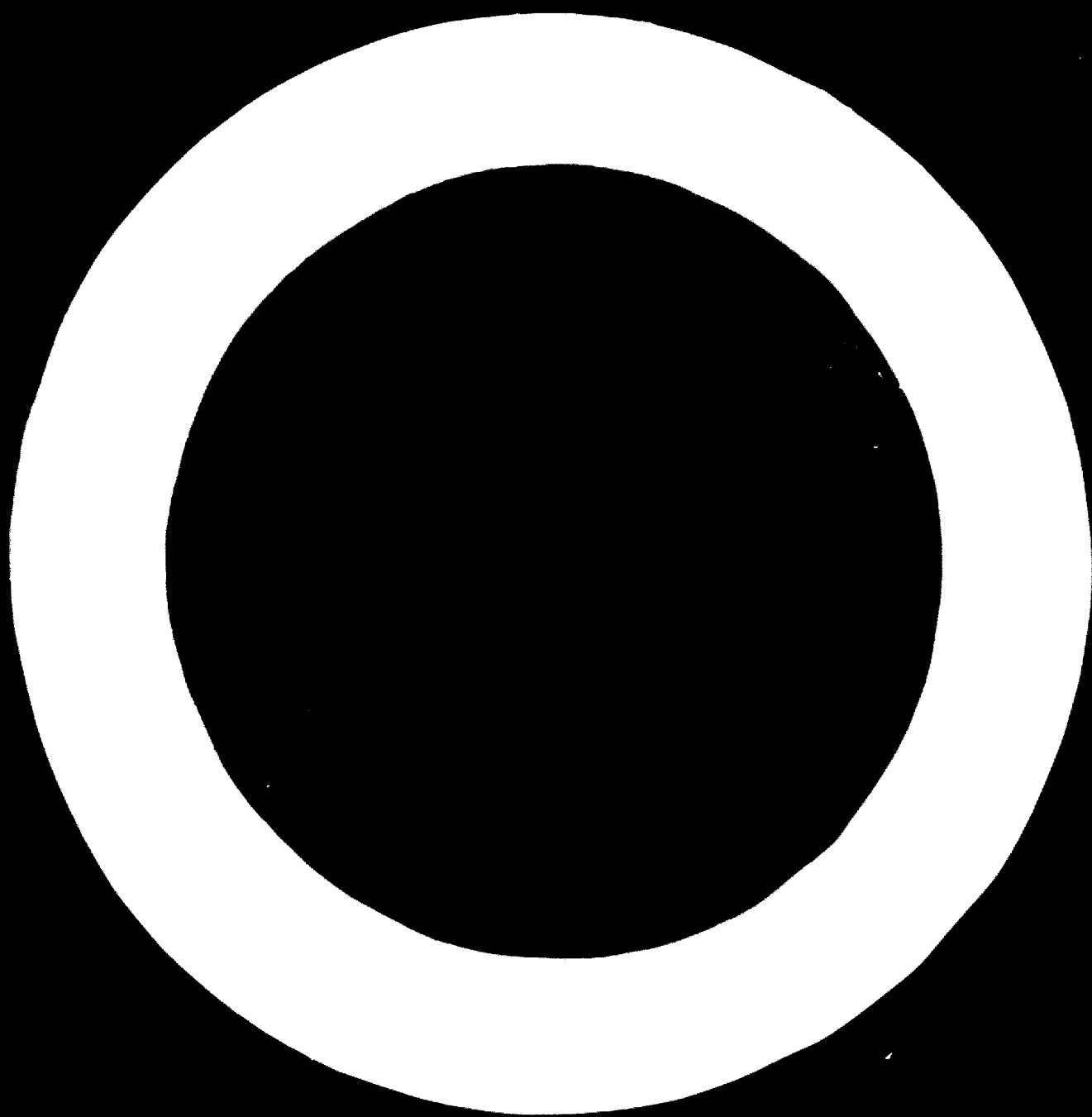
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ABBREVIATIONS

ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
ILO	International Labour Organisation
ITC	International Trade Centre
SF	Special Fund
SIS	Special Industrial Services
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNESOB	United Nations Economic and Social Office in Beirut
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization



INTRODUCTION

The report of the fourth session of the Industrial Development Board of the United Nations Industrial Development Organization (UNIDO) is herewith submitted to the General Assembly in accordance with General Assembly resolution 2152 (XXI) of 17 November 1966.

The fourth session of the Industrial Development Board, which was preceded by the second session of the Working Group on Programme and Co-ordination established as its subsidiary organ by resolutions 3 (II) and 12 (II) adopted by the Board at its second session, was held at the Neue Hofburg, Vienna, Austria from 20 to 30 April 1970. The present report was adopted by the Board at its 106th meeting on 30 April 1970.

CHAPTER I. ORGANIZATION OF THE SESSION

1. The fourth session of the Industrial Development Board was opened by Mr. Enver Murad (Pakistan), Vice-President of the third session of the Board.

Membership and attendance

2. The following members of the Board were represented at the session: Austria, Belgium, Brazil, Chile, Cuba, Czechoslovakia, Denmark, Federal Republic of Germany, France, Ghana, Guinea, Hungary, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Japan, Kuwait, Mali, Mexico, Netherlands, Nigeria, Norway, Pakistan, Peru, Philippines, Poland, Rwanda, Spain, Sudan, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Upper Volta, Uruguay and Venezuela.

3. The following States Members of the United Nations or members of the specialized agencies sent observers to the session: Argentina, Australia, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Ceylon, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Finland, Gabon, Greece, Honduras, Iceland, Jamaica, Libyan Arab Republic, Niger, Panama, Republic of Korea, Republic of Viet-Nam, Romania, Senegal, South Africa, Tunisia, Ukrainian Soviet Socialist Republic, United Arab Republic, Yeman and Yugoslavia.

4. The United Nations Conference on Trade and Development, the United Nations Development Programme and the United Nations Economic and Social Office in Beirut were represented at the session.

5. The following specialized agencies sent representatives: the International Labour Organisation; the Food and Agriculture Organization of the United Nations; the United Nations Educational, Scientific and Cultural Organization; the World Health Organization; the Inter-Governmental Maritime Consultative

Organization; the International Bank for Reconstruction and Development; and the International Telecommunication Union. The Contracting Parties to the General Agreement on Tariffs and Trade and the International Atomic Energy Agency were also represented.

6. The following intergovernmental organizations were represented: the Common Afro-Malagasy-Mauritius Organization, the European Communities, the European Investment Bank, the League of Arab States, the Organization of African Unity, the Permanent Secretariat of the General Treaty on Central American Economic Integration and the United International Bureaux for the Protection of Intellectual Property.

7. The following international non-governmental organizations sent observers to the session: the Afro-Asian Organization for Economic Co-operation, the European Centre for Industrial Development Overseas, the International Association for the Protection of Industrial Property, the International Chamber of Commerce, the International Christian Union of Business Executives, the International Confederation of Free Trade Unions, the International Council for Scientific Management, the International Federation of Automatic Control, the International Organization of Employers, the International Union of Architects and the World Confederation of Labour.

Election of Officers

8. At its 90th meeting, on 20 April 1970, the Board, in pursuance of rule 18 of its rules of procedure, elected the following officers for the fourth session:

<u>President:</u>	Mr. Zdeňek Šedivý, Czechoslovakia	(unanimously);
<u>Vice-Presidents:</u>	Mr. Abbas Attiah Abubakr, Sudan	(unanimously);
	Mr. Hortencio J. Brillantes, Philippines	(with one abstention);
	Mr. Raymond Probst, Switzerland	(unanimously);
<u>Rapporteur:</u>	Mr. Charles Archibald, Trinidad and Tobago	(unanimously).

Credentials

9. In accordance with rule 17, paragraph 2, of the rules of procedure of the Industrial Development Board, the officers of the fourth session of the Board examined the credentials of the delegations attending the current session and found them in order. The officers so reported to the Board, which approved the report at its 103rd meeting, on 29 April 1970.

Agenda

10. At the 90th meeting, on 20 April 1970, the President submitted to the Board for its consideration the provisional agenda of the Board (ID/B/63/Rev.1). At the request of several delegations, it was decided that the question of a Special International Conference of the United Nations Industrial Development Organization, which originally figured under item 8 of the provisional agenda, should be dealt with under a separate new item 14 of the agenda. Consequently, the following agenda was adopted:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General debate.
5. Report of the Working Group on programme and co-ordination of projects:
 - (a) Report of the activities of UNIDO in 1969;
 - (b) Work programmes for 1970, 1971 and long-term programme.
6. Co-ordination of activities of the United Nations system in the field of industrial development.
7. Financial questions.
8. Organizational matters:
 - (a) Decentralization;
 - (b) Organization of the secretariat;
 - (c) Geographical distribution of the staff of the secretariat;
 - (d) Questions relating to subsidiary organs of the Board.
9. Matters concerning intergovernmental and non-governmental organizations.

10. Provisional agenda of the fifth session.
11. Date and place of the fifth session.
12. Other business.
13. Adoption of the report of the fourth session.
14. Special International Conference of the United Nations Industrial Development Organization.

Address of the Secretary-General of the United Nations

11. On the occasion of his visit to Vienna to chair the fiftieth session of the United Nations Administrative Committee on Co-ordination, the Secretary-General of the United Nations addressed the Board at its 93rd meeting.
12. After voicing an "ardent prayer" for the success of the Strategic Arms Limitation Talks, taking place in Vienna at the time, the Secretary-General stressed that "industrial development, and the related factors of scientific and technological development, are among the most important instruments of change in contemporary society".
13. One of the most important problems to be solved in the industrial field was that of achieving a rational distribution of manufacturing production. He pointed out that 80 per cent of the total annual world production of manufactures was carried out in eleven countries, with the top three of these responsible for over 60 per cent of the output. There were hopeful signs pointing to a more equitable distribution and rate of growth. Low labour costs were attracting more manufacturing activities to developing countries; the trend towards multinational enterprises with plants in the less developed countries was becoming more pronounced and the "green revolution" brought hope for a more balanced and complementary development of agriculture and industry.
14. Although the financial resources of UNIDO were modest in relation to its mandate, the organization should win increasing support through imaginative projects, good management and successful achievements. It was the donor countries, and not the recipient countries, that must be convinced of the merits of multilateral aid. At a time when major governments were considering

channelling a greater part of their foreign aid through the United Nations, UNIDO had a unique opportunity to demonstrate, by the effectiveness of its programme, the value of international co-operative action in this key sector.

15. The Secretary-General pointed out that after only three years of existence, UNIDO had taken its place in the United Nations development system, and its activities were developing "most satisfactorily". The voluntary contributions received both directly and through the annual pledging conference had already helped to increase the volume, scope and flexibility of its operations.

16. At its current session, the Industrial Development Board would review the past performance of UNIDO and chart its activities during the Second Development Decade, in co-operation with the United Nations specialized agencies, UNCTAD, the regional economic commissions and UNESOB and soon, it was hoped, with the World Bank Group. Co-operation was essential if the United Nations family was to achieve maximum results.

17. United Nations agencies such as UNIDO could provide a meeting ground for nations with diverse approaches and different economic systems. The developing countries had become a testing ground for the different theories of industrialized societies, while even in the industrially advanced countries traditional concepts of economic planning were being challenged and modified. In the United Nations itself, it was reassuring to note that the controversy over the relative merits of the different systems was giving way to concern for the speedy economic and social progress of the developing countries.

18. On the threshold of the Second Development Decade, the historical moment had come for the industrialized countries to share their vast resources of capital and technology with the deprived two-thirds of humanity, which would never again be reconciled to their lot. There could be no stable peace in the world until that imbalance was redressed.

19. In thanking the Secretary-General, the President of the Board said that all members of the Board were "extremely conscious of the need for large and sustained efforts to accelerate the process of industrialization of the developing countries".

20. He indicated that UNIDO, "within a short period of time, had successfully passed through the difficult stages of initiation and emergence", the operational activities of the organization had increased considerably and its capacity to provide greater assistance continued to be strengthened.

21. Referring to the central role of UNIDO in co-ordination of activities of the United Nations system in the fields of industrial development, the President pointed out that UNIDO "has satisfactorily tackled this question of co-ordination within the United Nations family and is looking forward to establishing co-operative agreements with organizations outside of the United Nations system, so that a concerted action can be made by all concerned for the benefit of the developing countries."

CHAPTER II. GENERAL DEBATE

22. The strategic role of industrialization in the economic development of developing countries and the role of UNIDO in promoting and accelerating the process of industrialization was stressed throughout the debate. Some delegations drew attention to the growing imbalance and widening gap between the developed and the developing countries, and they stressed the role that UNIDO could play in reducing economic disparities between the different regions. Note was taken of the progress made by UNIDO, as evidenced in the growth and diversification of its programmes and in the expansion and organization of its staff.

23. Special consideration was given to the activities of the organization within the Second United Nations Development Decade, the technical assistance programmes, promotional activities, problems of co-ordination and the long-range programming of activities of the organization.

Organizational matters

24. General appreciation was expressed for the commendable work done by the Working Group on Programme and Co-ordination, and its effectiveness as a subsidiary organ of the Board was generally acknowledged. One delegation expressed the opinion that the Working Group might be handicapped somewhat by the large number of its members, and the suggestion was made that its work might have been more effective were the Working Group divided, for example, into two sub-committees, one for general questions and another for technical questions. However, the establishment of additional subsidiary organs to facilitate the work of the Board was generally considered premature at this stage.

25. As regards documentation, the majority of the delegations expressed appreciation for the improvement in presentation and contents of the documents placed before the Board. At the same time, several delegations suggested that future documentation should also include information on the follow-up of

completed projects and a clearer indication of the order of priorities. Another suggestion related to the need for evaluation of the effectiveness and desirability of making a clearer distinction between headquarters and field activities. A number of delegations stated that for study, elaboration and preparation of practical recommendations on specific important problems concerning the activity of UNIDO, the Industrial Development Board might set up special committees or ad hoc groups which would work between the sessions of the Board.

26. Several delegations stated that it was necessary to give UNIDO a universal character so that all countries, in particular the Democratic Republic of Germany, being one of the most industrialized countries, would be given the opportunity of participating in the activities of UNIDO and of making their contributions to the industrial development of developing countries. One delegation stated that, according to the principle of universality, not only the Democratic Republic of Germany but also the People's Republic of China, the Democratic Republic of Viet-Nam and the People's Republic of Korea should participate in UNIDO.

Second United Nations Development Decade

27. Many delegations welcomed the pragmatic approach of the programme of UNIDO for the Second United Nations Development Decade, as outlined in the statement by the Executive Director before the Preparatory Committee for the Second United Nations Development Decade. Several delegations considered the contribution envisaged in this statement as one of the most important elements of the activities of the organization; this contribution should yield maximum benefits for the process of industrialization in the developing countries during the coming Decade. Some delegations noted, in particular, the proposed approach of UNIDO for extending assistance in this area at the country level. It was generally noted that these activities would provide both UNIDO and the countries concerned with a valuable basis for the planning, programming, review and assessment of the progress of industrial development during the Decade. In this connexion, some delegations mentioned that UNIDO could make a particularly valuable contribution in the fields of employment and human environment.

Some delegations stressed the great importance of co-ordination in view of the limited nature of the resources available and in the light of the fact that co-ordination would become even more essential during the Second Development Decade. A number of delegations stated that one of the activities of UNIDO should be to support the progressive trends in the development of industry in the developing countries and to contribute to a movement in industrialization which would correspond to the interests of the developing countries, strengthen their independence, liquidate the basis of exploitation of their peoples by foreign capital, protect them from neo-colonialism policies and which would contribute to a normalization of international economic resources as a whole. Mention was also made of contributions to be made by UNIDO in fields such as: a new type of international division of labour leading to a more equitable participation of the developing countries in industrialization and, in part, in manufacturing activities and to an increase in their measure of economic independence; transfer and adaptation of technology; and promotion of export-oriented industries. As regards the latter, special emphasis was placed upon close co-operation with the UNCTAD/GATT International Trade Centre. The contribution of factors such as preferential tariffs, improved terms of trade, and elimination or reduction of various trade obstacles in promoting the acceleration of the process of industrialization in developing countries was stressed by some delegations. One delegation emphasized that the success of the programme for the Second Development Decade would also depend on the initiative of the developing countries in requesting the services offered. Some delegations felt that, within the programme for the Decade, emphasis should be given to improving and augmenting indigenous expertise for development plans and policies.

28. The recommendation of the Working Group to the Board was taken into account, namely to approve the work programme for 1971, which included specifications concerning the 1970 programme, as expounded in documents ID/B/64 and ID/B/64/Add.1-16, giving due regard to the observations made in the Working Group as reflected in its report. Differing views, however, were expressed as regards the question of priorities in the activities of the organization. Many delegations took the position that since the projects included in the

work programme of UNIDO were based on requests from developing countries that, by and large, reflected priorities, the priorities for UNIDO action were to be determined by the requesting governments in line with their national development plans and policies. The same views regarding priorities were considered applicable as regards the long-term programme of UNIDO and its contribution to the Second United Nations Development Decade. Several delegations, while admitting that UNIDO must necessarily respond to requests for technical assistance from developing countries, considered it advisable for UNIDO to evolve a set of priorities in order to avoid dispersion and fragmentation in its activities, taking into account the fact that only the developing countries could set the goals and make the decisions concerning their own economic development and, as part of it, of their industrialization activities. In this connexion, it was mentioned by several delegations that UNIDO should also endeavour to analyse the efficiency of its activities with the aim of giving greater attention to those which were of particular importance to the developing countries.

Long-term programme

29. There was a wide measure of agreement on the guidelines for a long-range programme of work of the organization as outlined in document ID/B/74. It was considered that these guidelines were sufficiently flexible and took adequately into account the main tasks confronting UNIDO in the next years. The long-term assessment of the needs of the developing countries was considered to provide a useful and practical basis for the planning of future programmes and activities of UNIDO. Some delegations suggested that such a long-term programme of activities should cover five or more years and should be elaborated by individual countries and by groups of countries, taking into account national development programmes, on the basis of the principle of assistance in the creation of national industry and with a view to ensuring their economic independence and an increase in the standard of living of their peoples. Another delegation, however, questioned the premises of the forecasts made in the secretariat document on future resources and needs; it also cautioned against UNIDO engaging extensively in research activities and

suggested that the organization should consider its main task that of serving as a clearing house of research work done by other organizations. The same delegation considered that further discussion on an international level was needed as to which international organizations should have the task of providing high-level confidential advice to governments on negotiations with outside interests. It was generally agreed to resume the discussion on the long-term programme of UNIDO at the fifth session of the Board.

30. In statements by individual delegations, emphasis was placed on a number of factors such as development of engineering industries; training, planning, programming and the implementation of plans and programmes; utilization of indigenous natural and human resources; metrology; promotion of international standards and quality control in production for exports; markets; repair and maintenance; agricultural machinery; stimulating and augmenting national expertise; and industrial policies aimed at an increase of employment opportunities. It was stressed that UNIDO should make efforts to increase the competitiveness of export industries of the developing countries on the international market.

31. In connexion with the long-range programme of work, particularly in the context of the Second Development Decade, stress was placed by many delegations on international co-operation whereby developing countries could benefit from the assistance and experience of other countries. Better co-ordination and harmonization of bilateral programmes of development aid with the programmes of assistance of UNIDO was considered by some delegations as an important additional dimension of the activities of UNIDO. Many delegations welcomed the emphasis given in the secretariat document on country programming of technical assistance and on the need for developing close working relationships with sources of industrial financing, both internal and external and, in particular, with the national and regional organizations. Certain delegations drew attention to the development of such links also with international finance organizations.

32. As to the draft resolution (ID/B/L.61), which was submitted for the consideration of the Board under item 4 of the agenda (general debate) and which the Board at its third session had decided to refer to the current session, it was decided to resume the consideration of this item at a subsequent session of the Board.

Technical assistance programmes

33. Satisfaction was expressed at the increase in the number of UNIDO projects financed under UNDP and, in particular, under the Special Fund component of the Programme. Nevertheless, some delegations considered that the share of UNIDO in the total flow of UNDP assistance was greatly inadequate and that it should be substantially increased to meet the assistance needs of the developing countries in the field of industry. Other delegations recalled that in increasing their contribution to UNDP for 1970, they had urged UNDP to increase the share allocated to industrial projects executed by UNIDO.

34. The Special Industrial Services programme was considered as an effective and highly valuable form of assistance in the field of industry. In expressing their support for the Special Industrial Services programme and their satisfaction with the arrangements made by UNDP to finance the programme from its Revolving Fund, a number of delegations called for an increased allocation to the programme. Concern was expressed by a number of delegations that the arrangements made by UNDP under its new formula of financing would result in reducing the limited funds available for projects to be executed by UNIDO since other organizations of the United Nations family had been given access to the financial resources under the Revolving Fund.

35. Some delegations suggested that UNIDO should promote the flow of the latest advances in technology to the developing countries and that this should form one of its important sectors of activities.

36. As regards the activities of UNIDO in long-range country programming of technical assistance, some delegations stated that the recent long-range programming missions to their countries were very useful. Many delegations stressed the need for long-range programming to be closely linked with national development plans. In this context, it was considered by some delegations that the role of the UNDP Resident Representative, as envisaged in the proposed reorganization of the UNDP system, should be taken into account.

37. Although some delegations voiced their satisfaction with the progress in the implementation of projects executed by UNIDO in the preceding year, others pointed to delays in recruiting experts for field projects. The secretariat

was urged however to continue its efforts in seeking ways and means to expedite implementation of projects. In this connexion, some delegations pointed to the progress achieved in the recruitment of experts for SIS projects following the transfer of the responsibility for recruitment to Vienna headquarters and urged that similar arrangements should be made for all other programmes.

38. Many delegations expressed satisfaction at the planned increase in the number of industrial field advisers, and a number of delegations urged further expansion of this programme by appointment of additional advisers. A suggestion was made by one delegation that field advisers should be recruited from the regions to which they were assigned. The contribution of the adviser programme towards strengthening the links of UNIDO with the field was stressed by many delegations, particularly in view of the prospective enhancement of the role of the UNDP Resident Representative in the country programming of technical assistance, under the proposed reorganization of the UNDP. One delegation proposed that a second industrial field adviser should be assigned to the Middle East region.

39. In view of the significant role of fellowships in the development programme, some delegations reiterated their concern at the delay in nominating candidates for approved fellowship posts. In this context, a suggestion was made that the present fellowship programmes should be reviewed in order to ensure a better utilization of these programmes.

40. At its 106th meeting, the Board considered a draft resolution^{1/} on the operational activities of UNIDO, submitted by Brazil, Chile, Ghana, Guinea, India, Indonesia, Iran, Iraq, Ivory Coast, Kuwait, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Rwanda, Sudan, Thailand, Trinidad and Tobago, United Republic of Tanzania, Upper Volta, Uruguay and Venezuela.

41. The draft resolution, with some amendments by Nigeria and Pakistan, was adopted unanimously at the 106th meeting.^{2/}

^{1/} Following a proposal put forward by the Rapporteur the Board decided that the report of the Board would not contain the debates on draft resolutions but solely the final text of the resolutions as adopted by the Board.

^{2/} The text of the resolution is to be found in annex III of the present report.

Regional and subregional industrial development

42. The initiative of UNIDO in encouraging regional and subregional co-operation was welcomed by a number of delegations. Such co-operation, it was suggested, should also be promoted on an intra-regional basis. The Board commended the secretariat on the progress achieved in its co-operation with a number of regional and subregional bodies in the development of multinational projects and urged that its efforts in this direction be continued.

Consideration of the capacity of the United Nations development system

43. Reference was made in the debate to the proposals under consideration for the reorganization of UNDP and their possible repercussion on the field activities of UNIDO, certain aspects of which were dealt with in the document ID/B/77 submitted by the Executive Director to the Board. Several delegations stated that the effects of the reorganization proposals would be of particular significance to the future activities of UNIDO. While some delegations welcomed the observations contained in document ID/B/77, many delegations questioned the advisability of the Board addressing comments to the UNDP Governing Council at this stage in view of the fact that the matter was still under consideration by the Governing Council. In the view of some delegations, any opinions expressed by the Board at this stage would prejudice the outcome of the current discussions. A few delegations stated that they had no objection if the observations made by the Executive Director in his note were submitted by him to the Governing Council as an expression of his opinion. Other delegations felt that the Board should take advantage of the invitation by the Governing Council to express officially its position on certain points of particular interest to UNIDO. Objections were raised by several delegations to certain recommendations contained in the capacity study of the UNDP system and also against a trend to link the activities of the United Nations development system closely to those of the World Bank, as the latter acted according to banking considerations while the activities of UNIDO had to be guided by the needs of the developing countries without pressing policies favouring private or foreign capital investments.

Evaluation

44. Several delegations emphasized the need for evaluation of projects in order to assess their effectiveness and impact on the recipient countries. Some delegations stated that the assessment of the impact of the projects on the development of the recipient countries required the full co-operation of those countries. In this context, some delegations called upon the developing countries to report to UNIDO the results and achievements of field projects in their countries as well as the follow-up action taken by them. Some delegations suggested that the reports submitted by the UNDP Resident Representatives, field staff and national governments should be made use of in evaluating the work programmes. Other delegations urged the application of scientific methods of evaluation, including the use of benefit-cost ratios in assessing the effectiveness of the projects. Several delegations suggested that the Board, at its fifth session, should study in detail the experiences gained from UNIDO activities in the field of the Special Fund projects and the methods of following-up.

Supporting activities

45. The improved interrelationship between field and supporting activities in the programme of work was noted by many delegations. Some delegations urged UNIDO to be selective in undertaking supporting activities, which were not based on specific requests. One delegation noted that, in contrast to field activities, which were determined by specific country requests, operational activities were determined largely by the secretariat; as the secretariat now had a fair amount of experience in this regard, it was felt that some judgements could be made about what kinds of supporting activities were most effective and could be carried out efficiently. The same delegation suggested that the secretariat should include its observations on this subject in the 1972 programme presentation to the Board at its fifth session. Supporting activities, it was stressed, should be of a practical nature and related as much as possible to field activities. At the same time, several delegations stressed the importance of supporting activities in a number of fields such as pre-investment studies and establishment of technological

research institutes. One delegation, in particular, emphasized the development of adaptive industrial research, industrial consultancy services and research in the field of machine building and expressed its satisfaction that adequate priorities had been given by UNIDO to supporting activities in these fields.

Training

46. Skilled manpower and trained industrial cadres were considered by many delegations as primary factors in accelerating the industrialization process. The proposed expansion of the in-plant training programmes of UNIDO for middle and high-level engineers was especially welcomed. Some delegations expressed particular satisfaction at the initiative of UNIDO in putting some of its in-plant training programmes on a more permanent institutional basis and in expanding the scope of these programmes. One delegation suggested that the training of national cadres of middle-level personnel should be carried out, as far as possible, in their native countries whereas the training of high-level personnel could be done in developed countries in certain cases where this proved advantageous.

47. It was agreed to request the Executive Director that, in elaborating UNIDO's specific recommendations on the training of national qualified personnel for the accelerated industrialization of the developing countries, particularly in compliance with the General Assembly resolution 2528 (XXIV), emphasis should be laid, inter alia, upon the experience the developing and developed countries have gained in the training of such personnel.

Promotion activities

48. The lines along which the promotion activities were developed by UNIDO received support by many delegations which expressed their appreciation of the activities of UNIDO in this field, stressing the importance of contacts between potential investors and interested parties in the developing countries.

49. A few delegations considered the industrial promotion services of UNIDO at trade fairs and similar institutions very useful as they facilitated contacts between representatives of developing countries and potential associates

from developed countries and, in addition, promoted mutually beneficial arrangements as regards technical and financial assistance and the provision of services and equipment.

50. As regards the activities related to investment promotion of specific industrial projects, several delegations drew attention to the important role that private investment could play in promoting the flow of capital and technical and managerial know-how to the developing countries. In the view of one delegation, private investment was not to be considered an alternative, but as being complementary to public aid, with the additional advantage of stimulating the mobilization of domestic capital. One delegation felt that any foreign financing should take the form of participation in government corporations.

51. Other delegations stated that UNIDO, in concentrating its attention on the attraction of foreign capital to developing countries, gave but little assistance in the study of ways and means of mobilizing and increasing their internal resources. They stated that such a concentration of UNIDO activity on the attraction of foreign capital to developing countries did not correspond to the many-sided measures mentioned in General Assembly resolution 2152 (XXI).

52. A number of delegations, drawing attention to the enormous external indebtedness of developing countries, stated that the activity of UNIDO in the field of assistance should take into account the question of a proper relationship between internal and external sources of financing and the limits of the inflow of foreign capital into developing countries, so that the industry of these countries would not become dependent on foreign capital. These delegations underlined the fact that the economic development of developing countries should be based primarily on internal financial resources and that external assistance, granted in the national interests of developing countries on conditions acceptable to them and under their control, should complement and not replace internal resources. The same delegations considered that UNIDO should not limit itself to recording sources of financing but should obtain better conditions of financing and contribute to a situation where foreign capital would be used in the national interest of developing countries, on the most acceptable conditions for these countries.

53. Some delegations were of the view that the transfer of payments abroad in servicing borrowed capital more than offset the flow of funds into developing countries. On the other hand, one delegation stated that while there was a reverse flow of funds from the developing to the developed countries, representing the remuneration of the invested capital, the indirect benefits that developing countries derived from foreign investments in the form of additional employment, larger incomes and the rise in the technological levels should not be overlooked. In addition, when the whole of balance of payment effects was analysed, it was usually favourable to the host country. In this connexion, the same delegation quoted a certain number of statistical data relating to a geographical region. However, some delegations from the region strongly contested that any beneficial effect in terms of raising the economic and social standards of living of the population of that region resulted from the foreign investments. One delegation from the same region quoted statistical data to demonstrate that these investments were fundamentally beneficial to foreign investors and not to the recipient countries.

Industrial information

54. As regards information, a number of suggestions were made by delegations to the effect that UNIDO should establish a more systematic information system and that industrial information should be one of the priority areas. The collection, collation and distribution of information on alternative processing technologies was particularly emphasized by one delegation. Another delegation, appealing to UNIDO to widen its activity in the field of technical information, expressed the readiness of its country to conclude an agreement with UNIDO on the transfer of scientific and technical information, on the basis of the voluntary contributions of this country to UNIDO. The same delegation underlined the fact that UNIDO should co-operate in the field of information with other organizations, in particular with UNESCO, in order to set up a universal information system. For this purpose, it proposed that UNIDO should see to it that the UNESCO system, which was being set up should deal not only with scientific but also with industrial and technical information.

Co-ordination

55. While the Board realized that the question of co-ordination was to be considered under a special item of the agenda, a number of references were made to this point in the course of the general debate. The Board noted with appreciation the measure of agreement reached by UNIDO with other United Nations organizations in co-ordinating the activities connected with industrial development. At the same time, the importance of expanding and further strengthening co-operation between UNIDO and other organizations both within and without the United Nations family was underlined by several delegations. Reservations were expressed, however, by several delegations concerning the co-operation of UNIDO with the World Bank. In the view of some delegations, co-ordination should be interpreted in a dynamic sense; it should not only aim at avoiding duplication but should also be directed towards an integrated approach to the totality of United Nations operations related to industrial development in developing countries. In this area, UNIDO was assigned in General Assembly resolution 2152 (XXI) a central co-ordinating role. It was noted that in accordance with General Assembly resolution 2152 (XXI), UNIDO should play a central co-ordinating role in the elaboration of industrialization problems; in this connexion, a number of delegations noted the necessity of attempting, through ECOSOC, which was the main co-ordinating body of the social and economic activities of the United Nations system, to exclude any duplication of these activities by other organizations of the United Nations system. One delegation stated that co-operation with the Middle East region should be promoted and that the industrial unit of UNIDO attached to UNESOB should be strengthened.

56. The representative of ILO welcomed the results achieved by the joint ILO/UNIDO Working Party established under the agreement between the two organizations and referred to the complementary activities of ILO and UNIDO, particularly in the fields of management development and vocational training. The governing body of ILO would shortly discuss an integrated programme of industrial activities for the years 1972 to 1977. This programme would increase the opportunities for fruitful co-operation between the two organizations. On the occasion of the International Labour Conference in 1969,

the World Employment Programme had been launched as a contribution to the Second United Nations Development Decade, to which UNIDO and the other organizations of the United Nations system had pledged their full cooperation.

Other matters

57. Several delegations urged the necessity of improving the geographical distribution of the UNIDO secretariat. Several delegations, in particular, expressed the wish that, with equal qualifications, preference in recruitment should be given to experts coming from the developing countries.

58. Several delegations referred to the important role that National Committees could play in the activities of UNIDO and urged UNIDO to develop further its collaboration with these bodies.

59. A few delegations stressed the importance of the voluntary contributions in the financing of UNIDO operations, and, at the same time, urged the examination of the possibility of combining the contributions with funds from other sources for projects that were fully integrated into the organization's activities as a whole. One delegation informed the Board of the contribution made by its Government to UNIDO to finance training activities in the field of management. Two other delegations announced the intention of their Governments to make contributions to UNIDO, and one of these delegations was authorized to state that its Government would increase its voluntary contribution in 1971.

CHAPTER III. ACTIVITIES OF UNIDO IN 1969 AND PROGRAMMES
FOR 1970 AND 1971

A. Procedural Considerations

60. At its 97th meeting, the Board, in accordance with resolution 3 (II), considered the Report of the Working Group on the activities of UNIDO in 1969 and the programmes of UNIDO for 1970 and 1971.^{3/} The Board also noted the Summary Review of UNIDO Activities in 1969,^{4/} which is attached as annex I to the present report and which is submitted to the General Assembly in conformity with General Assembly resolution 2407 (XXIII).

61. After several delegations had expressed their satisfaction with the objectiveness and the comprehensive way in which the Report of the Working Group reflected the discussions held during the second session of the Working Group, the Board unanimously adopted the Report of the Working Group and the Summary Review of UNIDO Activities in 1969.

62. The Board then examined appropriate ways in which the Report of the Working Group should be transmitted to the forthcoming session of the Economic and Social Council and the General Assembly. After a discussion of several alternatives proposed by delegations, such as incorporation of an abridged version of the Report of the Working Group into the Report of the Board on its publication as an annex to the Report of the Board, it was unanimously agreed that the full text of the Report of the Working Group should be included in Chapter III of the Report of the Board.

63. In compliance with this decision, the text of the Report of the Working Group on Programme and Co-ordination on the Work of its Second Session, which thus becomes part of the Report of the Industrial Development Board, is reproduced in the following paragraphs.

^{3/} The Report of the Working Group on Programme and Co-ordination on the Work of its Second Session was originally distributed as document ID/B/L.73.

^{4/} The Summary Review of UNIDO Activities in 1969 was originally distributed as document ID/B/L.73/Add.1.

B. Report of the Working Group on Programme and Co-ordination
on the work of its second session to the
Industrial Development Board

64. At its second session, the Industrial Development Board adopted resolutions 3 (II) and 12 (II) establishing a Working Group on Programme and Co-ordination as a subsidiary organ of the Board.

65. The Working Group on Programme and Co-ordination held its second session at the Neue Hofburg, Vienna, Austria, from 6 to 17 April 1970. The present report was adopted by the Working Group at its 41st meeting on 17 April 1970.

66. The proceedings of the Working Group took place in conformity with the procedure established by rule 62, paragraph 3, of the rules of procedure of the Industrial Development Board.

67. The report of the second session of the Working Group on Programme and Co-ordination is herewith submitted to the Industrial Development Board in accordance with resolution 3 (II).

Organization of the session

68. Mr. Enver Murad (Pakistan), Vice-President of the third session of the Board, opened the second session of the Working Group on Programme and Co-ordination.

69. The Working Group held nineteen plenary meetings.

Participation

70. The following members of the Board were represented at the session of the Working Group: Austria, Belgium, Brazil, Chile, Cuba, Czechoslovakia, Denmark, Federal Republic of Germany, France, Ghana, Guinea, Hungary, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Japan, Kuwait, Mali, Mexico, Netherlands, Norway, Pakistan, Peru, Philippines, Poland, Rwanda, Spain, Sudan, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta and Uruguay.

71. The following States, members of the United Nations, sent observers to the session: Argentina, Australia, Bulgaria, Canada, China, Costa Rica, Ecuador, Gabon, Greece, Panama, South Africa and Yugoslavia.

72. The United Nations Conference on Trade and Development was represented at the session.

73. The following specialized agencies also sent representatives: the International Labour Organisation, the Food and Agriculture Organization of the United Nations and the World Health Organization.

74. Observers from an intergovernmental organization, the United International Bureaux for the Protection of Intellectual Property, attended the session. Observers of the following international non-governmental organizations also attended the session: the International Chamber of Commerce, the World Confederation of Labour and the International Christian Union of Business Executives.

Election of officers

75. In accordance with the provisions of rules 61 and 62, paragraph 3, of the rules of procedure of the Board, the Working Group elected the following members to be its officers:

<u>Chairman:</u>	Mr. Zdeňek Šedivý, Czechoslovakia (unanimously);
<u>Vice-Chairmen:</u>	Mr. Abbas Attiah Abubakr, Sudan (unanimously); Mr. Hortencio J. Brillantes, Philippines (with one abstention); Mr. Raymond Probst, Switzerland (unanimously);
<u>Rapporteur:</u>	Mr. Charles Archibald, Trinidad and Tobago (unanimously).

76. Mr. Archibald, the Rapporteur, assumed office on 10 April 1970. Prior to this date, Mr. B. Billner, Rapporteur of the third session of the Board, acted as Rapporteur at the request of the Working Group.

Credentials

77. In accordance with rule 17, paragraph 2, of the rules of procedure of the Board, the officers of the Working Group examined the credentials submitted by delegations and found them in order. The officers so reported to the Working Group at its 38th meeting, and the Working Group approved the report.

Agenda

78. At the 23rd meeting of the Working Group, the Chairman submitted to the Group for its approval a provisional agenda (ID/B/WGPC/4), drafted in accordance with the terms of reference given to the Working Group by the Board. The item on the question of the establishment of subsidiary organs of the Board was also included, in conformity with the provisions of draft resolution ID/B/L.59 and Add.1. After a discussion on the advisability of referring to the Board the question of the establishment of subsidiary organs of the Board, the Working Group decided that the item should be kept on the agenda but should not be discussed at length by the Working Group. The Working Group considered it sufficient to note that there had been no change of position with regard to the establishment of subsidiary organs of the Board and recommended further discussion of this question by the Board itself. The Working Group unanimously adopted the following agenda (ID/B/WGPC/4/Rev.1):

1. Opening of the meeting.
2. Election of officers.
3. Adoption of the agenda.
4. Activities of UNIDO:
 - (a) Report on the activities of UNIDO in 1969;
 - (b) Programme activities of UNIDO in 1970 and 1971;
 - (c) Outline of 1972 work programme.
5. Financial implications of programme proposals: budget estimates for 1971 and forecast for 1972.
6. Co-ordination questions pertaining to projects within the work programme.

7. Question of the establishment of subsidiary organs of the Industrial Development Board (draft resolution ID/B/L.59 and Add.1)
8. Adoption of the report of the Working Group on Programme and Co-ordination, including draft recommendations to the Board.

Procedure in considering the agenda items

79. At its 23rd meeting, the Working Group decided to consider the items of its agenda in the following order: 4 (a) and (b) (programme of work for 1971 including report of activities for 1969 and updating of 1970 programme - Part Two, by groups of activities; Part One, the work programme as a whole); 4 (c) (outline of 1972 work programme); 5 (financial implications of programme proposals); 6 (co-ordination of questions pertaining to projects within the work programme); 7 (question of the establishment of subsidiary organs of the Board); and 8 (adoption of the report of the Working Group, including draft recommendations to the Board).

Consideration of 1969 report of activities
and programme of work for the years
1970, 1971 and 1972

80. The Working Group decided to examine the activities of UNIDO in 1969, 1970 and 1971 on a group-by-group basis (documents ID/B/64 and Add.1-16). Each group of activity was introduced by a representative of the secretariat who later answered the subsequent questions of the delegations about that particular group of activity. In addition to the discussion of each of the fifteen programme areas, the Working Group examined the over-all programme of activities for the years 1969 through 1972 (documents ID/B/64 and ID/B/69) and touched briefly on the financial implications of the work programme.

81. In examining documents ID/B/64 and Add.1-16 and ID/B/69 dealing with programme activities, the Working Group invited expressions of opinion, comments and observations from its members. The secretariat introduced the different parts of the documents, supplied additional information and answered questions addressed to it. The present report reflects these discussions. Owing to the nature of the subjects discussed, the Working Group

followed the practice of the preceding session, namely that discussions need not be pursued in all cases to the point of reaching a consensus. Many of the points raised were of a technical and specific nature, and statements by delegations reflected the variety of experience and opinions expressed by the different countries. Questions of a more general nature, concerning the programme as a whole or aspects of it, were dealt with in a similar manner; that is, opinions were expressed but were not always pursued to the point of consensus. In the case of paragraph 308, the text was discussed and adopted by consensus and therefore reflects the collective opinion of the Group.

Programme activities by groups of activities

Group 1: Engineering Industries

82. The development of engineering industries is basic to industrial growth, and due attention should be given to the full utilization of existing machine-building capacities.

83. It was generally welcomed that, in the field of engineering industries, UNIDO had given priority to the following four major activities: agricultural machinery and implements; electrical and electronics equipment; metal-working and transportation equipment; and repair and maintenance. Of these, activities in the field of agricultural machinery and implements industries and repair and maintenance facilities were considered as being particularly important. Consequently, many delegations felt that these activities should be given higher priority in the programme of UNIDO.

84. The developing countries, depending on their capacity and resources, should be assisted in producing and/or assembling their own agricultural machinery and implements, to the maximum extent possible, and in providing for their repair and maintenance.

85. While discussing repair and maintenance activities, the delegations from developing countries expressed the view that the concentration on repair and maintenance work should not become a constraint on the capacity of the developing countries to keep pace with new technologies. Work on the latter should be undertaken along with repair and maintenance work.

86. Attention was also drawn to the need for UNIDO to strengthen its activity in the field of establishing metalworking and toolmaking industries in developing countries.

87. The plans of UNIDO for assisting the development of transportation industries were noted. However, several delegations expressed reservations in view of the magnitude of the transportation problem in developing countries compared to the limited resources available to UNIDO and also in view of the work being done by other United Nations organizations. Other delegations felt that UNIDO should have a multi-dimensional approach in developing transport industries, embracing all means of transportation available to the developing countries. It was felt that the present programme of UNIDO covering railways and shipping could be extended to other transportation industries.

88. In the field of automotive transport, the manufacture of spare parts should be given attention as it would support the repair and maintenance programme and would help to establish the assembling of such parts in the developing countries. It was also felt, however, that assembly work should be only the first step in development since it accounted for little added value and saved little foreign exchange. The production of less complicated parts might be the first stage in further development.

89. The efforts to strengthen the design capabilities in the developing countries were generally welcomed, though attention was drawn to the necessity of conforming as much as possible to international standards to ensure the inter-changeability of parts.

90. Some delegations pointed out that the activity of UNIDO in the operation and maintenance of installations for the chemical industry could be given lower priority since advice seemed to be easily available from consultant companies. However, other delegations felt that the importance of the chemical industries merited appropriate recognition.

91. Some delegations urged UNIDO to continue to give due attention to the problem of underutilization of capacity in the engineering industries in developing countries.

92. Some delegations, however, questioned whether a small mission, such as the one envisaged under project 1.05.03 in document ID/B/64/Add.1, could make any significant contribution to solving the problem of the under-utilization of shipyards.

93. In connexion with the increased attention to be given to agricultural machines and equipment, some delegations suggested that fishing and forestry machinery should also be added to the priority fields. All these items should be dealt with in close co-ordination with FAO, in accordance with the agreement between UNIDO and FAO. Information was requested concerning the practical results of the agreement between FAO and UNIDO.

94. Attention was also drawn by many delegations to the need for UNIDO to broaden its activity in organizing and holding various meetings of experts from developing and developed countries, such as symposia, seminars and expert groups. As far as possible, these meetings should be held in the developing countries, subject to the condition that the maximum technical assistance be derived from such meetings.

95. There were differing views on the importance of the work on the development of telecommunication equipment. Although it was generally agreed that production of low-cost radio receivers in developing countries should be encouraged, the manufacture of low-cost TV receivers was considered by some delegations to be of less urgency. In the view of some other delegations, however, the manufacture of TV equipment was equally important. With regard to telecommunication equipment, the preparation of guidelines for its manufacture in co-operation with the International Telecommunication Union would be valuable.

96. One delegation suggested that the exhibition and expert group meeting mentioned under 1.02.02 in document ID/B/64/Add.1 could take place within the framework of the participation of UNIDO in the international fair to be held in its country.

97. The plan of UNIDO to assist in the development of a container industry was also referred to by several delegations which held that, while such

development was considered technically feasible and generally useful, the priority accorded to this activity should be kept under review.

98. While the priorities established were generally supported, several delegations felt that the approach of UNIDO to the problems of individual development was somewhat fragmented. They urged UNIDO to relate its programmes and priorities closely to the plans and priorities determined by the member States themselves. The formulation of such a strategy should be based on guidelines given by the Board from time to time and on the accumulated experience of the secretariat in the context of its field and supporting activities. The view was expressed that project requests, by and large, reflected national priorities.

99. One delegation suggested that the Board should fix the general lines of strategy and that the Executive Director should collate the recommendations of the Board and should indicate in broad terms the capacity of UNIDO to extend assistance in pre-investment activities in specific fields.

100. Some delegations also suggested that the projects listed for 1971 might be revised so that action would be less diversified and more effective. Some other delegations, however, felt that the Work Programme of UNIDO for 1970 and 1971 covered a wider spectrum of industrial development activities more effectively and that the UNIDO work programme had been responsive to the industrial development needs of the developing countries.

101. Furthermore some delegations suggested that the question of the effectiveness of UNIDO projects and activities should be more closely examined and the priority of those with greater impact increased. For that purpose, the utility of work should be under constant review.

102. Finally, one delegation noted that the results of projects completed, though given in general terms in the documents before the Working Group, could be explained in greater detail to facilitate a more competent and comprehensive examination of them.

103. The Executive Director replied to a number of the more general questions raised during the discussion. As to the question of long-term planning and

over-all programming of technical assistance, he explained that this matter was currently under discussion in the UNDP Governing Council and that UNIDO officials had been invited to express their views on the matter. Moreover, UNIDO had begun its own long-term programming as long as a year ago, within the limits of its resources, staff and experience. Progress had been made, and about twenty countries had already been covered in one way or another utilizing this long-term approach. It was hoped that the modest experience of UNIDO would be of use to UNDP in arriving at a more general system of programming, together with a system for its financing. At the same time, it could not be expected that the "fragmentary nature" of the activities of UNIDO would be entirely eliminated, as requests for assistance were themselves diversified and individual developing countries, at very different stages of industrial development, had laid down different priorities. What could be hoped was that long-term programming would ensure continuity and correlation in development planning. Moreover, all activities and projects were only accepted after careful evaluation, especially as regards their conformity and contribution to the development of the countries concerned.

104. It should be recalled that the primary task of UNIDO was that of providing pre-investment advice and that, as such, the organization was not able to engage in capital investment projects, as one delegation from a developing country had hoped. What the organization did try to do, however, was to maintain a clear concept of the concrete outcome of its activities. As far as evaluation was concerned, UNIDO was again hampered by its advisory role. It did not possess the machinery for assessing follow-up on its advice, and when it could make assessments, it was only through incidental and indirect means. A more comprehensive system of evaluation would be possible only if, within the framework of the Second Development Decade, a yearly review system were to be set up, under which targets would be reviewed either by individual organizations or within the United Nations family. UNIDO had, indeed, recommended such a system.

105. With regard to the requests for more extensive information, although reports were made on all UNIDO activities, more detailed information could not be included in the documentation if that documentation was to be reduced, as requested by the Board.

106. Although the secretariat was satisfied with the progress in its relations with other international and regional bodies, the process of development of such relations was complicated and lengthy, and further efforts to increase co-operation would have to be made.

107. With regard to priorities, UNIDO endeavoured to respond to the requests made by developing countries rather than to establish general principles for fixing priorities. In a sense, therefore, the developing countries themselves fixed the priorities.

Group 2: Metallurgical Industries

108. It was noted that the activities of UNIDO in the field of metallurgical industries would continue to involve five main branches: iron and steel; light non-ferrous metals; heavy non-ferrous metals; foundries; and creation and transfer of metallurgical know-how. Emphasis was placed on the importance of establishing metallurgical industries, both ferrous and non-ferrous, where the necessary prerequisites existed, as these industries provided the basis for the development of industry in general, particularly the engineering industry of the developing countries.

109. Countries with the necessary resources should develop mining and domestic industrial processing. The task of UNIDO should be to help developing countries to utilize their available resources for developing indigenous metallurgical production, thereby satisfying domestic needs and creating a base for export-oriented productive capacity. In this connexion the need for studies on the markets for such products was stressed. Such studies should take place as required, in co-operation with UNCTAD and with the international commodity bodies making studies of supply and demand.

110. UNIDO was also urged to promote regional projects so as to take advantage of regional resources and markets. It was pointed out that a regional approach would make possible the early establishment of metallurgical industries in the developing countries.

111. It was felt that the activities of UNIDO should also be directed to assisting in the establishment of pilot demonstration plants as such plants would help to solve a series of problems, particularly in comparatively small developing countries, including the selection of the most rational technology and the training of local cadres.

112. Certain delegations stated that many developing countries which were short of coking coal but which had an abundant supply of natural gas or non-coking coal were in need of assistance with regard to the utilization of direct reduction process in the making of iron and steel.

113. While recognizing the attraction of direct reduction processes for certain developing countries, some delegations observed that premature application of new processes, which might not be mature from an industrial point of view, should be avoided. Several delegations suggested that appropriate attention should be given to the establishment in developing countries of research institutes, development centres, etc. in the field of metallurgy.

114. Attention was drawn to the need for work to be continued on the organization and holding of symposia, seminars, meetings of experts etc., to consider the various problems of the metallurgical industry.

115. Symposia and meetings of experts, including the working group of lead and zinc experts, were supported by some delegations. The Second Interregional Iron and Steel Symposium in Moscow was generally commended, and it was suggested that the third interregional iron and steel symposium would be useful if preceded by careful preparation.

116. The importance of the foundry industry as well as the need for modernization and advanced technology in this field were underlined. This sector of metallurgy, which constituted the basis for the engineering industry, might be regarded as one of the most important in many developing countries.

117. With regard to the assistance of UNIDO to the aluminium industry, it was suggested that market trends and economies of scale be studied closely and taken into account when selecting the appropriate technology and size of industrial installations.

118. Certain delegations pointed out that a world-wide over-capacity existed in the tin plate industry and suggested therefore that UNIDO pay close attention to market conditions. Reference was made also to the present monopolistic price systems which placed a great strain on the currency resources of those developing countries that had to import tin plate for their canning industries.

119. Some delegations felt that the work programme of Group 2 had a fair statement of priorities, but some other delegations felt that the priorities could be further clarified and defined. With regard to operational activities, projects were rather scattered and there was a need for pre-evaluation of project requests in consultation with the recipient countries. However, the delegations of the developing countries felt that the UNIDO work programme had effectively responded to their requests for assistance based on the country level of priorities. As metallurgy was a capital intensive, complex field, UNIDO should not engage too much in technical survey and research projects and should rely instead on work being undertaken in universities, research institutions, large firms etc. On the other hand, it was also pointed out that research was needed on the adaptation of various processes to the specific conditions prevailing in certain countries.

120. Some delegations stressed that the developing countries were at such different stages of industrial development that no one set of priorities could be valid for all of them, nor could meaningful priorities be determined solely on the basis of the requests received from developing countries. The priorities should be based on a number of factors including the present stage of industrialization of most developing countries, what the most advanced among them needed in order to reach the take-off stage, the market situation and trends, which taken together, should form an integrated purposeful whole. In responding to requests from the developing countries, UNIDO should place all relevant information at the disposal of the requesting countries and, when necessary, give appropriate advice.

121. The desirability of increasing co-operation among the developing countries themselves was pointed out by certain delegations. Some delegations were of the opinion that UNIDO should help developing countries in setting

up national and regional metallurgical plants that would be independent of the large international concerns. The need for assisting developing countries in reducing production costs of finished and semi-finished products to international levels was also pointed out.

122. It was further pointed out that, as the information provided in the documentation was in some cases rather brief, a short summary of the most important results concerning projects and earlier expert meetings and seminars would be useful and provide a sounder basis for the scrutiny of the Working Group. The secretariat was asked for information on the substance and effectiveness of the work of the regional advisers for whom quite substantial amounts were allocated.

Group 3: Construction and Building Materials Industries

123. In the discussions on this Group, the economic and social significance of the activities of UNIDO in this programme sector was stressed. The collaboration arrangements of UNIDO with the United Nations Centre for Housing, Building and Planning with regard to this field of activities was noted, and UNIDO was urged to continue such activities, keeping in mind the undesirability of duplication of programmes.

124. The priorities given by UNIDO to certain sectors of the building materials industry, including cement, fibro-cement composites, plastics and clay building materials, were generally approved. It was suggested, however, that special stress should be laid on low-cost, locally available building materials, for this might save the expense of costly imported materials. In this connexion the studies proposed for 1971 on the building industry relevant to the needs of developing countries were welcomed by some delegations.

125. It was noted that in 1970 there was a lack of approved UNDP/SF projects in the field of construction and building materials industries. A recommendation was made to the secretariat to increase the number of UNDP/SF projects with the specific view to establishing pilot and demonstration enterprises.

126. It was pointed out that the use of plastics in building was a relatively sophisticated technique, even in industrialized countries. In response, the secretariat indicated that UNIDO intended to examine the problem of, and advise on, the use of plastics in combination with local raw materials. Several delegations, however, stated that undesirable pressure to import such plastics should be avoided.

127. In view of the importance attached to assistance to developing countries with regard to the cement industry, UNIDO was asked to pay particular attention to the transfer of know-how in the manufacture of cement, keeping in mind the highly competitive nature of the cement market. In this connexion, the establishment of pilot and demonstration plants was recommended.

128. A number of delegations expressed support for the programme on clay building materials. Close attention should be given to the location of existing and potential markets when the establishment of production units was being considered. UNIDO was also encouraged to consider the manufacture of silicate bricks in countries where clay deposits were not available and to consider the use of compressed building boards and blocks made from local agricultural and other wastes. Several delegations emphasized the importance of fibro-cement composites.

129. Views differed on the best approach to prefabrication in building. While several delegations recommended that UNIDO should pay increasing attention to prefabrication, it was also suggested that UNIDO should concentrate on the manufacture of small elements, using domestic raw materials wherever feasible. The utilization of prefabricated elements, produced by factories or by small-scale plants in developing countries, should be examined.

130. With regard to the production of building materials in developing countries, the importance of small-scale plants and co-operatives was underlined, particularly in view of the fact that they could utilize local building material resources. Reference was also made to the importance of local manufacture of building machines, including the more simple machinery, in developing countries.

131. A number of delegations urged UNIDO to place greater emphasis on the use of wood as a building material. The secretariat pointed out that work in this field undertaken by UNIDO and FAO was dealt with under Group 6.

132. The economic feasibility of simultaneous production of cement and sulphuric acid from gypsum was queried by one delegation. The secretariat explained that a forthcoming publication would deal with this problem in detail. Several delegations suggested that UNIDO might go yet further and undertake a definite programme of assistance in this field.

Group 4: Chemicals, Pharmaceuticals and Pulp and Paper Industries

133. The activities of UNIDO under this Group - covering basic chemicals, marine salt, pharmaceuticals, essential oils, pulp and paper, industrial fermentation, utilization and disposal of industrial wastes, and chemicals from coal - were generally approved.

134. As, in many cases, the chemical industries necessitated complicated capital-intensive processes and qualified staff, it was appreciated that the activities of UNIDO were necessarily confined, at this stage, to a few sectors. Care should be taken not to promote projects that would soon become obsolete and thus uneconomical. In this connexion, the importance of exploiting local raw materials and of developing chemical industries was stressed. Projects should be selected on the basis of techno-economic feasibility. As no Special Fund projects were currently being carried out in the field of basic chemicals, it was suggested by some delegations that UNIDO should increase its assistance to the developing countries in formulating requests for such projects, especially pilot and demonstration plants.

135. One delegation informed the Working Group that the pertinent organization in its country had decided to organize in 1970, from the budget of its voluntary contribution to UNIDO, an interregional seminar on the production of basic chemicals in developing countries. Negotiations on the organization of this seminar had been completed successfully with the secretariat.

136. In welcoming the plan of UNIDO for assisting developing countries in the development of production of pharmaceuticals, some delegations considered that some of these industries offered wider opportunities of employment in the developing countries for both men and women than chemical industries proper. The high capital intensity and the requirements of high standards of quality control were mentioned by other delegations as factors that should be considered in the formulation of programmes and projects in this field of activity. Reference was made to the need for a regional approach and adequate training. At the same time, it was pointed out that training programmes should be related to the level of technological development in the individual developing countries. It was further suggested that pharmaceutical production should be gradually built up, e.g. through first establishing intermediate industries. Several delegations suggested that a certain measure of caution should be applied with regard to the establishment of pharmaceutical industries in the developing countries. In the view of several delegations, the establishment of fully integrated pharmaceutical industries should be undertaken only after consideration of all relevant factors. In this connexion, some delegations emphasized the importance of the manufacture of basic pharmaceuticals. The secretariat added that since the health services and distribution of pharmaceuticals were, in many countries, under government control, those countries might benefit materially through the creation of their own industries for the production of simple types of medical equipment.

137. Regarding the establishment in developing countries of manufacturing facilities for essential oils, the fact that the marketing of many such products might encounter severe competition on the international market, in the form of cheap synthetic substitutes, had to be taken into consideration.

138. With regard to the proposals of UNIDO on assisting developing countries to establish pulp and paper industries, the plans to promote the utilization of bagasse, hardwood and sisal in tropical countries were welcomed. The need for greater co-ordination with FAO in this field was stressed.

139. Some delegations noted with appreciation that UNIDO expected to pay increasing attention, through technical assistance, to fermentation industries. The inclusion of antibiotics under the heading of fermentation rather than under the heading of pharmaceuticals was queried. Irrespective of how this classification problem was solved, the importance of highly exacting standards of quality control in the production of antibiotics was stressed.

140. The plans of UNIDO for assisting developing countries in the utilization and disposal of industrial wastes evoked considerable interest. This question was part of the general problem of human environment. It was suggested that developing countries should be encouraged and assisted in preventing and eliminating pollution at the earliest possible stage of their industrial development, so that they might avoid the environmental problems now faced by the developed countries.

141. Several delegations recommended that emphasis should be placed on the treatment and control of waste, while the process of re-cycling industrial waste by recovery and re-use might come at a later date. In any case, it would be more rational to consider the utilization and disposal of industrial wastes on an industry-by-industry basis, in view of the great variety of the problems involved.

Group 5: Fertilizers, Pesticides and Petrochemicals Industries

142. General support was expressed for the programme of UNIDO in this Group, particularly with regard to fertilizers and pesticides. It was noted that the establishment of industries supplying inputs to agriculture led to an increase in the supply of food and to a rise in the purchasing power of rural populations. A few delegations felt that UNIDO should proceed cautiously in its efforts to promote the establishment of petrochemical industries. Some other delegations, however, emphasized the importance of developing petrochemical industries and pilot and demonstration plants in the developing countries and urged that a regional approach should be adopted where possible.

143. While the importance of fertilizers and pesticides for the expansion of food production was readily recognized, there was discussion as to whether

domestic manufacture of industrial products designed to support agricultural output should be based on the needs of developing countries or on the effective demand. In this connexion, some delegations made reference to the existence of excess capacity in the fertilizer industries in the developed countries; it was recalled that this problem was going to be noted in a proposed study by UNIDO on underutilization of capacity in the fertilizer and pesticides industries in developing countries. Reference was made to the high cost of the installations in establishing fertilizer plants. The delegations of the developing countries, however, emphasized the need for greater self-reliance in this field; they were of the opinion that the solution to the above-mentioned problems should depend on the criteria and priorities determined by the developing countries themselves. The surveys of fertilizer production undertaken by UNIDO were welcomed. It was felt that fertilizer balance sheets could be useful in identifying areas where investments might possibly be made.

144. Some delegations, noting the large number of projects in this Group, inquired whether the resources available to UNIDO would be adequate. Some delegations suggested that UNIDO should concentrate on fewer projects such as pilot plants for demonstration and training purposes. Several delegations noted the signs of co-ordination between UNIDO and FAO in this field, and it was emphasized that the FAO/UNIDO agreement gave FAO an interest in the marketing and distribution of manufactured chemical products for use in agriculture.

145. The dangers of the uncontrolled use of pesticides were mentioned. It was suggested that the question of residual effects of pesticides was primarily a matter for FAO and WHO. As a considerable amount of information was already available on the subject of residual effects of pesticides, it was suggested that UNIDO should take advantage of these data. With regard to the problems of transport of molten sulphur, one delegation firmly recommended that UNIDO maintain close co-operation with the Sulphur Institute and with the main sulphur producers.

146. In the discussion on the proposed expert working group on future trends in natural and synthetic rubber, reference was made to the considerable number of reports on this subject already prepared by the International Rubber Study Group and UNCTAD. It was suggested that UNIDO should limit its contribution to subjects not covered by those two organizations.

147. With regard to plastics, some delegations suggested that a higher priority rating be given to the study on the establishment of plastics fabrication and application facilities.

148. The attention given by UNIDO to the production of proteins from hydrocarbons was welcomed by certain delegations. One delegation expressed some doubts about the economic feasibility of such production. According to the secretariat, however, UNDP had advised UNIDO to go slow on projects for the production of proteins from hydrocarbons, in view of the work being done in this area by other organizations.

149. Some delegations pointed out the desirability of utilizing industrial by-products such as chlorine and gypsum for the manufacture of pesticides and fertilizers. The importance of developing indigenous know-how in the design and engineering of fertilizer and petrochemical plants was also stressed.

150. Many delegations referred to the need for training and urged UNIDO to increase the number of fellowships in the fields of fertilizers and pesticides.

151. Questions were asked concerning the delay in implementing a project for the production of pyrethrum, which had been approved in 1966. The secretariat explained the reasons for the delay. The danger that reports of technical meetings would become obsolete if publication was delayed was also stressed. In this connexion, it was suggested that the experience of the developing countries be taken into account in the preparation of manuals and other publications.

Group 6: Light Industries

152. Most delegations highlighted the role of light industries in the industrialization of developing countries. Some delegations recalled that though light industries could not contribute as much as the engineering and metallurgical industries to the industrialization process, they contributed towards raising the standard of living, were labour-intensive, required relatively unsophisticated skills, could save foreign exchange through import substitutions and, in certain cases, had considerable export potential, particularly when based on local raw materials. Attention had also to be given to regional and interregional demand, and productivity should be studied in co-operation with national and regional bodies.

153. The need was stressed by some delegations for careful selection of projects and fields of activity and for concerted effort. Emphasis should be placed on essential branches such as food processing, textiles, wood processing and leather and not on luxury goods. Training of local cadres was important, and the establishment of quality control centres, productivity centres and training and research institutes should be promoted. It was felt by one delegation that basic considerations other than those mentioned in paragraph 152 above should be of relevance in selecting supporting activities in this field.

154. Appreciation was expressed by some delegations for the increasing attention being given to textile industries, which in many countries provided extensive employment opportunities. The establishment of cotton textile quality control centres in selected developing countries was recommended. It was pointed out, however, that as a result of the successful development of light industries such as textiles, developing countries might seek export markets, and they would then encounter serious marketing problems in many industrialized nations. A view was expressed that there was a vast and growing market for textiles within the developing countries and that UNIDO should give more attention to this field.

155. The efforts of UNIDO to advise developing countries in the selection of machinery for light industries, particularly in the textile industry, were noted with satisfaction.

156. The importance of the assistance of UNIDO to the food processing industries in developing countries was recognized.

157. Many delegations stressed the fact that co-ordination and consultation between UNIDO and other international organizations were essential in view of the wide variety of activities classified under light industries. Since many of these industries, including food processing, were based on agricultural raw materials, forestry and fisheries, co-operation with FAO was indispensable. Consequently, the agreement concluded in 1969 between UNIDO and FAO was noted with satisfaction. Equally close co-operation was urged with UNCTAD and GATT in market research and in other measures to facilitate exports from developing countries. One delegation drew attention to the fact findings within the bodies in the trade policies and commodity fields; such findings could often be very useful background material for the efforts of UNIDO in industrial development.

158. Attention was drawn by some delegations to the need for promoting the production of proteins from all possible sources including soybeans, fish, sea algae, petroleum and coal. In this connexion, the desirability of closer co-operation with FAO was mentioned as the elimination of the protein deficiency in the nutrition of the peoples of the Third World had been identified as one of the five priority fields of activity of FAO. This subject would receive special attention during the Second World Food Congress, to be held in June 1970.

159. Several delegations took issue with the statement in document ID/B/64/Add.5 that large-scale installations were necessarily involved in modern food processing and added that market limitations in small developing countries would not support the introduction of large-scale plants. The secretariat explained that the intention was not to imply that small and medium-size plants were not called for and that, in many instances, such plants could be established on an economically viable basis.

160. Another area to which priority should be given, in the view of some delegations, was the use of wood in low-cost housing. The production of glue in developing countries was suggested as a worthwhile project as this product was a prerequisite for particle-board production, and expensive to import. In this connexion, certain delegations cautioned against the processing of wood into highly finished products for export; the processing should preferably be limited to veneers or other semi-finished products.

161. With regard to the programme of UNIDO in the field of leather, leather goods including shoes, and rubber, emphasis was placed by certain delegations on questions of quality control and market studies. The work being initiated by UNIDO to utilize exotic skins for production of leather goods was noted. It was observed, however, that a seminar on automation in the leather industry might be premature. Some delegations emphasized the necessity of close co-operation with FAO in this field, in accordance with the recently signed agreement. Increased assistance in rubber processing was also urged.

162. The assignment of priority B to a number of projects in the proposed programme of work was questioned by several delegations who felt that the importance of these projects warranted a higher priority. The secretariat replied that many such projects had to be placed in a lower category due to limited financial resources.

163. Several delegations offered to UNIDO the co-operation of research and development expertise and facilities available in their countries. One delegation extended an invitation to organize, in its country, a seminar on furniture and other secondary wood-processing industries in developing countries.

Group 7: Industrial Legislation, Patents and Licensing

164. It was generally agreed that the work of UNIDO in the areas of industrial legislation, licensing and patents as covered by Group 7 should be expanded and strengthened, especially as regards operational field activities.
165. While some delegations stressed the need to avoid duplication in this field of activities, several delegations emphasized the importance of co-operation between UNIDO and other international organizations concerned such as the United International Bureaux for the Protection of Intellectual Property and African and Malagasy Industrial Property Office. These delegations noted the initiative of the secretariat in negotiating arrangements for co-operation with such organizations, especially in view of their experience and competence. Several delegations referred to the Patent Co-operation Treaty which they expected would soon be signed. Some delegations thought adherence to the Treaty might be of interest to developing countries as it would relieve the need to set up a complex machinery for examining patent applications.
166. Information on industrial legislation, which covered a broad field such as requirements for licensing of industrial plants, factory layout and structures, patents, trade marks, forms of organization and registration, standardization and quality control, was felt to be of considerable assistance to industrial planners, investors and industrial establishments.
167. Some delegations felt that the objectives of UNIDO in industrial legislation should not be limited to the subject of foreign investment, for this was a function of national policies. The objectives should relate to the entire gamut of investment activities.
168. In reply to queries regarding the network of on-the-spot correspondents to collect and supply texts of industrial legislation, the secretariat stated that the correspondents, nationals of the countries covered, would not only supply information on legislative development but would also arrange for the translation of this information into one of the working languages.
169. As regards the proposed study of a selected branch of industrial legislation, the secretariat pointed out that such a study, which had been assigned priority B, would be concerned with covering, on a world-wide basis, a single area of industrial legislation such as standardization.

170. In the discussion on the Manual on Licensing Practices, reference was made to possible duplication of work with ECE. The secretariat explained that the guide for drawing up contracts for the international transfer of know-how in the engineering industry, as published by ECE, related exclusively to the problems of the East-West trade in Europe, while the Manual of UNIDO offered information to developing countries on, inter alia, purchases of foreign technology, particularly as regards cost, administrative practices, etc. Similarly, the workshop on licensing practices stressed the legal aspects in connexion with the transfer of technology and thus did not duplicate the work of other organizations dealing with the commercial aspects.

171. In reply to questions regarding the field activities of UNIDO in this area, the secretariat stated that UNIDO had received several requests from developing countries and from one regional industrial property office.

172. One delegation from an industrialized country offered, through UNIDO, a three-month fellowship to an official from a developing country for practical training in the administration of industrial property offices.

173. One delegation remarked that the entire activity of Group 7 should be directed towards furthering and facilitating the process of transfer of technology to developing countries which would otherwise never attain an up-to-date level of industrial development.

Group 8: Industrial Services and their Administration

174. The work programme for this Group included: industrial research; standardization; quality control and administrative machinery for industrial development; and industrial promotion services and trade fairs. The work programme was endorsed with the following comments.

175. One delegation stressed the importance of co-ordination between the different divisions in the work of the secretariat pertaining to certain activities, such as quality control and the creation of institutes, and requested a clarification in this respect.

176. Some delegations supported the plan to promote the establishment of the World Association of Industrial and Technological Research Organization (WAITRO). The secretariat stated that 64 organizations from 48 countries had agreed thus

far to become founding members of WAITRO. The aims of WAITRO were to promote research and the exchange of experience in research management, to intensify the exchange of research workers, to identify training opportunities, to serve as a practical link between research establishments and to foster co-ordination and co-operation between member bodies in the undertaking of specific investigations. Some delegations inquired as to the nature of the relationship between UNIDO and WAITRO following the creation of the latter.

177. It was noted with satisfaction that emphasis had been given to the use of local raw materials in the work of industrial research institutes in the developing countries. One delegation suggested that UNIDO could play a useful role in assuring that the results obtained in this regard would be given extensive distribution. Two delegations from industrialized countries offered the co-operation of their Governments with UNIDO in providing assistance to these institutes. Some delegations expressed the wish that UNIDO, under its supporting activities, undertake the evaluation of the experience of existing research institutes. It was also suggested that, where feasible, research institutes in the developing countries should deal not only with light and food industries, but also with the metalworking industry, metallurgy and other industries that are important to the industrialization process.

178. The increase in the activities of UNIDO in the field of standardization, quality control and metrology was noted by many delegations with satisfaction as standardization and quality control were important components of industrial development. The regional training workshops were welcomed. Co-operation in this field with the International Standards Organization and with other relevant international organizations was viewed with satisfaction. One delegation expressed the wish that training programmes should be established on a more permanent basis, including training by correspondence. This delegation also mentioned that detailed plans for a demonstration centre for standardization had been developed in its country and could be given to developing countries where such centres could be established with the assistance of UNIDO.

179. The work programme of UNIDO in the field of metrology and quality control received widespread support. One delegation expressed the hope that the necessary test equipment would be forthcoming. Certain delegations suggested

that UNIDO might give assistance to those developing countries that were in the process of adopting the metric system of weights and measures.

180. Many delegations supported the activities of UNIDO in the field of organization and administration of industrial institutions and services and expressed satisfaction with the planned regional workshops on the organization and administration of industrial services. One delegation questioned the high priority given to the regional workshops for managerial staff of chambers of industry as compared to the priority given to those for training industrial administrators.

181. Several delegations noted with satisfaction the planned study on industrial co-operatives. Some delegations, while strongly supporting the work in the area of industrial co-operatives and expressing appreciation to the secretariat for its efforts to implement Board resolution 21 (III), felt strongly that this activity should have been included in Group 11 rather than Group 8. The secretariat took note of this comment and indicated that the matter would be reviewed.

182. Several delegations requested more extensive information on the work of the UNIDO Industrial Promotion Service at trade fairs, and some delegations questioned the approach taken by the secretariat, especially as insufficient data existed on the evaluation of the results of the Service at previous fairs. The delegation of a developing country, in which the Industrial Promotion Service had assisted at a trade fair, informed the Working Group of the successful results of the Service and of its Government's endorsement of these activities.

183. In answering the above queries, the secretariat stated that the Industrial Promotion Service at trade fairs was one among many instruments for promoting the establishment of new industries and for strengthening existing ones. Industrial promotion services were arranged at the request of the host country organizing the fairs; local facilities were normally provided by the host country. The Industrial Promotion Service designated special Industry Days for two selected industries, with the participation of representatives of enterprises and organizations from both developing and industrialized countries. Discussions and negotiations took place about possible contractual agreements in a form of management, training or marketing contracts, purchases of licences

and know-how, joint ventures, turn-key projects etc. Arrangements were being looked into with respect to several fairs, and the results of the two fairs in which the Industrial Promotion Service had participated proved encouraging. It was estimated that joint ventures to a possible value of \$80 million were being negotiated as a follow-up of the Second Asian International Trade Fair. As a result of another international fair, contracts for a glass factory, an optics industry and for repair and maintenance of medical equipment were being followed up. It was pointed out that the establishment of industrial promotion services at trade fairs was less than one year old. The secretariat would continue to evaluate information as it became available and would submit its findings to the Board.

Group 9: Industrial Information

184. It was noted that the objectives of the 1971 work programme for Group 9 were twofold: to assist developing countries in establishing and strengthening their local information facilities; and to strengthen the Industrial Information Centre at UNIDO headquarters through intensification of its activities, which included collection, selection, adaptation and dissemination of information, and the expansion of the relationship of the Centre with corresponding organizations. The delegations noted with satisfaction the progress made and endorsed the work programme with the following comments. One delegation suggested that it would be useful for the Board to have a summary, in the form of a table or a graphic chart, of the information activities of UNIDO headquarters; such a summary should illustrate the different types of activities.

185. It was suggested that priority should be assigned to the development of information systems needed in the developing countries for the guidance of the governments and other authorities responsible for industrial development. General support was given to the building up of industrial information facilities in developing countries through the establishment of regional and national industrial information and documentation centres and through the provision of expert advice and training of national personnel. Several delegations offered the co-operation of institutions in their respective countries to UNIDO, in its training activities. With regard to the three-month training course for

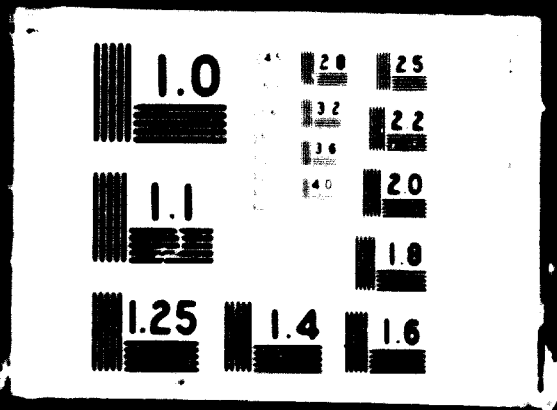


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industrial information and documentation officers, organized jointly by UNIDO and UNESCO in a developed country, the delegation of the host country extended an offer to continue this course on an annual basis. A number of delegations supported this suggestion.

186. Several delegations pointed out the usefulness of the network of information sources and stressed the importance of utilizing existing facilities throughout the world. Some delegations proposed that the scope of the clearinghouse function should be expanded; the clearinghouse should serve as a reference centre for industrialized as well as for developing countries.

187. Two delegations called for the early compilation of industrial feasibility studies and technical assistance reports and for making this information available to potential users. One delegation from an industrialized country reported that its Government, under its bilateral programme, had made available to the Industrial Documentation Centre a collection of feasibility studies.

188. A few delegations from industrialized countries questioned the feasibility of setting up a reliable and objective price information system for industrial equipment, although a number of delegations from developing countries emphasized the need for, and desirability of, such a system. In reply to questions regarding the Advisory Service on the Supply of Industrial Equipment, the secretariat stated that the Service was based on ECOSOC resolution 1183 (XLI) and on the recommendations of an expert group meeting held in 1967. In accordance with the findings of the latter, to the effect that the provision of price information was both desirable and feasible, a study by a multinational consortium of consultants had been commissioned. The findings, which had just become available, indicated that provision of information on the cost of equipment should be undertaken on request on a case-by-case basis and should rely on a network of specialists in each major industrial sector.

189. Several delegations referred to the usefulness of two UNIDO periodicals: the UNIDO Newsletter and the Industrial Research and Development News (IRDN). It was suggested that the latter should include more comprehensive reports on such UNIDO activities as expert group meetings; this would help to overcome, to some extent, the problem of delayed publication of the documents related to

such meetings. It was mentioned, however, that the IRDN must provide up-to-date technical information if the publication was to fulfil its purpose. Some delegations commended the efforts of UNIDO to verify its mailing list and noted that the opportunity should be taken to evaluate the readers' interest in these and other UNIDO publications.

190. Some delegations recommended that careful consideration might be given to the question of the participation of UNIDO in the United Nations information system referred to in the Study of the Capacity of the United Nations Development System by Sir Robert Jackson. This might involve the participation of UNIDO in relevant inter-agency groups, such as the United Nations Panel on Indexing and Documentation, and close co-operation in the development of a consistent information-processing system. One delegation suggested that UNIDO participate in the World Conference on the Use of Industrial Films.

Group 10a: Industrial Training

Group 10b: Industrial Management and Consulting Services

191. Many delegations noted with satisfaction that the work programme in the areas covered by Group 10 stressed group in-plant training programmes, industrial management clinics and the development and strengthening of local consulting facilities in developing countries. Special emphasis was given to expanding three types of in-plant training programmes: pre-employment training, upgrading the skill of engineers and training potential plant managers. It was noted that the expansion of the activities of UNIDO in these fields was in accordance with the recommendations made by the Industrial Development Board at its second session as well as with those of General Assembly resolution 2528 (XXIV). The work programme of Group 10 was endorsed with the following comments.

192. Several delegations considered it a definite advantage to have engineers trained in their own countries. They noted with satisfaction that the programme of UNIDO dealing with pre-employment training was expanding within the developing countries, and UNIDO was urged to expand further this type of programme.

193. Many delegations noted with satisfaction the expansion in industrialized countries of the training programmes for upgrading engineers from developing countries. Some delegations welcomed the UNIDO experiment of carrying out such programmes also in developing countries and expressed the wish to see a balanced distribution of the location for these programmes.

194. Some delegations felt that more attention should be given to the problem of developing indigenous training talent in the developing countries, namely the problem of training the trainers. It was the view of these delegations that the inclusion of training programmes of this type would have a multiplier effect on the training capacity of developing countries.

195. One delegation stated that, in co-operation with the secretariat, the competent organizations in its country were organizing two new programmes in 1971, to be financed from the voluntary contribution of this country to UNIDO, in the fields of standardization and the production of fertilizers; this was in addition to the two training programmes that were being carried out in 1970, one in the field of iron and steel and the other in the metalworking industry. The proposal of one country to organize in 1971 a programme of group training in the field of welding was also announced.

196. Delegations of several industrialized countries offered additional assistance to UNIDO for new in-plant training programmes in the fields of quality control, maintenance and repair of motor vehicles and instruments, and electro physics. Many delegations endorsed the two new UNDP/SF projects in this field which provided for the financing of these programmes for several years; the delegations expressed the wish to have more projects of this type initiated. One delegation indicated that the UNDP/SF in-plant training project on electronic industries, to be organized in its country, represented a training programme scheduled for three consecutive years but not the establishment of an international training centre.

197. Additional information was requested by some delegations regarding the results of training programmes held in the past. In reply, the secretariat stated that questionnaires had been sent out to participants of the courses and to their employers. About 90 per cent of the replies indicated that the

participants had benefited from the training, and more than 80 per cent stated that the trainees were applying their experience upon return to their home countries. The secretariat was requested to continue an evaluation of these programmes on a regular basis.

198. In reply to a question about the selection of plants used in the upgrading programmes, the secretariat outlined the procedures applied which took into account not only the technological facilities but also the ability, interest and willingness of plant managements to co-operate in the organization of the courses, geared to the specific needs of developing countries.

199. Some delegations inquired about the progress made in preparing the report on plans for long-term programmes in the field of training for industrialization in compliance with Board resolution 8 (II). The secretariat stated that the work was progressing satisfactorily and that governments would receive a draft report shortly.

200. The programmes and projects of industrial management and consulting services outlined for 1971 were generally endorsed. Interest was focused on the industrial management clinics as an effective instrument. Some delegations felt that the rapid expansion of the number of clinics was justified.

201. The development of better domestic consulting services was considered an important factor in the industrial development process. Some delegations recommended that additional projects be established. One delegation paid special tribute to the results of the Seminar on the Use of Consultants, arranged by UNIDO in 1969. Many delegations stressed the need for UNIDO to place greater reliance on the proficient consultancy agencies of the developing countries.

202. The secretariat reported that the study on the roster of university professors had been completed and that UNIDO would begin to contact candidates. The secretariat was requested to contact all governments of countries entitled to participate in the work of UNIDO for the inclusion of candidates in the roster. Two delegations offered the co-operation of their Governments in providing UNIDO with competent experts in the field of management.

203. One delegation pointed out the need for early appointment of project managers in some of the centres established with the assistance of UNIDO for the development of certain industries.

204. As regards the co-ordination of work between ILO and UNIDO in the field of industrial training and management, some delegations noted with satisfaction that the agreement between ILO and UNIDO had been adhered to, and that periodic consultations were taking place between these two organizations. One delegation suggested that co-operation between ILO and UNIDO should not be merely with a view to avoiding duplication of work but should be aimed primarily at evolving an integrated approach.

**Group 11: Small-scale Industry including Industrial Extension
Services and Industrial Estates**

205. Many delegations reaffirmed the importance they attached to the promotion of small-scale industry in the developing countries. In many of these countries, especially in those at early stages of development, the establishment of small modern industrial undertakings led to the emergence of national entrepreneurs using local capital, raw materials and manpower in the production of goods for a limited domestic market. These delegations expressed satisfaction with the progress made by UNIDO in its activities in this field and especially with the increase in UNDP/SF projects relating to small industry development programmes and industrial estates. There was general approval of the work programme of UNIDO in small-scale industry. One delegation, however, observed that placing excessive emphasis on small-scale industry and handicraft development would not solve the problem of underemployment nor lead to the modernization of economies and to economic independence.

206. Five areas of work were singled out by many delegations as being of special value for the developing countries: industrial extension services; sub-contracting between large and small industries; industrial estates; financing of small-scale industry; and marketing of small industry products.

207. Several delegations commended the secretariat for its work in the field of industrial extension through technical co-operation projects and training programmes. Satisfaction was expressed with the efforts of UNIDO towards the

establishment of a small industry centre in an African country with the assistance of another developing country which was providing domestically made machinery for training, servicing and demonstration purposes. It was felt that such co-operation among developing countries was a step in the right direction. Some delegations suggested that training should be provided not only to industrial extension officers but also to small entrepreneurs, for instance through in-plant training programmes, preferably in relatively advanced developing countries.

208. Several delegations noted with approval that joint UNIDO/ILO missions had been undertaken for the establishment and strengthening of industrial extension service organizations and encouraged the secretariat to continue such activities in the future.

209. It was noted that the work of UNIDO in the field of subcontracting, which had been initiated through the preparation of research studies and the organization of an interregional expert group meeting, had resulted in technical assistance projects for the establishment of subcontracting exchanges and would be followed by training programmes under fellowships and further meetings on a regional basis. Several delegations felt that UNIDO should expand its work on domestic subcontracting and should consider international subcontracting as well, which might be of special interest to countries having inadequate supplies of raw materials and small domestic markets. The secretariat should bear in mind, however, that there were structural and other limitations in the development of subcontracting.

210. With regard to industrial estates, note was taken of the activities of UNIDO in the form of technical co-operation projects, meetings and research studies. Many delegations considered that inadequacies in financing and marketing were bottlenecks to industrial development. These delegations welcomed the efforts of the secretariat to remedy these inadequacies through a better understanding of the mechanisms involved.

211. The development of small-scale enterprises within the complex of a large industrial plant or on a specialized industrial estate, with regard to the type of product, had certain advantages such as the mutual use of equipment. This also created a basis for the transformation of small-scale enterprises into large industrial plants.

212. Several delegations felt that the development of small-scale industries could be promoted in a particularly effective way through co-operatives and recommended that UNIDO should pay increasing attention to this aspect. They supported the view expressed by some other delegations which spoke on this item under Group 8, namely that UNIDO activities in the field of industrial co-operatives should have been included in Group 11 rather than in Group 8. Reference was made to Board resolution 21 (III), which stressed the importance of co-operatives in small industry development and which requested the Executive Director to submit to the Board, at its fifth session, a report on the role of co-operatives in industrial development, covering also the role of small-scale industries.

213. It was noted that small-scale industry should not necessarily be developed only in the private sector but also in the state sector for this created better conditions for more effective participation of small-scale industry in the fulfilment of national plans for industrialization.

Group 12: Industrial Programming and Project Planning

214. The need for assistance to be given by UNIDO to developing countries in formulating their industrial developing strategies was generally recognized. It was stressed that special attention should be given to developing countries lacking basic planning and programming infrastructure at various levels. Industrial training, choice of industrial branch programming, formulation and implementation of industrial strategy were important interrelated fields that needed careful attention. Industrial strategy had to be comprehensive, realistic and properly related to financial, human and other resources and conditions, including institutional reforms. In this connexion, international exchange of experience in the field of strategy, programmes and policies was of great value. Developing countries should take advantage of the experience and expertise of countries at different levels of development and with different social systems.

215. Several delegations noted that, in contrast to previous years, UNIDO was now not merely considering the purely technical aspect of programming industrial development or drawing up projects for individual enterprises but was co-ordinating these projects with the over-all development conditions in each

individual developing country, i.e. there was a trend towards evolving a comprehensive approach for each country. It was stressed that this effort of UNIDO was worthy of all possible support. It was pointed out that, in carrying out such work, the secretariat should give appropriate attention to the co-ordination of technical assistance with national and, in many cases, regional development plans. Some delegations pointed out that the main objective in the activities of UNIDO must be to help developing countries to strengthen and develop the state sector of their industry as a stable material basis for the mobilization of their domestic resources, the strengthening and development of this sector having a decisive influence on the course of the development of other sectors of industry and on the development of key sectors of the economy of such countries.

216. The great importance of setting up trained local cadres in developing countries for various levels of industrial planning and programming was also generally recognized. It was stressed that, in the activities of UNIDO, high priority should be given to this aim. Mere publication of various studies and monographs was insufficient for such training; UNIDO should put more emphasis on practical training in the above-mentioned fields, including long-range planning and industrialization strategies.

217. A number of delegations emphasized the importance of UNIDO advisory missions in industrial programming and project planning and recommended that UNIDO should play a dynamic role in assisting developing countries in the preparation and implementation of their industrial development plans. Such missions should continue to take a comprehensive approach, giving due consideration to the specific economic features of the country and to its level of development. Several delegations requested clarification on the role of the advisory missions vis-à-vis the long-range technical assistance programming missions of UNIDO. One delegation also requested clarification as to how the preparation of these long-term programmes of technical assistance was related to national long-term planning in developing countries. The secretariat replied that the advisory missions provided, at the request of governments, assistance and training in industrial development planning; the long-range programming missions were intended to assist countries in identifying their needs for technical assistance.

218. A number of delegations expressed interest in the work of UNIDO on the development of industrial projections. It was noted, however, that model-building for industrial programming should be undertaken with due regard to the fact that many of the social or political criteria were not quantifiable and could not be introduced into models. Further, the accuracy of the results obtained from models was dependent on the accuracy of the data put into them, and such data were not always reliable.

219. General interest was expressed in the summaries of industrial development plans compiled by UNIDO, particularly with regard to countries forming regional co-operation groupings. It was suggested that such summaries be taken as a basis for the Working Group's consideration of priorities to be set within various fields of industrial activities.

220. It was further suggested that additional headings be included in the proposed summaries on investment legislation and incentive schemes. The secretariat indicated that information of a similar kind was provided by projects under Group 13. In response to questions raised by various delegations, the secretariat gave a list of 24 countries from which at least 12 would be covered by such summaries in 1970; these countries were selected from six regional groupings.

221. A number of delegations stated their satisfaction with the increasing attention being given to regional industrial planning. In this connexion, attention was also drawn to the importance of regional industrial planning at the country level, and one delegation asked UNIDO for assistance in this field.

222. A large number of delegations supported the work on project evaluation, including studies and workshops on national benefit-cost analysis, profitability and viability of industrial projects, and market analysis in connexion with feasibility studies. Some delegations suggested that the flow of private funds to the developing countries would probably increase if more adequately prepared projects were at hand and that, in this connexion, UNIDO had an important role to fulfil. The value of training workshops was stressed; nationals should replace foreign experts in this

type of work as soon as possible. One delegation questioned whether benefit-cost ratios were the most important basis of criteria in project appraisal and suggested that UNIDO should examine further the project selection experiences of various developing countries.

223. Some delegations expressed satisfaction with the Profiles of Manufacturing Establishment series, which included extracts of more recent industrial feasibility studies. The preparation of more analytical Profiles was generally welcomed.

224. In reply to the question on how the UNIDO Profiles compared with those of the United States Agency for International Development and the Organization for Economic Co-operation and Development, the secretariat referred to certain distinctive features of the UNIDO approach and called attention to the fact that this was a continuing series, covering a number of different developing countries, which involved the active participation of industrial enterprises in the field studies concerned.

225. Several delegations expressed interest in the forthcoming publications on industrial programming. One delegation was particularly interested in the proposed monograph on the criteria used to select priority projects in developing countries and recommended that an approach be taken that would enable further exchange of experience in this field among the developing countries.

Group 13: Industrial Policies and Financing

226. The activities under this Group cover three areas: industrial policies, industrial financing and industrial investment promotion. The programme of work of this Group, as presented, was supported by most delegations, subject to adjustments resulting from the debate reflected below. Some delegations stressed that, in this field of activity, UNIDO should maintain a balance between the areas mentioned and should take the necessary measures to help developing countries in working out comprehensive industrial policies and in mobilizing domestic and external resources for industrialization.

227. The importance of UNIDO assistance in the formulation and implementation of industrial policies was generally endorsed. One delegation felt that the developing countries should formulate their own industrial policies, with UNIDO

giving expert guidance and assisting in this formulation. Some delegations pointed out that industrial policies, as part of over-all economic policies, varied according to different social and economic systems and to the prevailing circumstances and needs of each developing country and stressed that, in the activities of UNIDO in the field of industrial policies, consideration should be given to the provisions of General Assembly resolution 2152 (XXI) on the utilization of the experience of countries with different social and economic systems so that the developing countries could make use of the valuable experience in the field of industrial development accumulated by different groups of countries.

228. A number of delegations emphasized the importance of advisory missions carried out by UNIDO staff and recommended that this assistance be expanded. Some delegations questioned the usefulness of short visits by UNIDO staff. Some delegations expressed the view that many of the policy missions did not require protracted stays in the countries concerned.

229. A number of delegations expressed interest in the assistance planned by UNIDO in formulating policies aimed at achieving the objectives and targets of industrialization programmes and welcomed the practical approach through case studies that resulted in an exchange of experience among the developing countries.

230. A number of delegations supported the training programmes on design of industrial policy measures. Particular interest was expressed in the directory on incentive measures, covering all developing countries, which was recommended by the officials participating in the training programme on incentive policies. Caution was expressed, however, against the overlapping of activities in the field of tariff and protection policy with those of UNCTAD. It was explained by the secretariat that, following a recent seminar held by UNIDO in co-operation with UNCTAD, work in the field of incentives would be conducted in close co-operation with UNCTAD.

231. Though many delegations expressed interest in the manuals on industrial policy measures, one delegation suggested that the Publications Panel might review the usefulness of completed studies. In reply, the secretariat explained that these manuals were a synopsis of existing material for ready reference by experts and officials of developing countries.

232. A number of delegations recognized the importance of the work of UNIDO in the field of regional industrial co-operation and recommended that UNIDO should expand this work in co-operation with the regional economic commissions and UNESOB.

233. Many delegations emphasized the importance of the work of UNIDO in industrial financing, and a number of delegations expressed their satisfaction with the development of contacts between UNIDO, the International Bank for Reconstruction and Development and the regional development banks in this field and indicated that continued co-ordination with these bodies was needed. One delegation expressed reservations about the participation of the World Bank Group and the Inter-American Development Bank in the programme and activities of UNIDO. Some delegations stated that UNIDO should maintain a proper balance between assistance in the mobilization of internal resources and assistance in obtaining external financing, stressing at the same time that external economic and technical aid should, in the first place, stimulate the growth of internal accumulation in the developing countries and supplement, but not replace, these internal resources. The same delegations also recommended that UNIDO assistance should aim at improving the terms and conditions of the financing and that UNIDO should work out and implement a system of measures that would assist in the mobilization of resources for the industrial development of developing countries without adding to their financial burden in connexion with their external indebtedness. This system of activities should constitute measures such as: the mobilization of internal resources; the utilization of external resources on advantageous terms, without imposing conditions affecting the interests or the independence of developing countries; securing fair conditions regarding trade with the developing countries; and utilization of the natural resources in the national interest of those countries. The secretariat pointed out that assistance was being expanded to developing countries in establishing or strengthening their industrial financing institutions, training their personnel and providing advisory services for the mobilization and channelling of domestic savings into industrial development. This assistance also contributed towards the improvement of the developing countries' positions as regards the choice of sources of external financing for industrial projects, in particular through the directory of external sources of financing and the joint-venture and external financing agreements.

234. Most delegations expressed their satisfaction with the Directory of External Sources of Financing and recommended its continued up-dating and improvement to cover larger sources of financing.

235. Several delegations supported the work of UNIDO in the field of joint-ventures and underlined the importance of this type of co-operation between industrialized and developing countries and on a regional basis. Some delegations recommended that UNIDO should co-operate with the International Chamber of Commerce in this field.

236. Many delegations stressed the importance of the activities of UNIDO in promoting specific industrial projects and expressed their satisfaction with the effort and results achieved by UNIDO in this field in such a short time. A number of delegations, referring to General Assembly resolution 2152 (XXI), stated that the term "promotion" in the activities of UNIDO meant the implementation by UNIDO of the whole complex of measures relating to the industrial development of the developing countries, envisaged in this resolution and permitting its implementation. In this connexion, activities in the field of "promotion" and other specific types of work undertaken by UNIDO should be closely connected with, and follow from, the above-mentioned resolution. With regard to that part of the activities relating to the financing of projects, it was stated that such activities should be aimed primarily at mobilizing internal resources and improving the conditions under which assistance to developing countries from foreign sources was granted. Several delegations expressed their strong apprehensions about the adverse effects of foreign investment. Some delegations expressed the opinion that UNIDO should not be a passive intermediary between financial circles and the developing countries but an active defender of the interests of the developing countries so as to assist them effectively in obtaining the most favourable conditions in the field of external financing, a task that would be in absolute conformity with the status and role of such an international organization as UNIDO. With this aim in mind, these delegations made an appeal to UNIDO to use all possible measures, especially participation in international forums, meetings and gatherings with representatives of financial and bank circles, to obtain the most favourable conditions in rendering help to developing countries. During the discussion, one delegation called attention to the statement by the

secretariat contained in paragraph 161 of the Report of the Working Group on its first session and said that it assumed this statement continued to represent the position of the secretariat. In the view of this delegation, this was an even-handed approach to the problem of mobilizing finance for industrial projects. The secretariat indicated that, on each project presented by a developing country, the promotional activity of UNIDO was tailored to the specific terms fixed by the country itself and consistent with its industrial development policy. Some delegations expressed the view that individual projects, developed with the assistance extended by UNIDO together with assistance available on bilateral and multilateral agreement to the developing countries concerned, should be correlated at the request of these countries. Some delegations also expressed the view that, in the development of regional projects, greater attention should be given by UNIDO to projects which might be carried out in bilateral and multilateral agreement, in consultation with the countries concerned.

237. A number of delegations emphasized the importance of UNIDO assistance in establishing in developing countries their own machinery to promote investments and to train their personnel.

238. Some delegations supported the establishment of a Portfolio of Industrial Projects and the organization of meetings to promote industrial projects in developing countries. They expressed their satisfaction with the two promotion meetings held in 1969. A number of delegations felt, however, that there was need to improve this programme by more careful preparation and that, if it were to be undertaken on a national or subregional level, it might yield greater results. Some delegations, while sharing this feeling, pointed out that the programme had started only recently, and it was indicated by the delegations that the material prepared for the forthcoming meetings reflected a marked improvement.

239. Some delegations stressed the advantage of the approach followed by UNIDO in coping with the specific requirements of both developing and industrialized countries. Another delegation pointed out the low cost of the promotion meetings. One delegation, while praising one promotion meeting in particular, considered that the organization of a second general meeting in

Africa might be premature and joined with several delegations which felt that the investment promotion meetings could achieve better results if organized at a national or at a subregional level. The secretariat stated that, on the basis of the experience acquired in 1969, it felt that the organization of such meetings was highly useful and further meetings were justified, subject to availability of resources, particularly as regards staff. It also indicated that it was contemplating the organization of similar meetings by branches of industry. In this connexion, one delegation commented on the increase in staff requirements for the implementation of the programme. The secretariat indicated that the increase resulted from the considerable number of promotion projects submitted by the developing countries. The matter of increasing staff resources was the crucial issue in the development of the promotion programme. One delegation recommended that there should be no increase.

240. In reply to a question put by a number of delegations whether a report on these meetings could be published, the secretariat stressed the confidential nature of these meetings and the repeated requests by the participants of both sides to safeguard their confidential nature. The secretariat indicated, however, that analytical reports on both meetings were being prepared and would be published soon.

241. In connexion with the meeting mentioned in paragraph 47 of document ID/B/64/Add.13, the Executive Director informed the Working Group that the meeting was held in Paris in March 1970 and was attended by about 60 national, regional and international financing institutions. He added that a second meeting would be held in 1971. During the meeting, one country had offered to host the 1971 meeting, and a group of nine members was elected to advise and support UNIDO in the implementation of this project. UNIDO would seek funds to finance the 1971 meeting.

242. One delegation expressed the view that the role of UNIDO was not so much to act as a passive intermediary but to develop the policy-making capacity of the developing countries, which implied the need for developing the skills of local officials in policy matters. In an intervention, the Executive Director

pointed out that the roles of UNIDO differed according to the kind of activities it was engaged in. As regards promotion, UNIDO was an intermediary, but this did not mean it was a passive one. UNIDO was a direct agent as regards training activities. In advisory activities, especially as regards industrial policies, UNIDO was trying to accumulate experience and to disseminate it, when requested, to the developing countries.

Group 14: Promotion of Export-oriented Industries

243. Brief mention was made of the difficulties encountered by developing countries in the form of balance of payments problems which were hindering the acceleration of industrial development. Apart from the obstacles of tariff and non-tariff restrictions, the problems arising from inadequate infrastructure, credit facilities and size of manufacturing units in developing countries were mentioned as barriers to successful exports of manufactured products. A number of delegations stressed the importance of assistance in identifying and establishing viable export-oriented industries and in channelling existing manufacturing capacity towards export production.

244. The question was raised of the priority to be given to improving the competitiveness of products from existing industries in developing countries, so that they might meet international requirements, as against identification of new export-oriented industries. At the same time, one delegation felt that further research by UNIDO was needed on the advisability of encouraging export-oriented industries, taking into account the cost of such industries to the economy as a whole.

245. Several delegations welcomed the strengthening of operational activities in this area and expressed the view that this trend should continue. Some delegations strongly supported the proposed review and evaluation of the technical assistance projects.

246. As regards supporting projects, considerable discussion centered around the possibilities of increasing the export potential of developing countries through co-operation at the regional and international levels. In this connexion, reference was made to the substantial body of available knowledge and

to the activities of other international organizations concerned. Co-ordination with the activities of these bodies and with those other units within UNIDO was felt to be essential.

247. In reply to certain delegations which expressed interest in the forthcoming meeting on industrial co-operation for export between developed and developing countries, the secretariat indicated the scope of the project. A number of delegations urged that, at the earliest opportunity, activities in this field should take on a promotion aspect and should be integrated into the over-all UNIDO programme of promotion.

248. In connexion with industrial co-operation, support was expressed for the programme of UNIDO on international subcontracting. Several delegations opined that there was considerably wider scope for application of this technique in developing countries as an effective means to increase export earnings. Here again, an early introduction of promotion activities was urged, with the proviso that they should be undertaken with a clear understanding, based on factual studies, of their advantages and limitations.

249. A number of delegations emphasized the importance of improving quality control, introducing international standards, and improving product design as well as of packaging and costing as means to increase the competitiveness of manufactured exports from developing countries. These delegations expressed support for the training programme proposed in these areas.

250. One delegation noted that the earlier training programmes organised by UNIDO in the field of manufactured exports had been restricted to government officials and suggested that the programmes should be extended to include export executives from industries in developing countries. The secretariat mentioned that the indicated needs were taken into account in some of the proposed training schemes.

251. In connexion with the project on the institutional framework of exports in developing countries, some delegations felt that trade centres established in a number of major cities in developed countries could act as highly important sources of information on design, quality and packaging requirements for manufactured goods exported from developing countries. It was mentioned that effective channels of communication should be developed to enable manufacturers to make use of this information.

252. As regards the project on utilization of excess capacity for export purposes, some delegations, while expressing their general support, would have preferred an operational approach. In reply to these delegations, the secretariat pointed out that the technical assistance activities related to this project. In this connexion, one delegation cautioned that while utilization of excess capacity for the purpose of exports might provide some benefits in the short run, it could not be considered as a long-range export development policy.

253. As a general observation, several delegations referred to the advantages of organising the efforts of UNIDO in this area on a product-by-product or industrial branch basis. One delegation referred to the intention of the secretariat to introduce a product development programme to provide manufacturers in developing countries with expert advice on the requirements of potential purchasers. The same delegation mentioned that this initiative met with some interest from industrialists, though they felt that more information was needed on the proposed programme.

254. Throughout the discussion of the work programme, stress was placed by most delegations on the need for close co-operation between UNIDO, UNCTAD and the UNCTAD/GATT International Trade Centre.

255. In this respect, the representative of UNCTAD, while pointing to the complexity of the problems arising from the close interrelationship between the production and trade aspects of the development of exports, referred to the note by the Executive Director (ID/B/64/Add.16), which indicated that the problems were being handled by an inter-secretariat machinery established by the two organisations. In this connexion, he stressed the strong feeling of co-operation existing between UNIDO and UNCTAD.

Group 15: Industrial Reviews and Surveys

256. Some delegations expressed their support for operational activities and stated that such activities ought to be given a higher priority. Country survey missions organised by UNIDO were strongly supported, especially by delegations of countries that had requested such missions. In this respect, some delegations supported the convening of an expert group meeting to examine the findings

of these missions and to consider their mode of implementation. A greater role for UNIDO survey missions was urged by one delegation, while another delegation inquired about the extent of counterpart training. The creation of a country file system was also urged by some delegations. Several delegations raised the question of possible duplication of the activities of the survey missions with those of other international institutions, particularly the International Bank for Reconstruction and Development. In its reply, the secretariat stated that the missions were not census-type surveys but were operationally oriented to assist the developing countries in assessing their industrial structure, in determining potential avenues for industrial growth and in identifying the required technical assistance. The excellent response received from developing countries reflected the urgent need for such UNIDO missions. A basic objective also was to train local counterparts so as to enable developing countries to carry out their own industrial surveys. Care would be taken to avoid duplication of efforts with other international organizations in this field, particularly the International Bank for Reconstruction and Development, by maintaining close contact with those organizations. The delegations of the developing countries noted this explanation with satisfaction.

257. Some delegations strongly supported the training workshops in methods of industrial surveys and the proposed preparations of a technical manual on industrial survey techniques. The secretariat stated that additional training workshops were planned in 1971 and following years.

258. Some delegations expressed their approval of the industrial surveys and, in particular, of the annual industrial development survey. Inquiries were made about the nature of the co-operation between UNIDO and other United Nations organizations in the field of industrial surveys. Doubt was expressed by other delegations about the usefulness of some of the surveys and studies. Several delegations recommended close consultation with developing countries on the subject. One delegation stated that the full usefulness of the annual reviews could be realized only if they were widely and fully utilized by the developing countries. Another delegation inquired about the lack of recent statistical data in these surveys. The importance of a country file system was noted as a means of providing current information for the annual survey and of improving operational activities.

259. It was pointed out that, in the case of reviews of a methodological and general economic nature, the work of the secretariat should be so organized that such documents could be discussed, prior to their publication, in expert group meetings representing different fields of knowledge, as was the practice in a number of other organizations.

260. The secretariat called attention to the fact that the industrial development surveys were prepared in compliance with General Assembly resolution 2152 (XXI), ECOSOC resolution 1030 (XXXVII) and resolution 1 (I) of the Industrial Development Board. The secretariat further stated that the information included in this publication was not generally accessible to the developing countries and that the data appearing in the surveys were the latest available from the United Nations Statistical Office and other United Nations bodies.

261. Several delegations voiced their approval of the special studies which should contribute towards the understanding of the problems of industrialization. Several delegations suggested that the study on employment and productivity should be given priority A rating. Concern was expressed by some delegations, however, about possible duplication with other United Nations bodies.

262. The secretariat stated that the special study pertaining to the problems of the smaller developing countries (ID/B/64/Add.15, para.21) dealt with a topic emphasized by the General Assembly. Although other United Nations bodies, including the Committee for Development Planning, were also studying these problems, the efforts of UNIDO were intended to supplement their studies.

263. Several delegations emphasized the need for UNIDO to relate its activities in this field to the projections and targets being formulated for industry in the strategy of the Second United Nations Development Decade.

264. Several delegates noted with satisfaction the attention paid by UNIDO to the analysis of the present situation and to the future prospects of the main industrial branches. The elaboration of perspectives for industrial branches in the 1970s was considered a useful contribution to the Second Development Decade. One delegation noted that such surveys and studies might be helpful in the preparation of sectoral development plans. Inquiries were made about the ways in which these studies would be utilized as well as about co-operation

with other international organizations and with the developing countries themselves. A query was raised about the priorities established by UNIDO in selecting the industrial branches to be studied.

265. Several delegations asked why the individual sectoral studies were presented separately from the Groups covering the industrial branches. A similar query was raised by one delegation regarding across-the-board problems of industry. This delegation felt that the insertion of some of these items under Group 15 made the Group somewhat heterogeneous. Support was given by many delegations, however, for the projects listed under the across-the-board problems. Attention was drawn to the significance of packaging and to the survey missions on packaging as well as to the expert group meeting on packaging, to be held in 1971, were welcomed. One delegation emphasized the need for co-operation with other international organisations, in particular UNCTAD.

266. Some delegations welcomed the programme of UNIDO on human environment and emphasized the responsibilities of UNIDO in this field in view of the great impact of industrial development on human environment.

267. In commenting on the interventions made by some delegations, the Executive Director stressed the importance of the work done by Group 15. He pointed out that there were a number of activities being developed within the United Nations system relating to various aspects of economic and social development. Such activities dealt with problems of human environment, the World Employment Programme of ILO, the multi-disciplinary teams proposed by the United Nations Secretariat, various studies undertaken within the framework of the Second Development Decade - including the projections carried out by the Centre for Development Planning, Projections and Policies of the United Nations Secretariat, the recommendations of the Capacity Study of UNDP as regards information systems and the International Bank for Reconstruction and Development survey missions. UNIDO could not afford to remain aloof from these undertakings. The corresponding activities within UNIDO were mainly the responsibilities of Group 15 whose resources, far from being excessive, were in fact very modest.

Consideration of the programme as a whole, including co-ordination questions pertaining to projects within the work programme

268. The Working Group then proceeded to consider the summary review of past and programmed activities of UNIDO, 1969 to 1971, contained in document ID/B/64 and the outline of the 1972 work programme contained in document ID/B/69.

269. In introducing the operational activities, the secretariat stated that the increase in the volume of these activities was reflected in the magnitude of the three components of field projects - experts, fellowships and equipment - for the years 1969 through 1972. Some 1,200 technical assistance missions were expected in 1971 as against 1,000 in 1970 and about 600 in 1969. The number of fellowships to be awarded in 1971 would be over 1,000, representing a 25 per cent increase over 1970 and an equivalent increase in that year over 1969. The value of equipment and contractual services would increase from \$1.8 million in 1969 to \$6.0 million in 1970 and to about \$8.0 million in 1971. The secretariat sought to develop a well-balanced programme and integrated approach to the various programmes of technical assistance. Reference was made to long-range country programming, industrial surveys and similar country missions. Co-operation with other organizations in the United Nations system, including joint programming with UNDP on the Special Fund projects, had been reflected in the increase of such projects in the work programme of UNIDO.

270. In the ensuing discussion, there was general satisfaction with the programme of work, and a number of delegations noted with approval the increase in field projects, particularly those financed from the Special Fund component of UNDP. Nevertheless, several delegations considered that the resources made available to UNIDO by UNDP were still inadequate compared to the needs of developing countries, and these delegations called for an increase in these resources. Many delegations were concerned with the inadequacy of funds allocated for the regular programme of UNIDO. The same delegations emphasized the need for increasing the resources made available under the regular programme to enable UNIDO to respond adequately to the growing needs of the developing countries in the field of industrial development. Other delegations held an opposing view. Some delegations commented that the proposed merger of the Technical Assistance and the Special Fund components of UNDP, proposed by the

Capacity Study, might help to overcome difficulties encountered in obtaining UNDP financing for industrial development projects. The adequacy of funds allocated to the Special Industrial Services from the UNDP Revolving Fund was questioned by one delegation in view of the growing number of requests submitted by developing countries under this programme. The secretariat expressed the hope that resources made available to the Special Industrial Services would continue to be forthcoming and would increase to a level commensurate with the needs.

271. The requirements for technical assistance field projects in 1970 and 1971, estimated by the secretariat at \$34.5 million and \$41.6 million respectively, were questioned by a number of delegations. Some delegations considered these estimates to be far below the actual needs of the developing countries; others inquired as to the basis for these estimates and whether the forecasts of projects had been sufficiently identified or corresponded to requests by governments. The secretariat explained that these requirements were based on information, available to UNIDO from various sources, on the prospective needs and requests of developing countries for technical assistance from UNIDO. These forecasts were not identified by individual countries since they had not been formally requested by governments at the time of the preparation of the programme document; moreover the limitation imposed by the country targets had to be taken into account.

272. Several delegations raised the question of priorities in the technical assistance activities of UNIDO. While some delegations noted with satisfaction the emphasis given by the secretariat to certain activities highlighted in document ID/B/64, others urged the establishment of an indicative list of fields of activities in which priority would be given by UNIDO. The latter suggestion was intended to assist developing countries in the formulation of their requests and UNIDO in concentrating its resources on a number of specific areas that would render its work more effective.

273. In response to this suggestion, the secretariat explained that it would comply with the recommendations of the Board if definite guidelines would enable it to do so. However, the operational work programme of UNIDO was based

on requests by Governments, and it would be difficult to reject arbitrarily requests that might not fit pre-established priorities. Evaluation of the appropriateness of projects would have to be based on their individual merits. It was important for UNIDO to maintain a continuous dialogue with the developing countries on their evolving needs and on the assistance that UNIDO could provide to meet those needs.

274. Some delegations supported the approach of UNIDO and pointed out that the establishment of a set of priorities by UNIDO would, in view of the differing stages of development of the developing countries, impose limitations on the priorities established by the countries themselves. One delegation also called attention to the need of avoiding the exclusive use of universal sectoral criteria.

275. Other delegations mentioned a number of fields that should be accorded high priority in the operations of UNIDO, and reference was made to certain recommendations of the Industrial Development Board at its third session. Among the suggested priority fields were: pilot and demonstration plants, which were the most effective means of utilizing the advanced technical experience of the developed countries under the conditions of the developing countries, particularly through utilization of the massive resources of the Special Fund; industrial development planning and strategies; the strengthening of government planning and programming machinery; industrial information and documentation; regional development projects; and training.

276. Better geographical distribution of operational projects, particularly those approved by UNDP, was urged by one delegation.

277. While the long-range country programming of technical assistance, already initiated by the secretariat, was welcomed by several delegations, some delegations gave it special support in view of the current discussions in the UNDP as regards long-term country programming. The benefit to developing countries and to UNIDO in establishing long-term programming was emphasized. Mention was made of the need for such programming to be based on national development plans in co-ordination with similar activities undertaken by other organizations in the United Nations system.

278. On the subject of implementation, some delegations urged that recruitment of experts be expedited, and one delegation drew attention to the low rate of expenditures shown in table 1 of the statistical appendix to document ID/B/64 as compared to the resources available. A number of delegations considered that such a situation could not be regarded as normal in view of the acute shortage of resources for the industrial development of the developing countries and that it had to be put right. It was pointed out by the secretariat that this shortcoming was due to the difficulty in recruiting qualified experts. The secretariat had taken certain measures to remedy this problem, including the transfer of recruitment operations from New York to Vienna, the effect of which was already felt in the improved rate of implementation in the Special Industrial Services programme. UNIDO had achieved an implementation rate equivalent to, if not better than, that of other agencies.

279. Concern was expressed by several delegations on the delayed nomination of fellows and on the number of approved fellowship posts left unfilled in 1969, particularly as funds for such posts would lapse by the end of the year. The secretariat pointed out that funds not utilized for fellowship posts were re-programmed for such activities as group training programmes and other training projects and that unmet requirements were higher than the approved resources could cover. In this connexion, a few delegations suggested that methods might be considered to utilize the lapsed funds from year to year.

280. The projected increase in the number of industrial development field advisers by ten additional posts to a total of twenty during 1970 was supported by several delegations. One delegation urged the appointment of an additional adviser in the Middle East region to service the Gulf area states. One delegation recommended the recruitment of field advisers from the regions in which they were assigned to service.

281. In answer to a question regarding the basis on which duty stations of field advisers were chosen, the secretariat stated that since each adviser was servicing a number of countries, a central location and adequate transport facilities were the main considerations. In addition, field advisers had liaison functions with the headquarters of the regional economic commissions and UNESOB, where they contributed substantially to the co-ordination of activities of UNIDO with those of the commissions.

282. As regards the programme of supporting activities, several delegations suggested that these activities should be related as much as possible to operational activities and that more specific information should be given about the correlation between these two.

283. Appreciation was expressed with the programme and activities of UNIDO in the field of industrial inputs in agriculture. In the view of one delegation, local fertilizer production facilities should be based on needs rather than demand. Another delegation stressed that the prevailing conditions on the world market should be taken into account; this would require a precise definition and evaluation of projects envisaged in this field. As regards pesticides, UNIDO was asked by one delegation to study the impact of pesticides on crops and on the environment in co-operation with FAO and WHO. While the training course on pesticides, held in 1969, was appreciated, the view was expressed that future courses should be organized in regions where the application of pesticides actually took place. In discussing the design and manufacture of agricultural machinery, one delegation emphasized that studies should be carried out for the application and adaptation of technology to the conditions of developing countries, keeping in mind the regional production.

284. The programme of UNIDO in repair and maintenance was fully justified in the view of several delegations. The hope was expressed by one delegation that a study would be made of the criteria for priority of projects in this field. Another delegation welcomed the holding of the symposium on repair and maintenance in 1970 and expressed the hope that the symposium would also deal with the problems confronting the developing countries in keeping pace with technical progress made in the more advanced countries. One delegation, while welcoming the programme of UNIDO in this field, asked that its share in operation and supporting activities should be reflected in financial terms so as to make possible an evaluation of the programme.

285. Industrial promotion activities received considerable attention, and many delegations suggested that UNIDO should intensify its activities in this field. One delegation hoped that UNIDO would encourage the organization of trade fairs in developing countries. Another delegation was of the view that the promotional approach should also be used for overcoming the problem of excess capacity. It was proposed that an industrial promotion meeting be held at the subregional level in connexion with the Second Industrialization Conference for Arab States, to be held in 1971, and that UNIDO should participate in the Third Asian International Trade Fair.

286. Promotion of industrial financing gave rise to an exchange of views. One delegation pointed out that the role of foreign financing, although relatively important, had been over-emphasized and stressed the importance of utilizing internal resources. The same delegation suggested that studies should be made on internal capital formation and advocated the establishment of national financing institutions. A number of delegations noted the absence of agreement among the Board members at recent sessions regarding the activities of UNIDO in the field of promotion activities and expressed their concern, in this connexion, about the unjustifiably high priority given to this field in the activities of UNIDO, as well as the concentration of attention primarily on the stimulation of foreign capital investments in the industry of developing countries, to the neglect of the mobilization of domestic resources. These delegations appealed to UNIDO to assume the role of defender of the interests of the developing countries and to embark on an extensive campaign for the improvement of the external financing conditions of those countries. It was pointed out that the interpretation of the term 'promotion' given by the secretariat in paragraph 100 of document ID/B/64 was not backed up by General Assembly resolution 2152 (XXI), under which UNIDO had been established, nor by decisions of the Industrial Development Board and should consequently be corrected.

287. With regard to promotional activities, the Executive Director referred to article 2 of General Assembly resolution 2152 (XXI) in order to show that UNIDO was indeed fulfilling its functions in a proper and dynamic way, both with regard to promotional activities and to financing industries. He considered that such promotional activities were an effective instrument through which the secretariat was seeking to overcome any defects in the effectiveness of the work of the organization in the service of the industrialization of the developing countries. A decision in guidance was needed from the Working Group if such activities were to be stopped. He emphasized that UNIDO had three action-oriented approaches: studies; technical assistance; and assistance that was realized through industrial co-operation. The latter was the main objective of the organization. Several other delegations agreed with the secretariat's assessment of, and views on, the matter.

288. Some delegations expressed the view that industrial information activities should be intensified. Such information should not only illustrate the full range of the responsibilities of UNIDO but should also identify areas where UNIDO has performed most effectively or in which UNIDO had specially qualified staff. One delegation suggested that UNIDO should be assigned a greater role as a clearing house for information. As regards the proposed expansion of the Public Information Services, several delegations considered such expansion premature at this stage. Co-operation with the United Nations Centre on Economic and Social Information should be intensified.

289. The in-plant training and industry branch programmes were given full support by several delegations. One delegation stated that the establishment of long-term training programmes for senior management and technical personnel should take into account facilities existing in the developing countries.

290. Several delegations were of the opinion that the primary operational role of UNIDO was:

- (a) To assist those developing countries that request such help, to formulate their plans for industrialization in the light of their general objectives and resources;
- (b) To respond to requests of developing countries to identify projects, assessing their social and economic impact; and to undertake the implementation of projects falling within the area of competence of UNIDO.

Some other delegations considered that the main operational tasks of UNIDO were set out comprehensively and fully in section II of General Assembly resolution 2152 (XXI).

291. Many delegations emphasized the need for the most effective use of the resources of UNIDO which, at this stage, were relatively limited. To help achieve this, these delegations suggested that the secretariat should identify those fields in which its experience had shown that its operations could be of the greatest benefit to developing countries. These fields should be reviewed from time to time in the light of changing country requirements and the growing experience and capabilities of UNIDO. In later discussions, it was emphasized that this should in no way limit the capacity of UNIDO to respond to requests for assistance.

292. A large number of delegations, however, emphasized the need for augmenting the resources of UNIDO, the lack of which limited the activities of UNIDO.

293. Several delegations called attention to the need for the future activities of UNIDO to be planned consistently with such country programming procedures as might emerge from the discussions currently taking place within the United Nations development system. In this context, however, the delegations of several other countries felt that it was premature at this stage to visualize the lines on which the activities of UNIDO should develop, as the procedures mentioned above were still under discussion and had yet to be finalized. UNIDO's programme of long-term country missions was welcomed, and it was stressed that these missions should operate within such country programming procedures, as appropriate.

294. One delegation questioned whether the Working Group and the Board did not concentrate too much on the supporting activities of UNIDO as these activities represented a relatively minor part of the total programme of UNIDO. It would perhaps be appropriate for the Working Group to give greater consideration to the work of UNIDO as an executing agency.

295. As regards the participation of UNIDO in the Second United Nations Development Decade, several delegations considered that assistance extended under this programme was one of the most important activities of UNIDO. A number of delegations stated that they would express their views in detail on the question of the Second United Nations Development Decade during the fourth session of the Board. Note was taken of the Executive Director's statement to the third session of the Preparatory Committee for the Second United Nations Development Decade on the preliminary contribution of UNIDO to the Decade. Several delegations underlined the need to link the long-term programming missions, which were to identify prospective needs of technical assistance, with the Second Development Decade exercise at the country level. The hope was expressed by some delegations that econometric projections would be limited to a minimum. One delegation expressed the view that the scope of the programmed activities was too limited and needed expansion. According to another view, while the programme of work conveyed an adequate picture of the mechanics

and concepts of the work to be undertaken by the organization, UNIDO might consider the circulation of a document at a later date, giving additional details on objectives of the developing countries, the priorities of UNIDO, and the co-operation envisaged with the Preparatory Committee of the Second Development Decade, the United Nations family of organizations and with the governments concerned. The secretariat stated that the programme of UNIDO for the Second Development Decade was a continuous one, undertaken in close co-operation with the governments, the specialized agencies, regional economic commissions and UNESOB, UNDP, International Bank for Reconstruction and Development, and other relevant bodies. The secretariat was of the opinion that, in view of the great diversity of conditions in the developing countries, no general strategy for the industrialization process could be designed for all countries during the coming Decade.

296. The participation of UNIDO in the forthcoming Second Asian Conference on Industrialization was welcomed by one delegation which stated its satisfaction with the active involvement of UNIDO and expressed the hope that the participation of UNIDO would contribute to greater effectiveness of the organization's activities in this region.

297. The increase in the number of National Committees for UNIDO, established in accordance with the recommendations of the International Symposium on Industrial Development, was generally welcomed and the hope was expressed that such committees would be established in all member States. Several delegations referred to the potential contributions of the National Committees to the work of UNIDO. In the view of some delegations, a more comprehensive report on the work of the existing National Committees would be useful and would assist in the evaluation of the work carried out by them. Such reports would indicate the advisability of reorganization or upgrading of these bodies in order to render their activities more effective.

298. The existing time-lag between the activities and corresponding publications was discussed by a few delegations. One delegation suggested that, in order to overcome delays, texts available elsewhere should not be published and that material should not be processed by UNIDO unless it was of lasting

value. The same delegation also suggested that reports of technical meetings should be issued in two parts: one part containing the findings of the meetings to be issued immediately, and the second part, with the complete texts, at a later date. The establishment of a Publications Panel within the secretariat was welcomed. This Panel should have wide terms of reference and ensure a feed-back from the developing countries.

299. The Working Group highly commended the secretariat for the integrated programme documents and noted with appreciation the great improvement in the presentation, particularly as regards document ID/B/64 and Add.1-16. At the same time, a few delegations expressed their preference for a more analytical approach and a more comprehensive coverage. The lack of reference to conclusions, recommendations and priorities developed at the last session of the Board was regretted by one delegation. As regards the statistical appendix in document ID/B/64, one delegation felt it would be useful to have an indication of percentages together with a clearer definition of the headings of certain tables. The lack of detailed reference to voluntary contributions was also pointed out.

300. Commenting on the request for more comprehensive documentation, the Executive Director stated that detailed information on each project was available but had not been included in the work programme in view of previous recommendations urging a succinct presentation of material.

301. Questions of co-ordination, as related to specific projects, were discussed by the Working Group within the context of the 15 groups of activities of the work programme since the Board would be dealing with the general question of co-ordination under item 6 of its provisional agenda.

302. Several delegations commended the efforts of UNIDO to achieve greater effectiveness through increased co-operation with the other members of the United Nations family, in particular with the specialised agencies, the regional economic commissions and UNESOB. They also recommended that co-operation with the International Bank for Reconstruction and Development, the International Monetary Fund and the regional financial institutions should be further intensified. Several delegations announced that they would express their views on co-ordination during the session of the Board.

Financial implications of programme proposals

303. In the course of the discussions of the Working Group on this item, reference was made to the ratio of headquarters expenditures to the cost of operational projects. One delegation expressed the view that this ratio should be improved by an expansion of operational activities. The same delegation noted that the gap between available resources and actual expenditures was likely to continue in the future. Another delegation stated that every effort should be made to reduce that gap in the interest of efficiency and that government contributions should not remain unutilized for extended periods of time. One delegation noted that future increase in the activities of UNIDO should be brought about by a better use of the staff, mainly by decreasing its administrative part and by increasing its operational part. The secretariat should find ways and means in 1971 to undertake an increasing volume of operational activities without increasing the staff on the budget of UNIDO as compared with 1970.

304. In reply, the secretariat explained that the figures provided in table 1 of the statistical appendix to document ID/B/64 showed that an improvement in the ratio between operational and headquarters activities could be expected in 1970 and 1971, even if it were not possible to obligate the totality of available resources within the respective financial period. Effective implementation of programme activities required that substantial resources be allocated so as to permit projects to be initiated at the earliest possible date. In many instances, however, delays occurred in implementation due to difficulties in recruitment and other causes.

305. The secretariat confirmed that, as mentioned in the introduction to document ID/B/66, estimates of additional staff required to carry out the increased work programme contained in document ID/B/64 were not included in the budget draft. The level of staff in 1971, to be proposed by the Secretary-General to the General Assembly, would depend on the results of the manpower utilization survey, to be carried out in UNIDO by an administrative management team as part of the general review of the staff requirements of the United Nations.

Establishment of subsidiary organs of
the Industrial Development Board

306. One delegation proposed that the question of the establishment of subsidiary organs of the Industrial Development Board should be kept on the agenda but not discussed at length by the Working Group. It would be sufficient for the Working Group to note that there had been no change of position with regard to the establishment of subsidiary organs of the Board and to recommend further discussion of the question by the Board itself.

307. This proposal was endorsed by the Working Group, which decided to refer the matter to the Industrial Development Board for consideration under item 8 of its provisional agenda.

Conclusions

308. The Working Group on Programme and Co-ordination, after examining the documents: ID/B/64 and Add.1-16, ID/B/65, ID/B/69, ID/B/71 and Add.1, draft resolution ID/B/L.59 and Add.1, and ID/B/77 submitted to it by the secretariat:

- (1) Considers that the form and arrangement of the programme documentation submitted for the fourth session of the Industrial Development Board are an improvement on the previous documentation and commends the secretariat of UNIDO for this presentation which had facilitated the discussions by the Group and will certainly help the execution of the programme of activities of UNIDO;
- (2) Further considers that, in some respects, additional information should be available in order to enable the Industrial Development Board to give the organisation adequate guidelines for its future activities;
- (3) Recommends to the Industrial Development Board the approval of the programme of work for 1971 and the updating of the programme of work for 1970, as submitted in documents ID/B/64 and ID/B/64/Add.1-16, and requests the secretariat in implementing this programme, within

the resources available for the respective years to take into consideration the observations that have been expressed by the Working Group as recorded in the present report;

- (4) Emphasizes the need for linking closely the future programme of work of UNIDO to the industrial strategy being evolved for the Second United Nations Development Decade and to the development plans of the individual countries;
- (5) Concludes that the question of the establishment of subsidiary organs of the Industrial Development Board is a matter with which the Industrial Development Board is better qualified to deal, and therefore remits it to the Board.

CHAPTER IV. CO-ORDINATION OF ACTIVITIES OF THE UNITED NATIONS SYSTEM
IN THE FIELD OF INDUSTRIAL DEVELOPMENT

309. General appreciation was expressed of the secretariat document on the Role of UNIDO in Co-ordination of Activities in Industrial Development (document ID/B/65) which, it was considered, provided a clear picture of the past activities and future developments in the field of co-ordination. One delegation, in commending the secretariat on this document, felt that it covered the material, which was the subject of four documents last year. Another delegation felt that the document was too long and suggested that its length be reduced by excluding information on the work and responsibilities of other United Nations organizations in the field of industrialization. Another delegation suggested that more information should be included on the problems that UNIDO might encounter in discharging its central role of co-ordination.

310. The progress achieved by UNIDO in developing co-ordination and co-operation within the United Nations system was noted with appreciation. One delegation stated that UNIDO had outgrown the transitional stage of co-ordination and should develop a concept for harmonizing all United Nations activities in industry. Other delegations felt that, as the first stage of establishing co-ordination with other agencies had been partially completed, the second phase of the work of UNIDO should consist of identifying areas of joint action and in undertaking joint programming of industrial activities with other organizations in the United Nations system. In this joint programming exercise, the interests of the developing countries should be a matter of primary concern to UNIDO. One delegation suggested that the role of UNIDO in co-ordination should also cover the fields of minerals and energy as these were basic to the process of industrialization.

311. One delegation stated that the role of UNIDO in co-ordination should assume significant proportions under the Second United Nations Development Decade, which called for closer co-operation between the international agencies.

312. Another delegation pointed out that the success of co-ordination of the activities of all bodies and agencies of the United Nations in the social and economic field, including the activities of UNIDO aimed at co-ordinating industrial development promotion by the United Nations, depended on the strengthening of the central co-ordinating role of the Economic and Social Council. Many delegations felt that UNIDO, to be an effective international instrument in mobilizing national and international resources for industrialization under General Assembly resolution 2152 (XXI), should also work in close co-operation with organizations outside the United Nations system, especially with intergovernmental organizations such as the United International Bureaux for the Protection of Intellectual Property, international non-governmental organizations, international industrial and professional organizations, centres of information and international fairs and exhibitions.

313. The arrangements for co-operation concluded by UNIDO with FAO and ECAFE were noted with satisfaction. It was suggested that the arrangements for co-operation made by UNIDO should be kept under continuous review. One delegation noted that, while the agreement between FAO and UNIDO provided a positive atmosphere for work, certain aspects of the competence of the two organizations still remained to be spelled out. Another delegation suggested that UNIDO should keep in close touch with the FAO/WHO/UNICEF Joint Protein Advisory Group.

314. The close co-operation between UNIDO and ECAFE was noted with appreciation, and a suggestion was made that UNIDO should develop further co-operation with the Asian Industrial Development Council and the Asian Productivity Organization, both of which were active in the ECAFE region. It was also suggested that UNIDO should work through the regional economic commissions and UNEBOB in undertaking regional projects as the regional economic commissions and UNEBOB were the decentralized organs of the United Nations.

315. Many delegations noted the need for continuous and close working relations between UNIDO and UNCTAD and expressed the hope that arrangements

for co-operation between the two organizations would soon be finalized. One delegation referred to the work of UNCTAD/GATT/ITC in the field of export promotion and felt the need for co-operative arrangements between UNIDO and UNCTAD/GATT/ITC. One delegation was of the opinion that, in the field of export promotion, UNIDO should co-operate with UNCTAD which held the main responsibility in this respect.

316. Close co-operation between UNIDO and ILO and UNESCO was noted in respect to a number of projects. One delegation suggested that UNIDO should pay more attention to the activities of the Industrial Committees of ILO and make greater use of the training possibilities offered by the International Centre for Advanced Technical and Vocational Training at Turin. The same delegation, referring to the programme established by UNESCO to provide for co-operation between the research organizations of advanced countries and those of developing countries, suggested that UNIDO, in conjunction with UNESCO, should envisage the promotion of similar co-operation with regard to research applied to industrial development. Another delegation suggested closer co-operation of UNIDO with ILO on manpower studies and with UNESCO on technical education programmes.

317. Several delegations welcomed the progress made by UNIDO in establishing contacts with the International Bank for Reconstruction and Development and suggested that UNIDO should continue its contacts with, and extend its co-operation to, the International Bank for Reconstruction and Development country missions. However, several other delegations felt that UNIDO should not become involved in activities that would promote the action of the International Bank for Reconstruction and Development which, in the view of these delegations, was favouring private investment in the developing countries and whose terms of lending were onerous and disadvantageous to these countries. The same delegations stated that the International Bank for Reconstruction and Development operated on different principles than those of the United Nations system.

318. Several delegations welcomed the work undertaken by UNIDO in facilitating co-ordination at the country level. They stated that UNIDO could

perform a useful function by undertaking systematic consultations with governments, other members of the United Nations family and with aid-giving organizations active in this field. This would eliminate duplication at the country level and bring about harmonization of efforts and better utilization of scarce resources. Reference was also made to the work of the UNIDO National Committees which had provided an additional dimension to the work of UNIDO in these countries. It was suggested that the co-ordination report to the Board at its next session should give special attention to the subject of co-ordination at the country level.

319. Many delegations noted the significant work undertaken by the UNIDO/UNDP industrial development field advisers in improving co-ordination at the field level under the over-all responsibility of the UNDP Resident Representatives and suggested that their number should be increased. The Executive Director was requested to explore with UNDP the possibilities of increasing the number of field advisers.

320. Many delegations also welcomed the work of UNIDO long-range programming of technical assistance and suggested that its coverage should be extended to other countries. It was further suggested that UNIDO should continue its efforts towards harmonizing bilateral and multilateral programmes of assistance in order to bring about the optimum use of resources for the benefit of developing countries. One delegation pointed out that this type of co-ordination could be carried out most effectively in the field, where the needs of the country would be assessed, taking into account all sources of assistance in order to bring about integrated action.

321. In his reply to some of the observations made in the debate, the Executive Director stated that, with regard to the relations of UNIDO with UNCTAD, the term promotion of exports had been carefully examined by the two organizations. It had been agreed, in principle, that UNIDO would be concerned with the production side of manufactured goods while UNCTAD would have the responsibility with regard to trade policies and export markets for manufactures. The discussions between UNIDO and UNCTAD also covered co-ordination of activities with the International Trade Centre, which was a joint undertaking of UNCTAD and GATT.

322. He further stated that the agreement with ILO covered also the role of UNIDO in manpower planning and that UNIDO was also a member of the Governing Council of the International Centre for Advanced Technical and Vocational Training at Turin, where it was hoped that further co-operation would be developed. He indicated that UNIDO was collaborating with the FAO/WHO/UNICEF Joint Protein Advisory Group and stated that as the International Bank for Reconstruction and Development was an organization within the United Nations family, it was within the responsibilities of UNIDO to seek the best co-ordination of activities in industry for the benefit of the developing countries.

323. The Executive Director stated that relations with the regional economic commissions and UNESOB were developing satisfactorily and that a unified programme in industry would emerge eventually. He stated also that the harmonization of bilateral and multilateral programmes was an area where mutual consultations could usefully be held with the donor countries, bearing in mind the views and interests of the recipient countries.

324. Regarding relations between UNIDO and UNDP, he indicated that this was a relationship between an executing agency and a source of finance. UNDP, in approving projects not only for execution by UNIDO but for all other agencies, was assuming an authority of great importance in co-ordination. Thus UNDP, through its financial decisions and by its allocation of projects, was, in effect, establishing the programmes of the agencies.

325. The Executive Director pointed out that although UNIDO had the mandate to co-ordinate the industrialization activities of the United Nations family of organizations, it had no authority. The progress made by UNIDO in co-ordination was based solely on hard work and goodwill. He noted further that UNIDO had no special resources available for co-ordination apart from those available for the industrial development field advisers. As the co-ordination at the country level would increase in importance, the number of industrial development field advisers would therefore need to be increased. UNIDO had been utilizing its limited resources of staff to

accelerate its co-ordination efforts, but the available resources were not sufficient. Thus UNIDO found it difficult to attend regularly certain meetings such as the meetings of the Administrative Committee on Co-ordination and its sub-committees. The secretariat was doing its best to fulfil its co-ordinating role in spite of the scarce resources and lack of authority.

326. Regarding documentation on co-ordination, the Executive Director stated that it would not be necessary to repeat every year the same type of document and that the secretariat would be selective in submitting information on co-ordination, taking into account the observations made in the discussion, particularly as regards country programming and co-ordination at the country level.

327. Finally, the Executive Director stated that, while co-ordination was a useful activity, it should be borne in mind that co-ordination was not a task in itself but merely an instrument to increase the efficiency in utilizing available resources to the maximum benefit of the developing countries.

328. At the 103rd and 104th meetings, the Board considered a draft resolution on the role of UNIDO in co-ordination of activities in industrial development, submitted by Brazil, Chile, Ghana, Guinea, India, Indonesia, Iran, Iraq, Ivory Coast, Kuwait, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Rwanda, Sudan, Thailand, Trinidad and Tobago, Upper Volta, Uruguay and Venezuela.

329. The draft resolution, with some amendments by Czechoslovakia, Hungary, Nigeria, Poland, the Union of Soviet Socialist Republics and the United States of America, was adopted at the 104th meeting.^{5/}

^{5/} The text of the resolution is to be found in annex III of the present Report.

CHAPTER V. FINANCIAL MATTERS

A. Budget estimates for 1971 and forecast for 1972

330. The Board had before it document ID/B/66 containing information on the proposed budget estimates of UNIDO for the year 1971 which the Secretary-General would be submitting to the General Assembly. The document also contained an annex with information on the status of pledges to the UNIDO General Trust Fund.

331. Several delegations expressed their wish to see the available resources concentrated on operational activities and on those services of the organization that were directly supporting operational activities. The Board noted the continued growth in the ratio of operational activities to over-all resources. However, some delegations felt that the ratio should be further improved.

332. Stabilization of the budget for administrative expenditures and a more effective utilization of existing personnel resources were urged by several delegations. In the opinion of these delegations, increases in the regular budget of UNIDO should be kept to a smaller amount than was being proposed in the documents submitted to the Board. Other delegations pointed out that UNIDO, as a new organization, had to devote a relatively large share of its resources to the establishment of sound administrative and support services and that progress toward allocating a greater proportion of resources to operational activities had to be gradual. In the view of these delegations the budget of a newly established organization such as UNIDO should not be subject to the same criteria and limitations as those applied in the case of long established organizations. A number of delegations pointed out that an increase in the volume of activity of UNIDO and an increase in the effectiveness of its work should be achieved mainly through the further improvement of the utilization of staff, in particular by a reduction in administrative staff and a corresponding increase of the operational element, through the improvement of the qualifications of staff members, the cut in all types of unproductive expenditures and the exclusion of any duplication in the work of the different parts of the secretariat.

333. The Board noted that the Secretary-General had refrained from proposing an increase in staff until the survey of manpower utilization would be completed and its conclusions made known.

334. Concern was expressed by some delegations about the fact that available resources for operational activities were not fully utilized, largely because of the difficulties in the recruitment of experts. A few delegations suggested that the standards of UNIDO for recruitment of experts might have been set too high and also that greater reliance might be placed on recruitment of experts from less industrialized countries. Some delegations suggested that a review of recruitment procedures might lead to an easing of the recruitment problem.

335. The Board was informed of additional voluntary contributions amounting to \$316,000, which brought total pledges made at the Second Pledging Conference to \$1,833,938, compared to \$1,734,315 pledged in the preceding year. Payments to the UNIDO General Trust Fund, received in addition to the figures indicated in the annex to document ID/B/66, amounted to \$723,993, bringing the total to \$2,998,644. Projects formulated by the secretariat for the utilization of these contributions amounted to \$2,670,596. The progress of the secretariat in utilizing contributions was commended, and the hope was expressed that still better ways could be found to make the most efficient use of such contributions.

B. Regular programme and Special Industrial Services
Programme of assistance

336. The reports of the secretariat on the regular programme (ID/B/67) and on the Special Industrial Services (ID/B/68) were considered by the Board under item 7 of the agenda.

337. During the consideration of this item, some delegations pointed to the useful assistance provided by the regular programme through the provision of experts and fellowship posts as well as regional and interregional training projects and urged an increase in the allocations to the programme over the present \$1.5 million. They also strongly supported the activities under the Special Industrial Services and called for additional allocations for financing of these activities. Some delegations expressed their reservations about the inclusion of the provisions for the regular programme of technical assistance in the United Nations regular budget.

338. Both programmes were the subject of comments and observations in the general debate (item 4 of the agenda) and have been reported under that item of the report (see paras. 33-41).

339. The Board approved without objection the regular programme of technical assistance, as contained in document ID/B/67, for implementation in 1971 in accordance with the planning level for that year of \$1.5 million approved by the Board at its third session. It recommended that the General Assembly take budgetary action for the implementation of the programme proposals contained in the above-mentioned document by appropriating the necessary funds within part V, section 14, of the regular budget of the United Nations in 1971.

340. The Board further recommended the sum of \$1.5 million as the planning level of the regular programme of technical assistance for industrial development in 1972.

CHAPTER VI. ORGANIZATIONAL MATTERS

A. Administrative Questions

341. References were made by some delegations to the need for a more effective utilization of staff through a balanced allocation of personnel among the different sections of the secretariat; some of these sections, it was felt, might be under-staffed in relation to their workload. One delegation supported the envisaged survey of the organizational structure of the UNIDO secretariat and stressed the necessity of revising its structure, reorienting its personnel as to reduce the number of administrative staff with a corresponding increase of officials in the operative divisions and of excluding any duplication in the work of certain units in the UNIDO secretariat. The same delegation drew attention to the fact that in the Inspection Unit of the secretariat, which was to carry out the survey of the UNIDO staff, there was not a single United Nations staff member from the geographical region to which the country of this delegation belonged; this was abnormal and characterized the unilateral approach to the fulfilment of this responsible task. This delegation requested the Executive Director to take steps towards correcting this abnormal situation in order to ensure an equitable geographical representation on the staff in the Inspection Unit. A review of the organizational structure along the guidelines provided by the management audit conducted by the External Auditors was proposed by one delegation which also stressed that staff growth in the secretariat should be primarily in the substantive rather than in the service areas.

Headquarters accommodation

342. The co-operation of the Austrian Government in providing expanded facilities for the accommodation of UNIDO offices in Vienna was noted with appreciation by the Board. The Board was also informed by the secretariat of the progress made towards the construction of the permanent headquarters in the Donaupark which was expected to be completed by 1974 or 1975.

343. UNIDO will be consulted in the selection of the design for the permanent headquarters, and every effort will be made to provide the organization with adequate facilities for its functional and organizational requirements.

Personnel matters

344. In reviewing the geographical distribution of the staff of the secretariat, many delegations stressed the need for a more equitable distribution in the professional staff categories, both as regards representation of various geographical regions and representation within regions, distribution of staff from these regions among the various divisions of UNIDO and allocation of senior posts at levels P-5 and above. A number of delegations felt that these shortcomings applied particularly as regards the representation of Asia and the Far East, Eastern Europe and Latin America and should be rectified as soon as possible. Concern was expressed by some delegations at the rather large number of short-term appointments, particularly as such appointments were made outside the guidelines on geographical distribution established by the General Assembly.

345. Attention was drawn by some delegations to the relationship of the recruitment difficulties of UNIDO to those of the United Nations Secretariat as a whole. One delegation referred to the Secretary-General's report on "Personnel Questions: Composition of the Secretariat" (document A/7745) to the twenty-fourth session of the General Assembly that recommended a series of measures which, when fully implemented, would respond substantially to the preoccupations of the Board.

346. Several delegations expressed approval of the progress made in the transfer from New York to Vienna of the responsibility for recruitment of experts to serve with UNIDO technical co-operation projects. The importance of speedy recruitment of experts to ensure timely implementation of technical co-operation projects was stressed together with the need for maintaining high standards in the selection of candidates. Emphasis was also placed on diversifying the geographical basis of recruitment with a view to tapping the reserves of technological skills in certain regions from which few experts

had so far been appointed, with due regard to their competence. One delegation hoped that the briefing of prospective project personnel could be made more systematic.

347. The secretariat stated that, although the UNIDO secretariat formed part of the United Nations Secretariat structurally and administratively and was therefore subject to the over-all guidelines on geographical distribution established by the General Assembly, the Secretary-General was endeavouring to assure wider and representative geographical distribution within the UNIDO secretariat. Professional appointments in process as of 31 March 1970 included nationals of seven countries not yet represented in UNIDO. Appointment of candidates from "over-represented" countries was now governed by very stringent limitations specified in paragraph 8 of the Secretary-General's report on "Personnel Questions: Composition of the Secretariat". The rate of short-term appointments of less than one year, which were designed to enable the substantive divisions to fulfil their tasks under the UNIDO work programme, was significantly lower in the first quarter of 1970 than during 1969. The Board was assured that the matters, which it had raised and which were within the competence of UNIDO, would be given the closest possible attention by the secretariat, while those which were not within the competence of UNIDO would be referred to the appropriate authorities at United Nations Headquarters in New York.

B. Question of the establishment of subsidiary organs of the Board

348. At its third session, the Board had considered a draft resolution (document ID/B/L.59 and Add.1)^{6/} submitted by Brazil, Chile, Colombia, Peru and Uruguay, on the establishment of subsidiary organs of the Industrial Development Board. After discussions, the Board decided that the draft resolution should be referred to the second session of the Working Group on Programme and Co-ordination and that, in the meantime, the secretariat should ascertain the views of member States on the subject and submit them to the second session of the Working Group on Programme and Co-ordination.

^{6/} See Report of the Industrial Development Board on the Work at its Third Session (A/7617, paras.343-347).

349. During its second session, the Working Group on Programme and Co-ordination decided to refer this question to the Board for its consideration.^{1/}

350. At the 101st meeting of the Board, one of the sponsors of the above-mentioned draft resolution, supported by two other delegations, proposed that, in view of the results of the consultations with member States, as reflected in document ID/B/71, the question should be referred to a future meeting of UNIDO, when it would be opportune to raise it again.

351. It was so decided.

^{1/} See para. 306-307 above.

CHAPTER VII. QUESTIONS RELATING TO INTERGOVERNMENTAL
AND NON-GOVERNMENTAL ORGANIZATIONS

A. Consideration of applications of intergovernmental organizations

352. At its 98th meeting, the Board unanimously agreed to grant consultative status to the following intergovernmental organizations in accordance with rule 75 of the rules of procedure of the Board:

- (a) League of Arab States;
- (b) Organization of African Unity (OAU).

B. Consideration of applications of international non-governmental organizations

353. In conformity with paragraph 2 of the procedure for granting consultative status to international non-governmental organizations concerned with the promotion of industrial development (ID/B/NGO.1), the Ad hoc Committee, composed of the members of the Bureau of the Board and the Executive Director, met on 22 April 1970 to review the applications for consultative status contained in document ID/B/73, Part Two.

354. After having carefully examined the above applications, the Ad hoc Committee recommended that the Board should admit as observers, in accordance with rule 76 of the rules of procedure of the Board, the following international non-governmental organizations:

- (a) International Organization for Standardization (ISO);
- (b) International Association for the Exchange of Students for Technical Experience (IAESTE);
- (c) Union of International Engineering Organizations (UIEO);
- (d) European Association of Management Training Centres (EAMTC);
- (e) International Institute for Industrial Planning (III);
- (f) International Federation for Documentation (FID).

355. With regard to the International Union of Independent Laboratories, the Ad hoc Committee felt that additional information should be provided by the organization in order to ascertain if it is actively concerned with industrial problems falling within the field of competence of UNIDO as defined by General Assembly resolution 2152 (XXI). The Ad hoc Committee recommended consequently that the consideration of the application from the International Union of Independent Laboratories be deferred to the fifth session of the Board.

356. The Board, at its 98th meeting, approved the recommendations of the Ad hoc Committee.

CHAPTER VIII. MATTERS REFERRED TO THE INDUSTRIAL
DEVELOPMENT BOARD BY THE GENERAL ASSEMBLY

A. Special International Conference of the United Nations
Industrial Development Organization

357. The Board considered the report on the Special International Conference of the United Nations Industrial Development Organization (documents ID/B/72 and Add.1-2), submitted by the secretariat in accordance with General Assembly resolution 2578 (XXIV). In this resolution, the General Assembly suggested that "a special international conference of the United Nations Industrial Development Organization, at the highest possible level of governmental representation, be held at an appropriate time, ensuring that this conference and the third session of the United Nations Conference on Trade and Development are not held in the same year, within a framework which will reduce the expenditure for holding the conference to a minimum". The resolution requested the Board to consider this suggestion and "if necessary, to propose the venue, date and duration of the special conference, and to formulate its provisional agenda and its basic objectives, including the long-range orientation of the United Nations Industrial Development Organization, its organisational structure and the question of financing".

358. In the ensuing discussions, the principle of holding the Special International Conference was supported by most delegations. However, a few delegations voiced reservations to the effect that the matters proposed for discussion at the Conference should normally be dealt with by the Industrial Development Board and the General Assembly of the United Nations and questioned the competence of the Board to decide upon convening such a Conference. In the opinion of these delegations, paragraph 2 of General Assembly resolution 2578 (XXIV) should be interpreted in the sense that the Board was invited to propose the venue, date and duration of the Special Conference and formulate its provisional agenda but had no power of final decision. The same delegations agreed that the documentation imposed by the comprehensive agenda of the proposed Conference would impose a heavy burden on the secretariat at a time when it was facing important developments in connexion with the proposed reorganization of the United Nations Development Programme.

359. Several other delegations, stating in principle their support of the idea of convening such a Special Conference, stressed that the conference required careful preparation in order to ensure the best possible results. To that effect, these delegations advocated the setting up of an ad hoc committee, open to all member States of UNIDO, which would assist the secretariat in the preparation of the Conference, in particular as regards the formulation of its provisional agenda, its basic objectives and documentation. Consultations with other United Nations bodies concerned with industrial development would also be required.

360. On the question of the preparation and the timing of the Conference, opinions were divided along two main lines. Many delegations felt that, owing to the urgency of such a Conference for the developing countries on the eve of the Second Development Decade, it should not be delayed by too elaborate preparatory work. The proposed Conference had limited objectives and was not a conference on the problem of industrialization as a whole. Attention was drawn in this respect to the proposals made by the secretariat in documents ID/B/ and Add.1-2 and, in particular, to the first alternative indicated in those documents which provided for a conference of relatively short duration (e.g. for one week). Such a conference would require very limited preparatory work as regards documentation and consultations with member Governments and other organizations. As to the timing, these delegations indicated that, according to the provisions of General Assembly resolution 2578 (XXIV), the special Conference of UNIDO could be held either before or after the Third United Nations Conference on Trade and Development which was scheduled for 1972. As 1973 would be too late, the conference of UNIDO should be held in 1971.

361. Some other delegations, while recognizing the significance of convening the Conference, considered, however, that such a Conference required a more careful and long preparation. They stated that it would be more desirable to convene the Conference in 1972 or at the end of 1971.

362. A draft resolution (ID/B/L.74), submitted by Brazil, Chile, Ghana, Guinea, India, Indonesia, Iran, Iraq, Ivory Coast, Kuwait, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Rwanda, Sudan, Thailand, Trinidad and Tobago,

Upper Volta, Uruguay and Venezuela, was introduced by the delegation from Mexico.^{8/}

363. At the 106th meeting, discussion was resumed on agenda item 14. Several delegations stated that the Conference should be open to participants of all interested countries, even to those that were not members of UNIDO and, in particular, to advanced countries whose experience was likely to be of great benefit to the developing countries. Such a course of action would also be consistent with the principle of universality as laid down in the Charter of the United Nations, and it would be regrettable if this view were not to be shared by all delegations. With regard to the draft resolution, a revised text of which was introduced by the co-sponsors, to which the United Republic of Tanzania was added, these same delegations indicated their support for the convening of the Conference, subject to the above reservations, in view of the particular importance attached to it by the developing countries.

364. Another delegation indicated that, although supporting the draft resolution, it found it difficult to be a co-sponsor because nations which were not members of UNIDO were excluded.

365. One delegation, fully supporting the convening of the proposed Conference, pointed out in this connexion that the General Assembly, in resolution 2578 (XXIV) which suggested the holding of a Conference of the United Nations Industrial Development Organisation, had given a clearly defined mandate to the Board as regards the question of participation in the Conference. The Board was also bound in that respect by its resolution 22 (III), adopted at its third session. Consequently, this delegation supported fully the draft resolution as it stood. Similar views were expressed by another delegation which, although supporting the principle of universality of participation, indicated that the Board, as an organ of the General Assembly, could not adopt any resolution regarding participation that would infringe upon the competence of the General Assembly in this matter.

^{8/} In conformity with Rule 31 of the Rules of Procedure of the Industrial Development Board, the secretariat drew up and circulated on 30 April a document (ID/B/L.89) on the administrative and financial implications of such a Special Conference.

366. One delegation indicated that, in the light of the importance which the developing countries attached to giving all member States of UNIDO an opportunity to discuss at the beginning of the Second Development Decade the long-term strategy and orientation of UNIDO, it was prepared to support the revised draft resolution. Much of the success of the Conference would depend on the extent to which member States who were not members of the Board would participate. This delegation understood that international non-governmental organizations and intergovernmental organizations concerned would also be invited. However, in the view of this delegation, participation in the Conference should be limited to countries listed in the annex to General Assembly resolution 2152 (XXI) since the Board did not have the authority to modify that resolution.

367. Several delegations indicated that they would be unable to support the third preambular paragraph of the revised draft resolution.

368. The President then put the revised draft resolution as a whole to the Board and it was unanimously adopted, subject to the objections voiced about the third preambular paragraph.^{2/}

369. It was stated by two delegations, on behalf of the group of 23 countries that had sponsored the resolution, that while they, in a spirit of compromise, had accepted the provision in the resolution for alternative dates of the Conference, namely that it could be held either in May/June 1971 or November/December 1971, the preference of this group was unequivocally for the first alternative, i.e., that the Conference, if approved by the General Assembly, should be convened in May/June 1971. These delegations requested that, in view of the forthcoming consultations by the Executive Director with the member Governments as regards the date of the Conference, the position of the sponsoring countries in this respect be recorded.

^{2/} The text of the resolution is reproduced in annex III of the Report of the Board.

370. In connexion with the resolution adopted on the convening of the Special International Conference, the Executive Director indicated that he understood that he had been given permission by the Board, on the basis of the provisions of the resolution, to proceed immediately to implement all the actions required of him as stipulated therein. He would take all the measures required pending the final decision by the General Assembly as regards the holding of the Conference and the provision of the necessary financing for it. In particular, he would consult as soon as possible with the member Governments as regards their preference for the date of the Conference, and would consequently decide to recommend to the General Assembly, on the basis of availability of facilities and opinions of member Governments, one of the two dates proposed. He would also start immediately the preparation of documents as well as all other measures required for the successful holding of the Conference on whichever date the General Assembly might eventually decide.

371. The Board took note of the statement of the Executive Director.

B. Consideration of General Assembly resolution 2577 (XXIV) including the provisions of that resolution relating to the recommendations and resolutions of the 1967 International Symposium on Industrial Development and of the Industrial Development Board

372. At its 101st meeting, the Board considered carefully General Assembly resolution 2577 (XXIV), noting the interest of the General Assembly in receiving from the Industrial Development Board the necessary information for following the activities of UNIDO and its progress year by year in implementing the resolutions and recommendations of the Board and of the International Symposium on Industrial Development.

373. During its proceedings in the successive years of the Second United Nations Development Decade, the Board will seek to summarise the information submitted to it by the secretariat and to evaluate the progress of UNIDO and the salient features of the progress of industrialisation of the developing countries. It is suggested that the report on the discussions of the Board and its recommendations will provide in general an evaluation of progress to satisfy the request of the General Assembly in paragraph 2 (a) of resolution 2577 (XXIV).

374. The Board further noted that information on the projects and other activities of UNIDO undertaken in each country and region with estimates of cost, sources of financing and other relevant data is available in the documents such as ID/B/64 and Add.1-16, submitted by the Executive Director to the Board as part of the regular documentation. The Board therefore felt that to reproduce this information to the General Assembly would duplicate the documentation already available. If necessary, copies of the documents could be made available to the interested members of the Assembly.
375. The proposed future work programme of UNIDO also was examined by the Board on the basis of documents submitted by the Executive Director. The Board included in its annual reports an account of the examination and discussion of these questions. These documents could also be made available to interested members of the Assembly.
376. The Board noted the suggestion by the General Assembly that the reports of the Board should be as concise and substantial as possible and would endeavour to comply with this suggestion, as appropriate, year after year. The report of the fourth session of the Industrial Development Board to the twenty-fifth session of the General Assembly clearly reflected the efforts of the Board in that direction and further measures would be taken in the following years.
377. At the 103rd meeting, the Board considered a draft resolution (ID/B/L.80) submitted by Brasil, Chile, Ghana, Guinea, India, Indonesia, Iran, Iraq, Ivory Coast, Kuwait, Mali, Mexico, Nigeria, Pakistan, Peru, Philippines, Rwanda, Sudan, Thailand, Trinidad and Tobago, Upper Volta, Uruguay and Venezuela.
378. The draft resolution, with one amendment by the Philippines, was adopted by a vote of 25 in favour, none against, with 12 abstentions. The representatives of Hungary, Cuba, the United States of America, the United Kingdom of Great Britain and Northern Ireland and Japan gave explanations of vote.^{10/}

^{10/} The resolution as amended is to be found in annex III of the Report of the Board.

C. Consideration of the reports of the
Joint Inspection Unit

379. In compliance with the provisions concerning the arrangements for the handling of the reports submitted by the Joint Inspection Unit, proposed by ECOSOC resolution 1457 (XLVII) of 8 August 1969, and in the report of 30 October 1969 of the Advisory Committee on Administrative and Budgetary Questions, endorsed by the Fifth Committee of the General Assembly at its twenty-fourth session, the secretariat submitted to the Board for its consideration the reports of the Joint Inspection Unit, together with the comments and observations on these reports (documents ID/B/75 and Add.1).
380. At its 101st meeting, the Board took note of the above-mentioned reports.

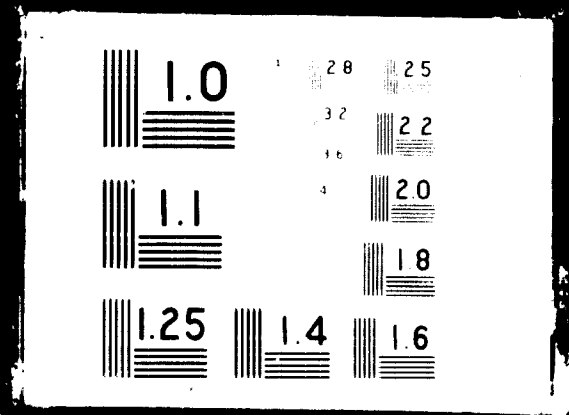


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CHAPTER IX. PROVISIONAL AGENDA OF THE FIFTH SESSION

381. At the 106th meeting, the Board adopted the provisional agenda of the fifth session as follows:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General debate.^{11/}
5. Report of the Working Group on Programme and Co-ordination of projects;
 - (a) Activities of UNIDO including operational activities; report on the work accomplished in 1970; programmes of work for 1971, 1972 and outline of the programme for 1973;
 - (b) Co-ordination questions pertaining to projects within the work programme.
6. Co-ordination of activities of the United Nations system in the field of industrial development.
7. Financial and organizational matters.
8. Matters concerning intergovernmental and non-governmental organizations.
9. Information on the state of preparation of the Special International Conference of UNIDO.
10. Provisional agenda of the sixth session.
11. Date and place of the sixth session.
12. Other business.
13. Adoption of the report of the fifth session.

382. The Board also took note of the proposal made by one delegation to include in the provisional agenda of the sixth session of the Board an item on activities and experience of UNIDO in the field of Special Fund projects and possibilities of follow-up.

^{11/} This item will be deleted exceptionally and only for the fifth session of the Board, if the General Assembly at its twenty-fifth session decides to approve the recommendation contained in ID/B/RES.29(IV) proposing to convene a Special International Conference of the UNIDO in 1971 in connexion with the fifth session of the Board.

CHAPTER X. DATE AND PLACE OF THE FIFTH SESSION

382. The Board decided at its 106th meeting that, in the event the General Assembly at its twenty-fifth session approves the recommendation contained in ID/B/RES.29(IV) to convene a Special International Conference of UNIDO in 1971, the date of the fifth session of the Board will be either in May 1971 or in November of the same year, pending the results of the consultations with the member Governments of UNIDO on the subject.

383. In the event that the General Assembly does not approve the recommendation of the Board for convening a Special International Conference of UNIDO in 1971, the fifth session of the Board will be held in May 1971.

385. The Board also decided that, should the General Assembly adopt its recommendation to convene a Special International Conference of UNIDO in 1971, its fifth session, as an exception, would be convened for one week only. Should, however, the General Assembly decide against convening a Special International Conference of UNIDO in 1971, the fifth session of the Board would be convened for two weeks.

CHAPTER XI. CONSIDERATION OF THE REPORT OF THE FOURTH SESSION

386. At its 106th session, the Board unanimously adopted its report as a whole.

CHAPTER XII. CLOSURE OF THE FOURTH SESSION OF THE BOARD

387. After statements by the President of the session, representatives of the various geographical groups and the Executive Director, the Board concluded its fourth session at 4.30 a.m. on 1 May 1970.

A N N E X E S

ANNEX I

SUMMARY REVIEW OF UNIDO ACTIVITIES IN 1969^{a/}

INTRODUCTION

1. The General Assembly, in resolution 2407 (XXIII), requested the Industrial Development Board to "include in its future reports a summary of the activities of the United Nations Industrial Development Organization for the previous year".
2. Information on the activities of the organization in 1969 is contained in document ID/B/64/Add.1-16 and ID/B/70, submitted to the Board at its fourth session.
3. The summary of UNIDO activities for 1969 consists of three parts: field activities; supporting activities (meetings, seminars, research etc.); and other activities of the organization.

PART ONE: FIELD ACTIVITIES

4. The summary of UNIDO activities in this area is set forth by technical assistance programmes, by regions and by groups of activities, followed by fellowships and industrial adviser programmes.

Summary review by programmes

General remarks

5. The technical co-operation activities of UNIDO are financed from a number of established programmes available to the United Nations system of organizations including the United Nations Development Programme Special Fund (UNDP/SF) and Technical Assistance (UNDP/TA) components, the Special Industrial Services (SIS), the Regular Programme (RP) of technical assistance and certain financing arrangements such as Funds-in-Trust.

^{a/} As this summary was prepared at a later date than the programme documents submitted to the Board, the figures were updated as of 31 December 1969. Thus, in some cases, there may be slight discrepancies in the figures from those given in the Report of Activities for 1969 contained in documents ID/B/64 and Add.1-16.

6. The resources available and commitments under the various programmes are shown in table 1 below.

Table 1

Resources available and expenditures under the
various programmes, 1968 and 1969
(In US dollars)

	<u>1968</u>		<u>1969</u>	
	<u>Resources</u>	<u>Expenditures</u>	<u>Resources</u>	<u>Expenditures</u>
Regular programme .	1,000,000	987,441	1,500,000	1,496,100
UNDP/TA	3,100,000 ^{a/}	3,090,336	3,000,000 ^{a/}	1,793,400
UNDP/SF ^{b/}	3,600,000 ^{c/}	2,729,900	4,800,000 ^{c/}	3,327,900
Special Industrial Services ^{b/}	2,800,000 ^{d/}	944,483	4,500,000 ^{d/}	2,245,600

a/ Value of projects approved by UNDP for implementation in the given year.

b/ Including overhead costs.

c/ An annual expenditure target figure is used against resources available. This expenditure target is calculated at the beginning of each year for each operational project, taking into consideration the schedule of implementation established in the plan of operation of the project.

d/ Value of projects approved by UNIDO and UNDP for implementation in the given year.

UNDP/SF

7. As a participating and executing agency of UNDP, UNIDO was responsible for the execution of 35 long-term projects financed from the UNDP/SF components, as against 25 in 1968. The total cost of the 35 projects amounted to approximately \$85.6 million, of which \$31.5 million were in UNDP allocations and \$54.1 million in government counterpart contributions. In addition, UNIDO was associated in the implementation of seven projects executed by other agencies, including ILO, FAO and the United Nations.

8. The target value of UNDP/SF projects executed by UNIDO in 1969 amounted to \$4.8 million, of which \$3.3 million were disbursed by the end of the year. Actual expenditure was often determined by extraneous factors such as the readiness and ability of assisted countries to deliver their counterpart contributions to the projects. The magnitude of the share of UNIDO in the total UNDP/SF component still remained small. As a result of the preparatory work carried out by UNIDO during the year, it is hoped that the participation of UNIDO in the UNDP/SF component will increase in the coming years.

UNDP/TA

9. The value of the UNDP/TA component, which is devoted mainly to medium-term expert services and fellowships in the UNIDO operational programmes, was in the order of \$2.4 million. Of this amount, \$1.8 million represented expenditures on projects initiated in the course of the year and \$600,000 expenditures on continuing projects, carried over into 1969. This includes a number of regional and interregional projects at a cost of about \$400,000.

10. The new continuous programming procedure of the UNDP/TA country projects went into operation in 1969 replacing the previous procedure of biennial programming. Under the new procedure, governments request assistance within their country target allocations as and when the need arises. As in the case of UNDP/SF, this component also accounts for a small share of the total volume of UNDP assistance under this component.

Special Industrial Services

11. As in previous years, the Special Industrial Services programme provided speedy short-term assistance in the rehabilitation of existing industries and development of new ones. The number of projects approved during 1969 was 224, as against 157 in 1968. The pace of implementation of projects financed under this programme accelerated in 1969 with expenditures amounting to \$1,995,000 as against \$944,400 in 1968.

13. The financing of this programme in 1969 continued to be made from resources available to the Special Industrial Services Trust Fund, originally established in 1966. The cumulative amount of resources pledged to this Fund by the end of 1969 amounted to about \$9 million. The cumulative value of projects approved under the Special Industrial Services programme (including agency overhead costs) amounted to about \$8.5 million. In view of the depletion of the Trust Fund, arrangements were made by UNDP for the continued financing of a Special Industrial Services type programme from the UNDP Revolving Fund at an approved annual expenditure level of \$2 million for 1970.

Regular Programme

14. Resources available to this programme amounted in 1969 to \$1.5 million, with expenditures running at about the same level. The procedure of financing the industry part of the Regular Programme through a separate section in part V of the United Nations Budget, subject to the approval of the Industrial Development Board, was maintained by General Assembly resolution 2511 (XXIV) of 21 November 1969.

Funds-in-Trust

14. In addition to the above programmes of technical assistance, UNIDO provided expert advice and services to a number of countries that had deposited the necessary funds for these projects with the United Nations. Expenditures for programmes under these Funds-in-Trust amounted to \$332,000.

Summary Review by Regions

15. The geographic distribution of the technical assistance of UNIDO for all programmes followed in general the pattern of previous years, Africa receiving 31.15 per cent, the Americas 16.00 per cent, Asia and the Far East 25.94 per cent, and Europe and the Middle East 15.22 per cent of the total programme value, excluding interregional projects which amounted to 10.69 per cent of the programme. The value of the technical co-operation activities of UNIDO is shown, by regions, in table 2 below.

Table 2
Status of expenditures for technical co-operation activities
of UNIDO, by regions
(in US dollars)

	<u>Regular</u> <u>programme</u>	<u>UNDP/TA</u>	<u>UNDP/SF</u>	<u>Special</u> <u>Industrial</u> <u>Services</u>	<u>Funds-in-</u> <u>Trust</u>
<u>Africa</u>					
Country projects	291.2	182.4	1,195.4	728.9	105.5
Regional projects	<u>129.2</u>	<u>14.0</u>	<u>109.1</u>	<u>3.1</u>	<u>-</u>
Total	420.4	196.4	1,304.5	732.0	105.5
<u>The Americas</u>					
Country projects	83.6	376.5	295.7	398.2	64.4
Regional projects	<u>87.3</u>	<u>44.3</u>	<u>4.6</u>	<u>42.9</u>	<u>-</u>
Total	170.9	420.8	300.3	441.1	64.4
<u>Asia and the Far East</u>					
Country projects	241.7	537.4	771.1	503.7	31.5
Regional projects	<u>109.9</u>	<u>17.5</u>	<u>3.4</u>	<u>4.4</u>	<u>-</u>
Total	351.6	554.9	780.5	508.1	31.5
<u>Europe and the Middle East</u>					
Country projects	79.0	386.9	610.2	146.4	120.7
Regional projects	<u>27.6</u>	<u>-</u>	<u>-</u>	<u>1.3</u>	<u>-</u>
Total	106.6	386.9	610.2	147.7	120.7
<u>Interregional</u>	446.6	234.4	-	165.7	-
<u>Overhead costs</u>	<u>-</u>	<u>-</u>	<u>332.4</u>	<u>251.0</u>	<u>9.6</u>
GRAND TOTAL	<u>1,496.1</u>	<u>1,793.4</u>	<u>3,327.9</u>	<u>2,245.6</u>	<u>331.7</u>

16. As regards individual fellowships, a summary of the situation for the year 1969 is given in table 3 below. The largest part of established posts was in the field of mechanical and electrical engineering.

Table 3

1969 fellowships as of 31 December 1969, by geographical regions of origin of the fellows ^{a/}

(in man-months)

	<u>Posts established under 1969 programmes</u>	<u>Awards made as of 31 December 1969</u>
Africa	110/723	54/363
The Americas	46/279	35/208
Asia and the Far East	75/607	55/392
Europe	174/631.5	167/654
Middle East	39/218	22/98
	<u>444/2458.5</u>	<u>333/1715</u>

Africa

17. Forty-one countries and four regional organizations received assistance at a value of about \$2.8 million, as against \$2.4 million in 1968, and the number of experts engaged in projects in African countries increased from 149 to 212 in 1969. The number of UNDP/SF projects executed by UNIDO in the region rose from 11 in 1968 to 16 in 1969. Significant changes were evident in the type of UNDP/SF projects, for interest centred in 1969 on such areas as quality control, pilot and demonstration plants, and industrial estates.

18. The Special Industrial Services programme amounted in 1969 to \$732,000, and some UNIDO field personnel acted as OPAS (Operational Assistance) experts in the management and operation of factories. The region also participated increasingly in the fellowship programme with 110 fellowships established under all programmes. In the course of 1969, UNIDO was able to follow-up promising UNDP/TA projects and assisted governments and industry in the

^{a/} The figures apply to individual fellowships and do not include fellowships awarded for participation in regional and interregional seminar and in-plant training programmes.

promotion of external financing for certain enterprises, for some of which feasibility studies had been prepared by UNIDO. The maintenance and repair campaign of UNIDO resulted in the identification of certain areas of assistance for which several requests have been received under the various programmes.

The Americas

19. Some thirty countries received assistance involving 131 experts and consultants in 1969, as compared to 105 in 1968. Expenditures under the various programmes amounted to \$1.5 million. Five UNDP/SF projects were operational in 1969 and additional projects were under preparation. The Regular Programme of UNIDO in the region, including country and regional projects, amounted in 1969 to \$170,900. Requests under Special Industrial Services showed a significant raise, involving about 100 experts and consultants and amounting to approximately \$441,000 as compared to \$390,000 in the preceding year.

20. Assistance to the less developed countries of the region continued to be centred on planning and programming, while chemical, food and metallurgical industries received particular attention in more advanced countries. Additionally, assistance needs were surveyed by country missions in various fields, and assistance was extended to subregional groupings such as CARIFTA and SIECA. Regional and subregional problems and the procedures for developing technical assistance programmes were reviewed at the Seminar on UNIDO Operations for Government Officials from Spanish-speaking countries, which took place in Vienna in 1969.

Asia and the Far East

21. In Asia, a total of 22 countries received assistance in 1969, involving 153 experts at a value of about \$2.2 million. Assistance was also extended to regional organizations, and two major regional projects were under preparation. The number of UNDP/SF projects increased from five in 1968 to eight in 1969. In addition, 75 fellowship posts were established.

27. The technical assistance provided in the region during 1969 extended over a wide range. A noteworthy trend in country requests was assistance in surveying and developing industries in which these countries enjoyed natural economic advantages, for example rice, jute, kenaf, textiles, leather and wood-based industries. In some cases, short-term assistance was followed by preparation of requests for assistance through UNDP/SF. In the latter part of 1969, the preparation of long-range assistance programmes was initiated for a few selected countries in the region.

28. Co-operation with ECAFE was strengthened by an agreement, concluded in July 1969, providing in particular for harmonization of work programmes and for the promotion of a better utilization of the resources of the two organizations.

Europe and the Middle East

24. The volume of technical assistance in this region reached a total of \$1,372,100 in 1969. During the year, 79 experts were sent to the field and 189 fellowships were awarded. Six UNDP/SF projects were under implementation and six others were prepared for approval by the Governing Council of UNDP at its session in January 1970. Assistance was also provided to regional bodies and to certain co-operative schemes in industry. The region continued to account for the major part of the over-all fellowship programme of UNIDO, and the number of fellowships increased apace with the range of fields of study. As in previous years, the trend in the assistance provided in the region was towards increasing sophistication of programmes, reflecting the rising level of industrialization of the countries concerned. An increasing number of countries requested highly specialized advice related to industrial technology. A considerable number of requests were for introduction of modern methods and techniques in management and planning. Some of the newly provided assistance related to maintenance and repair of industrial equipment, manufacture of agricultural machinery and implements and development of the packaging industry.

Industrial field advisers

25. The field adviser programme, initiated by UNIDO and UNDP in the second half of 1967, was expanded in 1969 by the posting of five additional advisers, bringing the total of filled posts to nine against ten established posts. During 1969, Asia and the Americas were each serviced by three field advisers, Africa by two field advisers and one headquarters staff member who covered that region on an ad hoc basis, the post having been left vacant by the withdrawal of a candidate. One field adviser was posted in the Middle East.
26. The field advisers were instrumental in the promotion and co-ordination of the programme of technical assistance of UNIDO, in co-operation with the UNDP Resident Representatives, and assisted various Governments in the development of their technical assistance programmes. The field advisers stationed at the seats of the secretariats of the regional economic commissions and UNESOB acted as liaison officers with these secretariats and represented UNIDO at meetings and seminars in the regions.

Summary review by groups of activities

27. The programmed activities of UNIDO are classified in 15 Groups, enumerated in table 4 below, which also lists the distribution of the value of technical assistance to industry by groups of activity.

Table 4

Distribution of technical assistance to industry by groups of activity

<u>Group of activity</u>		<u>Percentage of total funds</u>
<u>Industrial Technology Division</u>		
1	Engineering industries	7.81
2	Metallurgical industries	5.52
3	Construction and building materials industries	1.88
4	Chemicals, pharmaceuticals and pulp and paper industries	4.09
5	Fertilizers, pesticides and petrochemicals industries	12.48
6	Light industries	8.90
	Sub-total	40.68
<u>Industrial Services and Institutions Division</u>		
7	Industrial legislation, patents and licensing	0.43
8	Industrial services and their administration	12.47
9	Industrial information	0.33
10a	Industrial training	11.53
10b	Industrial management and consulting services	
11	Small-scale industry, including industrial extension services and industrial estates	7.60
	Sub-total	32.36
<u>Industrial Policies and Programming Division</u>		
12	Industrial programming and project planning	21.72
13	Industrial policies and financing	2.88
14	Promotion of export-oriented industries	1.12
15	Industrial reviews and surveys	1.24
	Sub-total	26.96
	Total	100.00

28. The major areas of assistance were Industrial Programming and Project Planning (Group 12) followed by Fertilizers, Pesticides and Petrochemicals Industries (Group 5) and Industrial Services and their Administration (Group 8).

PART TWO: SUPPORTING ACTIVITIES

29. The supporting activities are summarized in the following tables. Table 5 gives the breakdown of 1969 expenditure on supporting activities by source of funds. Table 6 contains a list of meetings, seminars, etc. and a list of studies and research projects; table 7 indicates the 1969 programme of printed publications.

Table 5

Expenditures on substantive support activities in 1969
(in US dollars)

	<u>Expert groups, seminars, in-plant training and workshops</u>		<u>Consultants</u>	
	<u>Allotment</u>	<u>Final commitments</u>	<u>Allotment</u>	<u>Final commitments</u>
UNIDO Regular Budget	142,000	134,140	310,000	321,437
Regular programme	287,370	267,350	-	-
UNDP/TA	296,750	251,949	-	-
Total	726,120	653,439	310,000	321,437

Table 6

Summary of symposia, expert group meetings, seminars, group training and workshops and other meetings held during 1969 and studies and research projects carried out in 1969

<u>Group of activity</u>	<u>Number of meetings</u>	<u>Place</u>	<u>Number of studies and research projects</u>
		<u>Industrial Technology (Groups 1-6)</u>	
1	3	Vienna (2) Karlovy Vary (CSSR)	5
2	2	London Vienna	3
3	1	Vienna	2

Table 6 (continued)

<u>Group of activity</u>	<u>Number of meetings</u>	<u>Place</u>	<u>Number of studies and research projects</u>
<u>Industrial Technology</u> (Groups 1-6) (continued)			
4	2	Budapest Vienna	3
5	3	Rabat (Morocco) Baku (USSR) Syracuse (USA)	6
6	4	Rabat (Morocco) Peoria (USA) Vienna (2)	9
<u>Industrial Services and Institutions</u> (Groups 7-11)			
7	1	Vienna	3
8	1	Vienna	2
9	-	-	9
10a	8	CSSR Sweden (2) USSR (2) UK Poland Japan	3
10b	1	Tokyo	4
11	2	Paris Hyderabad (India)	10
<u>Industrial Policies and Programming</u> (Groups 12-15)			
12	4	Nairobi (Kenya) Tehran (Iran) Amsterdam Vienna	16
13	8	Dar es Salaam Accra (Ghana) Tunis Rabat (Morocco) Vienna Rome New York, Brussels, Vienna Europe	13

Table 6 (continued)

<u>Group of activity</u>	<u>Number of meetings</u>	<u>Place</u>	<u>Number of studies and research projects</u>
<u>Industrial Policies and Programming (Groups 12-15) (continued)</u>			
14	2	Vienna Rio de Janeiro	5
15	2	Vienna Nairobi (Kenya)	4
<u>Total number of meetings</u>	44		<u>Total number of projects</u> 97

Table 7

Publications printed by UNIDO in 1969

	<u>Number of publications</u>
(a) <u>Industrial Technology Division (Groups 1-6)</u>	25
<p>The majority of the publications (14) prepared by this Division relate to various aspects of the fertilizer, pesticides and petrochemicals industries. Five publications are devoted to food industry studies; one to the brick and tile industry. The remainder are reports on various symposia, seminars and expert group meetings.</p>	
(b) <u>Industrial Services and Institutions Division (Groups 7-11)</u>	10
<p>Of the ten publications prepared by this Division, six are a continuation of the Industrial Research and Development News and of Training for Industry Series. Three publications relate to small-scale industries, and one is a manual on the use of consultants.</p>	
(c) <u>Industrial Policies and Programming Division (Groups 12-15)</u>	9
<p>In addition to the publication of the Industrialization and Productivity Bulletin, the Division continued its Industrial Planning and Programming Series. Additional publications included an industrial development survey and reports on seminars.</p>	

PART THREE: OTHER ACTIVITIES

30. The following summaries are intended to highlight some of the features of UNIDO activities, including those in the administrative field.

Industrial inputs in agriculture

Fertilizers

31. Surveys were made of fertilizer production facilities in Africa and Asia to identify the possibilities of the development of the industry, and to forecast needs for fertilizers and capital requirements. In view of the sulphur shortage, a number of studies were prepared on processes tending to replace or reduce the use of elementary sulphur in fertilizer production. A major bottleneck in the development of the fertilizer industry continued to be the shortage of capital. Five UNDP/SF projects were under implementation.

Pesticides

32. In addition to carrying out a number of studies and research projects, UNIDO is implementing two UNDP/SF projects in the pesticide sector. In 1969, pesticides development was examined at meetings in Rabat, for the ECA region, and in Tehran, for the ECAFE region, as part of fertilizer promotion meetings. An Interregional Training Course for Industrial Production of Pesticides and Insecticides in Developing Countries was conducted in 1969 in collaboration with Syracuse University, New York.

Agricultural machinery and implements

33. Following the recommendations of the Board at its second and third sessions UNIDO gave priority to problems of agricultural machinery and implements in developing countries. A number of areas of assistance in the agricultural machinery field were identified in 72 developing countries, and strong interest

in assistance in some 30 projects was indicated by the Governments concerned. The ECAFE/AIDC/UNIDO fact-finding team on industries manufacturing agricultural machinery finalized the results of its study mission conducted in twelve countries of the ECAFE region.

Repair and maintenance

34. The long-term programme of UNIDO for improvement of repair and maintenance facilities in developing countries, an outline of which was presented to the Board at its third session, was brought to the attention of the Governments concerned. Fifty-one countries expressed interest in receiving assistance and in having their maintenance facilities surveyed. Survey missions were sent to twelve countries in the various regions to assess the situation and to identify areas of assistance. The reports of these missions resulted in 22 requests for technical assistance, of which 13 have been approved and are under implementation. Ten of these projects, which are now in a preliminary form under the Special Industrial Services programme, are expected to develop into more comprehensive projects to be financed under UNDP/SF. Some 20 additional requests for initial assistance are expected to be forthcoming as a result of these missions. Other activities under the programme are intended to meet shortcomings in personnel and to make technical and other information available. Preparatory work was carried out for the holding of a symposium on repair and maintenance in 1970.

Promotion activities

Industrial promotion services

35. Industrial promotion services were organized by UNIDO in 1969 at the Budapest International Fair and the Second Asian International Trade Fair in Tehran. Through its participation in these trade fairs, UNIDO provided opportunities for contacts between representatives of developing countries and potential associates from the developed countries in various arrangements of mutual benefit such as technical and financial assistance, provision of services and equipment and joint development of projects.

Promotion of industrial financing

37. Under this programme, UNIDO assisted developing countries in setting up investment promotion machinery and organized promotion meetings. In this connexion, a portfolio of projects was developed and it is being continually updated. Two investment meetings were held in 1969: one in Tunisia, which was of national scope and limited to industrial projects in that country, and the second in Rabat, which was of a regional scope, open to all African countries and organized in co-operation with ECA and the African Development Bank.

In-plant training and industry branch programmes

38. In 1969, eight group training programmes were carried out for middle and top-level engineering and managerial personnel in developing countries, with a view to providing this personnel with actual plant experience. The training programmes were attended by 144 fellowship holders from developing countries. These programmes were in the fields of metalworking, shoe manufacturing, food processing, electrical engineering, iron and steel, textiles and pulp and paper industries.

39. In the course of the year, UNIDO continued its efforts to put some of the in-plant training programmes on a more permanent basis and, at the same time, to expand the scope of these programmes. Two projects of this type, designated as industry branch programmes, were finalized in 1969: one in the textile industry in Poland and the other in the electric and electronic industries in the Netherlands. The projects took the form of UNDP/SF projects of a duration of three years, jointly financed by the government concerned and UNDP, UNIDO acting as the executing agency. Similar projects in the field of training for repair and maintenance are under discussion with the Government of Italy and the Government of the Federal Republic of Germany.

Activities related to the Second United Nations
Development Decade

39. In 1969, the contribution of UNIDO to general United Nations activities in this field consisted of:

Presentation of UNIDO programme by the Executive Director to the Preparatory Committee for the Second United Nations Development Decade at the July 1969 session of the Economic and Social Council;

Participation in meetings of the Preparatory Committee for the Second United Nations Development Decade and of the ACC subcommittee;

Preparation of projections for industrial sectors, to be integrated with the general projections of the CDPPP of the United Nations Department of Economic and Social Affairs.

40. Preparatory missions were sent to five countries to assist the Governments concerned in the establishment of a long-term industrialization programme and of procedures for implementation and stocktaking as regards the achievement of targets set for the Second Development Decade. At the sectoral level, studies were undertaken for five industrial branches. Close co-operation was maintained throughout with the regional economic commissions, UNESOB and the specialized agencies concerned.

Follow-up of the International Symposium on Industrial Development

41. As a follow-up of the International Symposium on Industrial Development, held in Athens in November and December 1967, a number of monographs on the various sub-items of the agenda of the Symposium are being published. The preparation of the monographs for publication, begun in 1968, was completed in 1969 and the entire series of 21 monographs will appear in printed form in early 1970. The monographs, which are self-contained documents, were prepared on the basis of documentation submitted to, and discussed at, the Athens Symposium and other relevant information of the subjects reviewed.

Co-operation with specialized agencies, regional
economic commissions and other organizations

12. Co-operation with ILO and UNESCO under the agreements reached in 1968 was further expanded during 1969, and an agreement on co-operation was concluded with FAO in July 1969. Close co-operation continued with WHO in fields of common interests as regards both supporting and operational activities.
13. Following the conclusion of agreements between UNIDO and ECA, ECE, ECLA and UNESOB, an agreement on co-operation was concluded between UNIDO and ECAFE in July 1969, which completed the round of regional agreements in the field of industry. Close co-operation was maintained with UNCTAD and the UNCTAD/GATT International Trade Centre as regards projects undertaken within the framework of the United Nations Export Programme. The promotion of joint programmes with UNCTAD, in areas of mutual interest, and the harmonization of activities of the two organizations are under review by the Executive Director of UNIDO and the Secretary-General of UNCTAD.
14. A number of applications for consultative status with UNIDO, submitted by intergovernmental and international non-governmental organizations, were presented at its third session to the Board for consideration. Co-operation was maintained with the associated international non-governmental organizations concerned, in particular with regard to consultation on the UNIDO work programme, exchange of information and mutual participation in meetings.
15. An additional number of member States established National Committees for UNIDO in response to the recommendation adopted by the International Symposium on Industrial Development held in Athens in 1967. The total number of such committees reached thirty-six. Close contacts continued to be maintained with these committees, and further measures are under consideration for strengthening the co-operation between UNIDO and the committees.

Public Information Service

16. In addition to enlarging its coverage of UNIDO activities through the wider use of the mass media, the Public Information Service extended assistance in servicing United Nations meetings, maintained liaison with the appropriate

Austrian counterparts and enlisted the co-operation of major groups and organizations. Supplementing the day-to-day coverage and handling of inquiries, the Service arranged for press tours for on-the-spot studies of the development efforts of countries or regions. Missions for gathering feature material on a number of projects were organized in co-operation with other members of the United Nations family of organizations. At the project level, the activities of the Public Information Service contributed towards increasing local acceptability of projects.

New York Liaison Office

47. During 1969, the New York Liaison Office continued its activities at United Nations Headquarters to meet the expanding requirements of the programme of work of UNIDO. The liaison activities of the office related to: coverage of intergovernmental meetings of interest to UNIDO; liaison with member States attending the meetings; contacts with international organizations and agencies located in North America; liaison and co-ordination with the Secretariat of the United Nations and its affiliated organizations; and contacts with industrial and research organizations and public agencies on matters related to the programme of UNIDO. The office carried out a number of ad hoc tasks related to specific projects located in North America.

Administration

48. On 1 January 1970 there were 19 professional vacancies against an authorized manning table of 270 professional posts. Under the consultant programme, 243 Special Service Agreements were concluded with outside experts during the year. The process of transferring to UNIDO headquarters the responsibility for recruitment of UNIDO experts continued; the transfer of responsibility for recruitment under the Special Industrial Services Programme was completed by 1 November 1969.

49. In order to offer UNIDO staff the same opportunity as staff at Headquarters and at Geneva to meet the requirements of language proficiency introduced by General Assembly resolution 2480 B (XXIII) of 21 December 1968, a number of steps were taken for the introduction of intensive language courses early

in 1970. A language training officer was appointed to develop a complete programme of courses for UNIDO staff, and arrangements were made for establishing a language laboratory. Other personnel activities included the establishment of Volunteer Services and of a provisional Staff Welfare Committee to advise the administration on the best use of funds that may become available for staff welfare purposes. The Joint Advisory Committee, established in 1968 to advise the Executive Director on matters of personnel policy and staff welfare, continued to exercise its function in 1969.

50. The expansion of UNIDO activities in 1969, with the corresponding increase in staff services, required additional accommodation. The occupancy of a third prefabricated office building was completed during the year. The Austrian Government continued, as in the past, to extend its fullest co-operation in providing the required facilities, and an additional building was made available for occupancy in early 1970.

ANNEX II

LIST OF PARTICIPANTS

MEMBERS OF THE INDUSTRIAL DEVELOPMENT BOARD

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Mr. Bodo Beelitz, Director, Federal Ministry for Transport and
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Mr. Herbert Falk, Director, Federal Ministry for Transport and
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United Nations Secretariat

United Nations Conference on Trade and Development (UNCTAD)

Mr. M. Perez-Guerrero, Secretary-General
Mr. Paul Berthoud, Director for Technical Assistance
Mr. H. Stordel, Assistant Director, Manufactures Division

United Nations Economic and Social Office in Beirut (UNESOB)

Mr. Salah F. Jowhari, Chief of the Industrial Development Unit

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United Nations Development Programme (UNDP)

Mr. Sergije Makiedo, Director, Programme Division
Mr. Ernst W. Nagelstein, Consultant to the Administrator

Specialized Agencies

International Labour Office (ILO)

Mr. Bertil Bolin, Assistant Director General
Mr. M.H. Khan, Operation Reports Branch, Field Department

Food and Agriculture Organization of the United Nations (FAO)

Mr. A. Aten, Liaison Officer (Industrial Activities), Office of the Director, International Agency Liaison Division

United Nations Educational, Scientific and Cultural Organization (UNESCO)

Mr. A. Evstafiev, Director of the Division of Technological Education and Research
Mr. A. Prager, Bureau of Relations with International Organizations and Programmes

World Health Organization (WHO)

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International Bank for Reconstruction and Development (IBRD)

Mr. George Kalmanoff, Deputy Director, Industrial Projects Department

International Telecommunication Union (ITU)

Mr. Clifford Stead, Chief of Department of External Relations

Inter-Governmental Maritime Consultative Organization (IMCO)

Viscount Dunrossil, Head of External Relations and Public Information Office

* * *

General Agreement on Tariffs and Trade (GATT)

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INTERGOVERNMENTAL ORGANIZATIONS

Common Afro-Malagasy Organization (OCAM)

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Mr. H.O. Steffe, Director of Studies

Mr. H. Leroux, Counsellor

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Mr. Abdel Hamid Montaz, Industrial Development Centre for Arab States

Organization of African Unity (OAU)

Mr. Hassan Dawood, Director for Economic Affairs

Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA)

Mr. Carlos Cordero-d'Aubuisson. Representative of SIECA in Europe

United International Bureaux for the Protection of Intellectual Property (BIRPI)

Mr. J. Voyame, Deputy Director

Mr. I. Thian, External Relations Officer

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Afro-Asian Organization for Economic Co-operation (AFRASEC)

Mr. Amin A. Awadalla, Secretary General

European Centre for Industrial and Overseas Development (CEDIMOM)

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M. René Mercier, Administrateur
M. Pierre Tasson, Administrateur
M. Paul Terrenoire, Administrateur
M. Emile Weytsman, Administrateur

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Mr. Werner Melis, Secretary, Austrian National Committee of the ICC;
Secretary, Austrian Federal Economic Chamber
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Mr. Erwin Altenburger, Vice-President

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ANNEX III

RESOLUTIONS ADOPTED BY THE INDUSTRIAL DEVELOPMENT
BOARD AT ITS FOURTH SESSION

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Resolution

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| 28 (IV) | Operational activities of UNIDO |
| 29 (IV) | Special International Conference of the United Nations Industrial Development Organization |

26 (IV). Follow-up of the 1967 International Symposium on
Industrial Development

The Industrial Development Board,

Recalling that the International Symposium on Industrial Development, convened by UNIDO in Athens in 1967, was the first major international meeting devoted exclusively to the problems of industrialization in developing countries,

Recalling further that the International Symposium was the culmination of a series of regional symposia on problems of industrialization held in Cairo, Manila, Santiago and Kuwait, in 1965/1966,

Noting that the Symposium devoted special attention to the possibilities for international action and co-operative efforts among the developing countries themselves, explored the scope, measures and channels for such efforts and adopted a series of useful recommendations thereon,

Considering that the General Assembly in resolution 2178 (XXI) requested the Industrial Development Board, inter alia, to study in due course the recommendations of the Symposium and to take appropriate follow-up action,

Bearing in mind General Assembly resolution 2577 (XXIV) which invites the Industrial Development Board, with the co-operation of the Executive Director of UNIDO, to consider the possibility of including in the Board's annual reports, inter alia, a summary of the progress achieved in the implementation of all the substantive recommendations of the International Symposium on Industrial Development, as well as practical measures and policies for attaining their early implementation, as appropriate,

1. Invites member States to transmit to the Executive Director of UNIDO, if they so desire, any information they may deem relevant on measures initiated by their respective Governments, both as regards policy and implementation in pursuance of the recommendations of the International Symposium;

2. Requests the Executive Director on the basis of information available to submit to the sixth session of the Board his comments, observations and recommendations.

106th plenary meeting,
30 April 1970.

27 (IV). Role of UNIDO in co-ordination of activities in industrial development

The Industrial Development Board,

Recalling operative paragraphs 27-36 of General Assembly resolution 2152 (XXI), which cover relations of UNIDO with other organs and agencies in the United Nations system as well as with intergovernmental and international non-governmental organizations concerned with the promotion of industrial development,

Noting the respective roles of ECOSOC and UNIDO on co-ordination, as stated in General Assembly resolution 2152 (XXI) establishing UNIDO,

Recalling its resolution 1 (I), 4 (II) and 14 (III) on the role of UNIDO with regard to co-ordination,

Having examined the report of the Executive Director on co-ordination (document ID/B/65),

1. Notes with appreciation the arrangements concluded between UNIDO and FAO and between UNIDO and ECAFE, setting guidelines for co-operation in the field of industrial development;
2. Notes with satisfaction the continuous efforts made by UNIDO in co-operation with other organizations concerned to eliminate duplication of activities in the work of the organizations in the United Nations system concerned with industry;
3. Recommends to the Executive Director to develop further the co-operative arrangements with other agencies and bodies within the United Nations system and outside it, including intergovernmental and non-governmental organizations, in order to enlarge the area of joint programming and establish complementary projects and harmonized activities;
4. Suggests that the Executive Director continue his consultations, on request, with the Governments concerned for better co-ordination of multilateral programmes of aid in the field of industry with both the national programmes of development and bilateral assistance;

5. Recommends that the Executive Director ensure further development of co-ordination at the field level in collaboration with the Governments concerned and the Resident Representatives of UNDP, regional intergovernmental organizations, the National Committees for UNIDO, the regional economic commissions and UNESOB, regional development banks and the regional advisers;

6. Recommends that the UNDP/UNIDO industrial field advisers intensify their activities in collaboration with the UNDP Resident Representatives and with the Governments of developing countries to ensure the best utilization of resources;

7. Requests the Executive Director to report to the Industrial Development Board at its fifth session on the progress made by UNIDO in developing co-ordination and co-operation with other bodies and organizations, especially at the country level;

8. Further requests the Executive Director to submit to the Industrial Development Board at its sixth session the Fifth Consolidated Report on the activities of the United Nations system in industrialization covering the year 1970.

104th plenary meeting,
29 April 1970.

28 (IV). Operational activities of UNIDO

The Industrial Development Board,

Recalling General Assembly resolution 2152 (XXI) setting out the purposes and functions of UNIDO, including the central role of UNIDO in the promotion of co-ordination of activities in industry of all organizations in the United Nations family,

Recalling further its resolution 9 (II) which in paragraph 9 considered "that the United Nations Industrial Development Organization should be entrusted with the responsibility of executing a larger number of projects related to industrial development under the two components of the United Nations Development Programme",

Having taken note of the Executive Director's review of past performance and future prospects of UNIDO,

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1. Expresses its satisfaction concerning the increase in the number of Special Fund projects entrusted for execution to UNIDO by the United Nations Development Programme, and believes that the increasing requests of the developing countries in industry will necessitate a growth of the number of UNDP-financed projects both Special Fund and Technical Assistance in the field of activity of UNIDO;
2. Welcomes the measures taken by the Governing Council of the United Nations Development Programme to ensure the continuing financing of the SIS programme, which has proved to be highly effective as a flexible instrument of assistance to meet the particular requirements of the developing countries in the field of industry;
3. Reaffirms the importance of the programme of industrial field advisers and urges the Governing Council of the United Nations Development Programme to provide the necessary financing for a larger number of field advisers, bearing in mind the need for, and the importance of, UNIDO strengthening its links with the field;

4. Considers that UNIDO should continue to take necessary steps towards the most effective feasible utilization of the resources placed at its disposal for the purpose of meeting the requirements of the developing countries in the field of industrial development;

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5. Considers that it may be necessary for many developing countries to secure assistance from the conception of projects to their implementation and including, mainly, the identification of industrial investment opportunities, formulation of industrial projects, promotion activities, pre-investment studies and subsequent financing;

6. Further considers that UNIDO should assist developing countries at their request in the preparation of pre-investment studies of specific industrial projects leading to financing from internal or external sources which is an essential phase in the above-mentioned process;

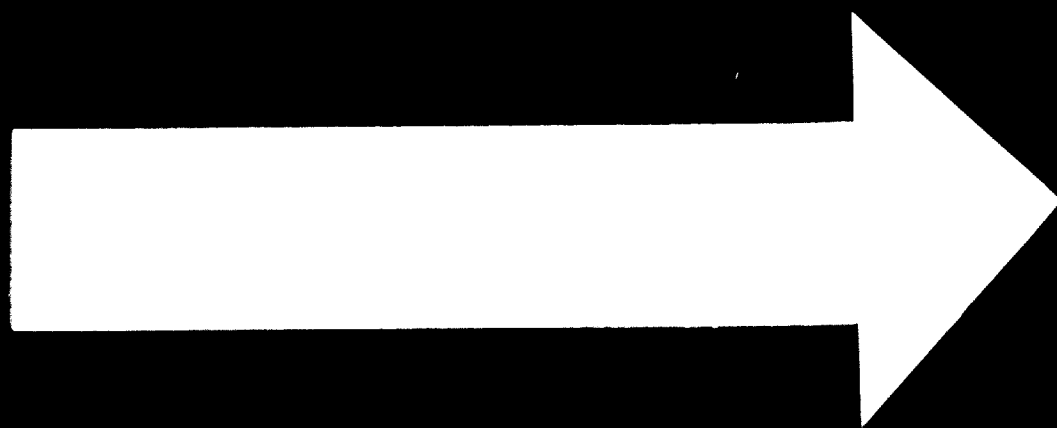
7. Recommends that, in order to ensure the best possible linkage between pre-investment and investment, UNIDO should maintain and develop close contacts with potential sources of finance, both internal and external and it should assist the developing countries in securing the most favourable terms;

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8. Notes the activities of UNIDO in long-term programming of technical assistance in co-operation with national authorities of the countries concerned;

9. Recommends co-ordination of these activities with the proposed long-term country programming activities of the United Nations Development Programme and considers that the basis for UNIDO's work should as far as possible, be long-term programmes, to promote the industrialization of the developing countries, taking account of their national plans and of their key priorities. UNIDO should consider the possibility of establishing in the developing countries, at their request, pilot plants in different industries;

10. Requests the Governing Council of the United Nations Development Programme that in considering any changes in the current programming procedures, sight should not be lost of the need for adequate provisions to ensure flexibility in the approval and financing of short-term projects;

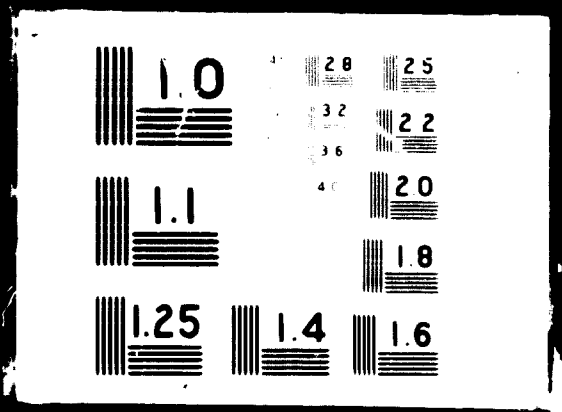


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11. Calls the attention of the UNDP Governing Council to the increasingly important role of co-operation among developing countries in the implementation of multi-national projects, regional or sub-regional undertakings, particularly those leading to economic integration and regional harmonization;

12. Considers it desirable, in order to expedite the implementation of operational projects and to increase their efficiency, that appropriate procedures be adopted by the relevant governing bodies, to allow speedy action, in such areas as recruitment, sub-contracting, procurement of equipment, etc., including greater utilization of expertise, manufacturing capacities and other resources available in the developing countries;

13. Considers further that there is a need to broaden the instruments of technical co-operation to include additional forms of assistance suited to the special requirements of industry such as technological consultations at an appropriate level, and the transfer of technology, scientific and technical information to the developing countries, keeping in mind the fact that UNIDO should be the organization in the United Nations system primarily responsible for industrial technology and information;

14. Requests the Executive Director to transmit the relevant sections of this resolution to the Governing Council of the United Nations Development Programme and to report to the fifth session of the Industrial Development Board on the progress achieved in the implementation of this resolution.

106th plenary meeting,
30 April 1970.

29 (IV). Special International Conference on the
United Nations Industrial Development Organization

The Industrial Development Board,

Recalling its resolution 22 (III) on the Special Meeting of the United Nations Industrial Development Organization,

Considering the General Assembly resolution 2578 (XXIV) dated 15 December 1969 which took into account the above resolution and suggested that a Special International Conference of the United Nations Industrial Development Organization, at the highest possible level of governmental representation, be held at an appropriate time,

Noting General Assembly resolution 2571 (XXIV) on the international development strategy dated 13 December 1969,

Noting the report by the Executive Director on the subject contained in document ID/B/72 submitted for consideration at its Fourth Session,

1. Recommends that the General Assembly convene a Special International Conference of the UNIDO, open to all members of UNIDO, at the highest possible level of governmental representation, to be held in Vienna immediately after the Fifth Session of the Board, either in May/June 1971, or in November/December of the same year, for one week;
2. Further recommends that the provisional agenda of the Special Conference should be as follows:
 - I. Long-range strategy and orientation of UNIDO's activities, including the Organization's role in the Second Development Decade and the transfer and adaptation of technology for the industrial development of the developing countries.
 - II. The organizational structure of UNIDO.
 - III. Questions of UNIDO's financing.
3. Requests the Executive Director to consult with the member governments of UNIDO on the preferred date of the suggested conference. The Executive Director is also requested thereafter to submit to the 25th Session of the General Assembly

his recommendation for the exact date of the conference, and accordingly of the Fifth Session of the Industrial Development Board, on the basis of available facilities and taking into account the observations of the member governments of UNIDO;

4. Recommends that the conference elect a President, three Vice-Presidents and a Rapporteur, hold only Plenary Meetings and adopt its agenda and that for all other matters the Rules of Procedure of the Conference should be those of the Industrial Development Board;

5. Requests the Executive Director of UNIDO to issue invitations to the Conference, to prepare the documentation and to undertake the necessary contacts and consultations for this purpose;

6. Urges member governments of UNIDO to submit to the Conference their views and observations on the items of the provisional agenda and to participate in the Conference so as to ensure the continuous effectiveness of UNIDO as an instrument of international co-operation for the benefit of the developing countries;

7. Decides that an advisory committee for the Conference will be composed of the five officers of the Fourth Session of the Industrial Development Board or alternates chosen by the member concerned from members of the delegations of his Government to the Fourth Session of the Industrial Development Board. This committee will meet at the request of any three of its members. The Executive Director may propose such meetings. The Committee will review the progress of the preparations for the Conference and address any recommendations thereon to the Executive Director. The Committee will endeavour to reach recommendations by concensus.

106th plenary meeting,
30 April 1970.

ANNEX IV

PRE-SESSION DOCUMENTATION SUBMITTED BY THE SECRETARIAT
TO THE INDUSTRIAL DEVELOPMENT BOARD

General Series

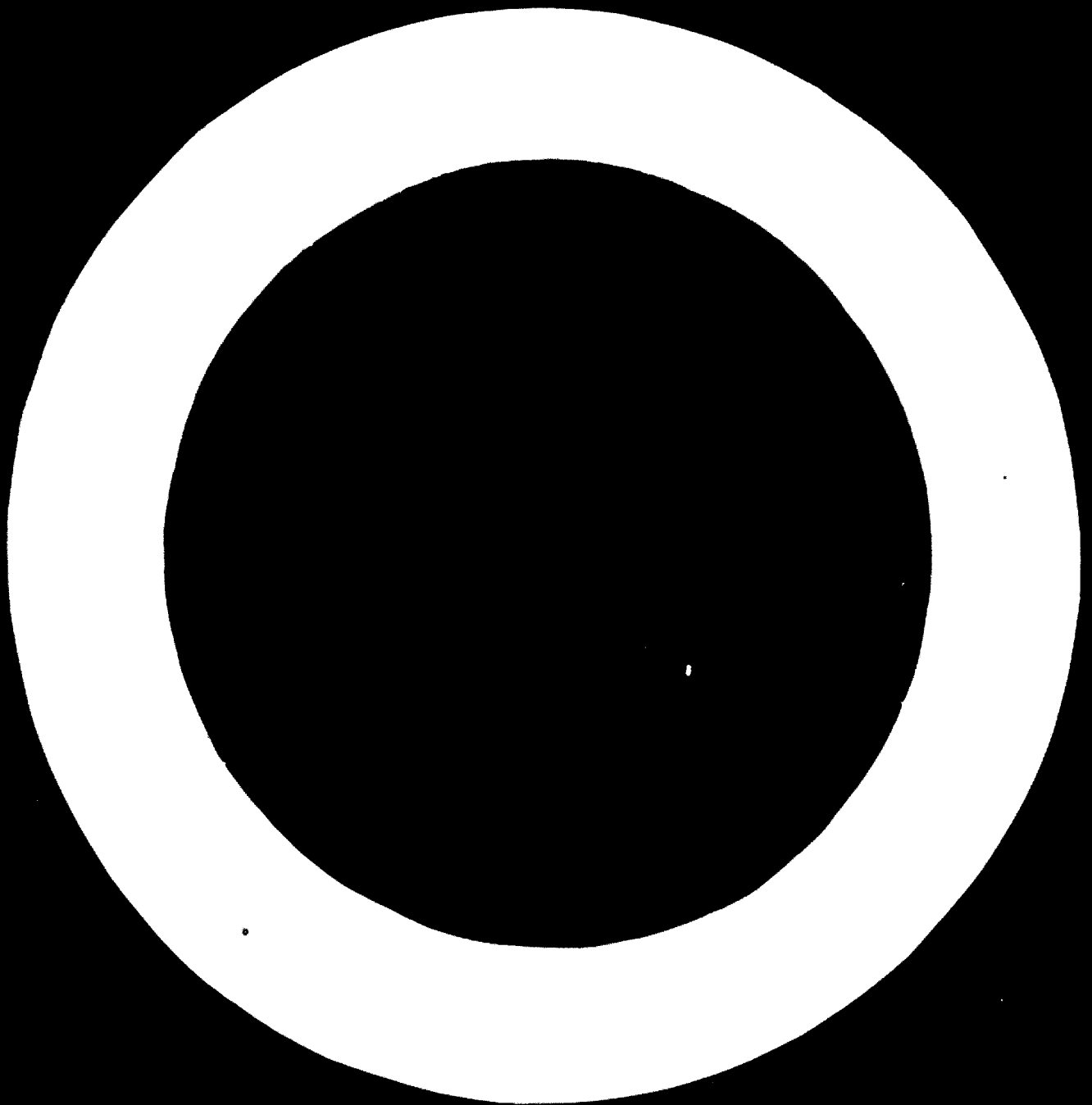
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| ID/B/63/Rev.1 | Agenda of the fourth session |
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Consideration of General Assembly Resolution 2577 (XXIV),
including the provisions relating to the recommendations
and resolutions of the 1967 International Symposium on
Industrial Development and of the Industrial Development
Board
- ID/B/77
Consideration of the capacity of the United Nations
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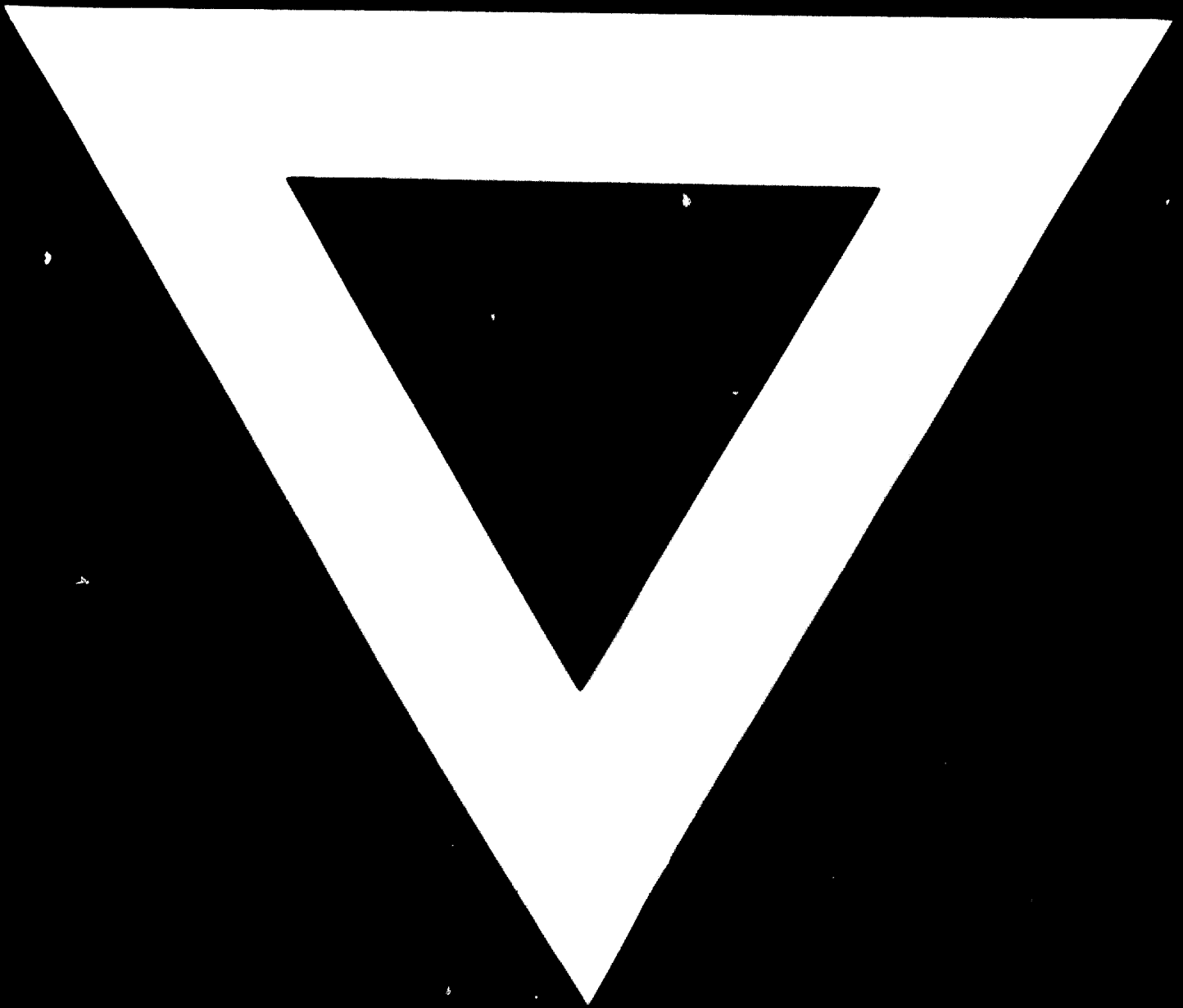
REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD
ON THE WORK OF ITS FOURTH SESSION

Corrigendum

Annex III, p.163, Resolution 29(IV), heading

Change heading of the resolution to read as follows:

"Special International Conference of the United Nations
Industrial Development Organization"



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