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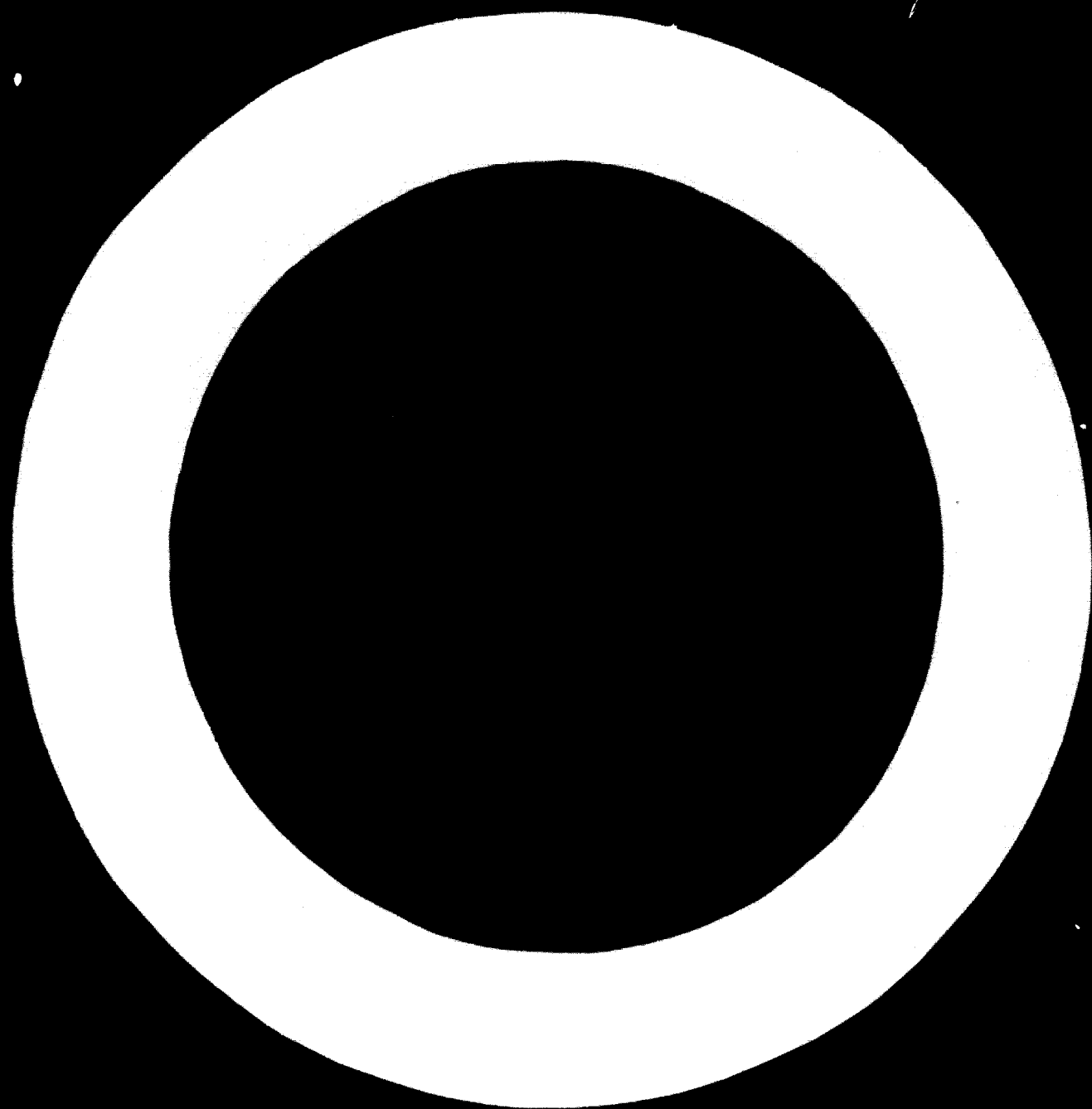
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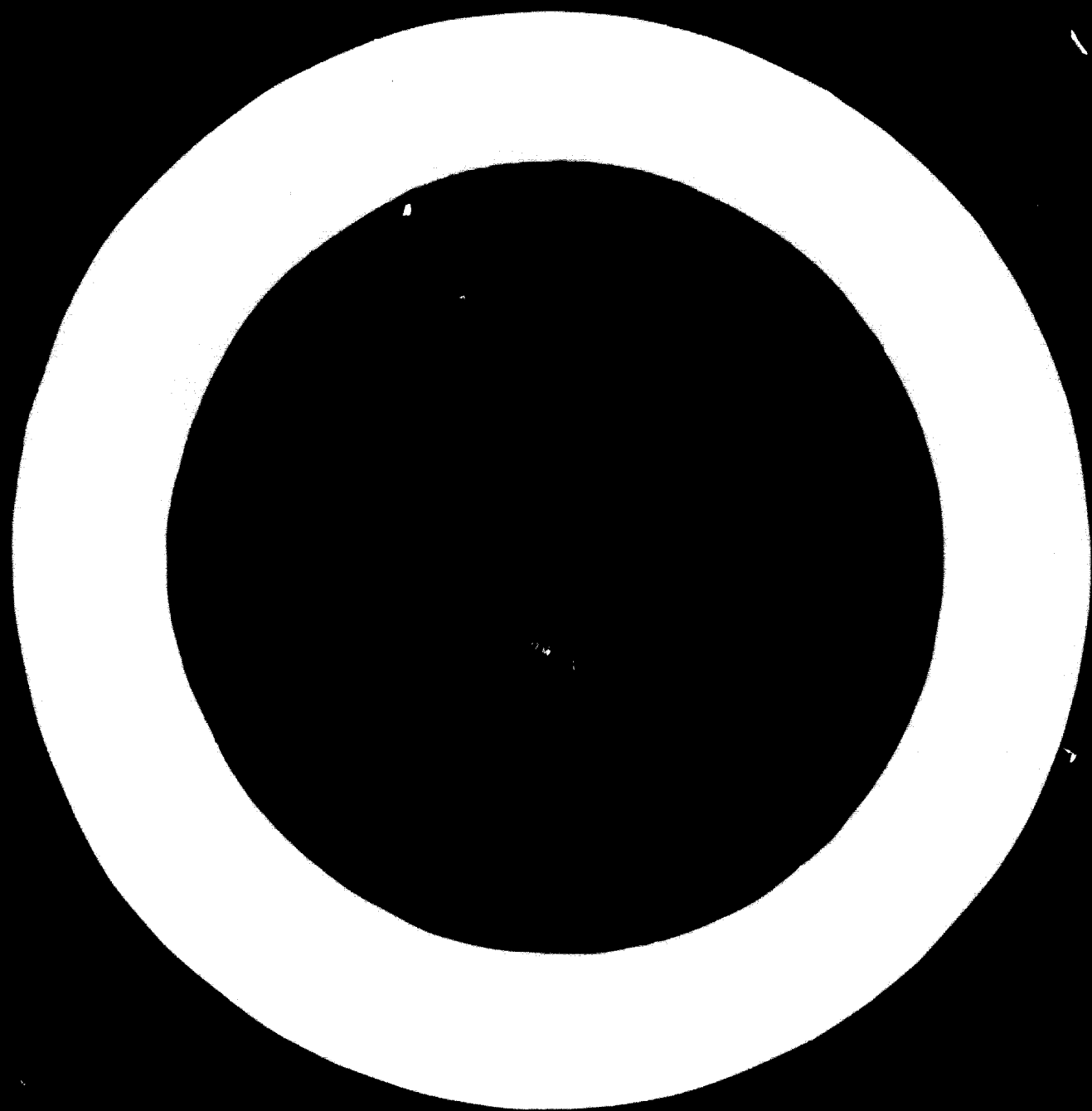
United Nations Industrial Development Organization

Industrial Development Board

**REPORT OF THE INDUSTRIAL DEVELOPMENT
BOARD ON THE WORK OF ITS
FIFTH SESSION**

Vienna, 24 - 28 May 1971





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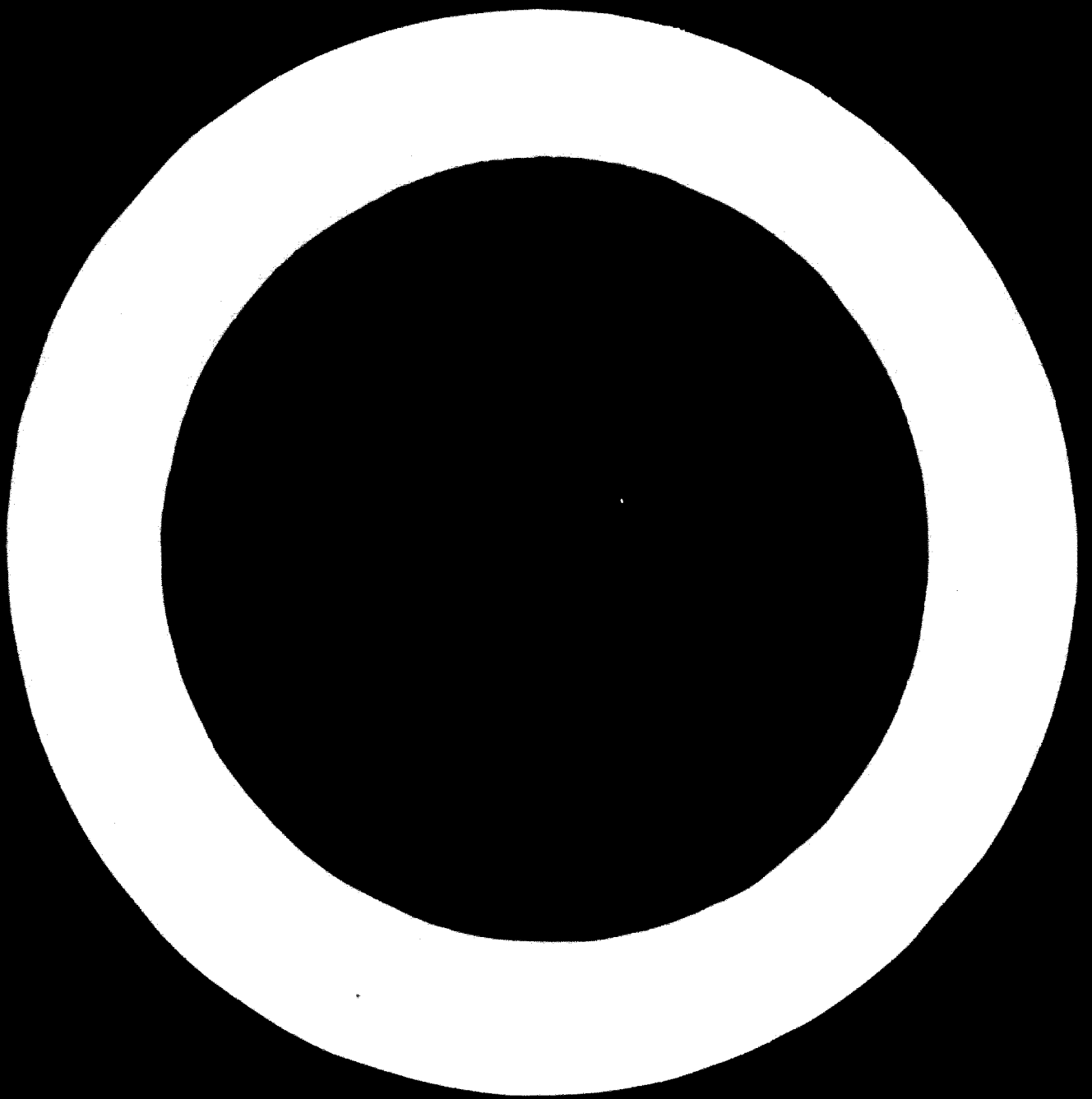
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ABBREVIATIONS

ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECLA	Economic Commission for Latin America
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 Programme
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 fifth 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 fifth session of the Industrial Development Board was held at the Neue Hofburg, Vienna, Austria from the 24 to 28 May 1971. The fifth session of the Board was preceded by the third session of the Working Group on Programme and Co-ordination which was established as a subsidiary organ by resolutions 3 (II) and 12 (II), adopted by the Board at its second session. The present report was adopted by the Board at its 115th meeting on 26 May 1971.

CHAPTER I. ORGANIZATION OF THE SESSION

1. The Industrial Development Board opened its fifth session in Vienna, Austria, headquarters of the United Nations Industrial Development Organization, on 24 May 1971.
2. The session was opened by Mr. Zdenek Šedivý (Czechoslovakia), President of the fourth session, who acted as President of the fifth session pending the election of the new President.

Membership and attendance

3. The following members of the Board were represented at the sessions: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Chile, Costa Rica, Cuba, Denmark, Federal Republic of Germany, France, Ghana, Hungary, India, Indonesia, Iraq, Italy, Ivory Coast, Japan, Kenya, Kuwait, Madagascar, Mali, Mexico, Netherlands, Norway, Pakistan, Philippines, Poland, Senegal, Spain, Sweden, Switzerland, Thailand, Turkey, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay and Venezuela.
4. The following States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency sent observers to the sessions: Australia, Canada, China, Colombia, Congo (Democratic Republic of), Czechoslovakia, Ecuador, Finland, Gabon, Greece, Holy See, Honduras, Israel, Libyan Arab Republic, Peru, Republic of Korea, Republic of Viet-Nam, Romania, Rwanda, South Africa, Trinidad and Tobago, Tunisia, United Republic of Tanzania and Yugoslavia.
5. The United Nations Economic Commission for Africa, the United Nations Economic Commission for Asia and the Far East, the United Nations Economic Commission for Europe, the United Nations Economic and Social Office in Beirut, the United Nations Conference on Trade and Development and the United Nations Development Programme were represented at the session.
6. 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 and the World Health Organization. The International Atomic Energy Agency also sent a representative.

7. Observers from the following intergovernmental organizations attended the sessions: the Common Afro-Malagasy-Mauritius Organization, the Council for Mutual Economic Assistance, the European Economic Community, the Organization of African Unity, the Organization of American States and the World Intellectual Property Organization.

8. Observers from the following non-governmental organizations attended the sessions: 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 Institute for Industrial Planning, the World Confederation of Labour and the World Federation of Trade Unions.

Statement by the President of the fourth session

9. In a statement, the President of the fourth session, Mr. Šedivý, recalled that since the last session of the Board, a number of important events had taken place within the United Nations system, in particular the launching of the International Development Strategy and the opening of the Second United Nations Development Decade. Referring then to the Special International Conference of UNIDO, for the preparation of which the Board had been entrusted with a special responsibility by the United Nations General Assembly, the retiring President stated that the role which UNIDO could play in opening up new prospects for international co-operation would depend, in great measure, on the outcome of the Conference that followed immediately the present session of the Board. The forthcoming deliberations of the Board should, therefore, be both fruitful and efficient.

Election of officers

10. At its 107th meeting, on 24 May 1971, the Board, in accordance with rule 18 of its rules of procedure, elected the following officers for the fifth session:

<u>President:</u>	Mr. Kwaku Bapui Asante, Ghana	(with one abstention)
<u>Vice-Presidents:</u>	Mr. Massimo Casilli d'Aragona, Italy	(unanimously)
	Mr. V.C. Trivedi, India	(unanimously)
	Mr. Erich M. Zeilinger, Costa Rica	(with one abstention)
<u>Rapporteur:</u>	Mr. Ernő Hárs, Hungary	(unanimously)

11. On assuming office, the President of the fifth session made a statement in which he drew attention to the problems caused by permanent cost inflation in the developed countries with market economy which imposed a greater burden to developing countries in purchasing the necessary machinery for their industrialization. The situation was further aggravated by the low prices on the world market for a number of primary commodities produced by the developing countries. The problem of industrialization was not a residual problem to be solved when other economic problems, particularly those of developed countries, had been settled. Like the general problem of economic development in the developing countries, it called for convergent measures by both developed and developing countries. Problems facing industrialized countries, such as unutilized capacity, unemployment and balance of payments, could be solved more rationally if they were considered in the context of the needs of the developing countries. In a world growing smaller every day, such problems, whether of the physical environment or the man-made institutional environment, could best be solved on a global scale. It was an anachronism today to speak of East or West, North or South. Referring to a recent earthquake which caused heavy casualties, he stated that although natural disasters could not be controlled, the sufferings they caused could be alleviated by using available science and technology to create abundance. The Board's ultimate aim was not industrialization for its own sake or for the sake of an increase in the gross national product, but rather as a means of changing the lives of millions "from creatures into beings who live".

Credentials

12. In accordance with rule 17, paragraph 2, of the rules of procedure of the Industrial Development Board, the officers of the fifth 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 113th meeting, on 28 May 1971.

Agenda

13. At its 108th meeting, the Board adopted its agenda as it was submitted in document ID/B/79. It decided to examine the various items in the order they appeared on the agenda, being understood that the Board might (a) include in

the course of its negotiations about the Special International Conference of UNIDO an additional item on the matter under the provisions of rule 13 of its rules of procedure and (b) suspend its discussions where necessary to consider important issues related to item 8: Information on the state of preparation of the Special International Conference of UNIDO.

14. At its 110th meeting, the Board decided that former item 8 of the agenda should be re-written as follows:

Special International Conference of UNIDO:

- (a) Information on the state of preparation for the Conference;
- (b) Consideration of other matters relating to the Conference.

15. The following agenda, as revised, was adopted:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. 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 of questions pertaining to projects within the work programme.
5. Co-ordination of activities of the United Nations system in the field of industrial development.
6. Financial and organizational matters.
7. Matters concerning intergovernmental and non-governmental organizations.
8. Special International Conference of UNIDO:
 - (a) Information on the state of preparation for the Conference;
 - (b) Consideration of other matters relating to the Conference.
9. Provisional agenda of the sixth session.
10. Date and place of the sixth session.
11. Other business.
12. Adoption of the report of the fifth session.

CHAPTER II. ACTIVITIES OF UNIDO IN 1970 AND PROGRAMMES
OF WORK FOR 1971 AND 1972

A. Consideration of the report of the Working Group on Programme and Co-ordination on the work of its third session

16. The Board proceeded to consider the report of the Working Group on Programme and Co-ordination (ID/B/L.91). In the course of the discussions on this report, most delegations expressed their appreciation for the work done by the Working Group in examining the work programme documents and facilitating the deliberations of the Board.
17. With regard to the report itself, a number of delegations expressed misgivings about the presentation followed so far in providing conflicting views on individual items. Expanding on this theme, one delegation pointed out that the report failed to provide the necessary framework for the guidance of the secretariat in its future activities, nor did it provide specific policy guidance on the question of industrialization of the developing countries, as mentioned in General Assembly resolution 2152 (XXI).
18. Several delegations addressed themselves to the work programme documents placed by the secretariat before the Working Group. A number of delegations stressed the need for the secretariat to address itself more closely to the question of evaluation of its activities in the preparation of the work programme documents. In this connexion, these delegations supported the proposal that a separate item on evaluation be included in the agenda of the Working Group and of the Board. Other delegations welcomed the country evaluation reports (ID/B/83/Add.1-2) prepared by the secretariat for this session of the Board and considered these as a good start in the right direction. One delegation, however, expressed the view that care should be taken not to evaluate activities that had already been evaluated by other bodies of the United Nations, such as UNDP.
19. Reference was also made by a number of delegations to the question of priorities in the activities of UNIDO. Although the difficulties inherent in the problem of setting priorities were recognized by these delegations, they pointed out that the limited resources of the organization warranted that diffusion of activities should be avoided and that developing countries should

tailor their requests to the areas that were within the effective capabilities of UNIDO. In this connexion, individual delegations emphasized specific fields as deserving special attention by the secretariat including: international subcontracting; environmental problems; industrial information; local machinery for planning and programming of industrial development; and areas of production financing and marketing common to certain industries.

20. Two delegations called attention to the fact that the question of the financial resources to be made available for the implementation of UNIDO's work programme would have to be considered by the Fifth Committee of the General Assembly.

21. The Board then adopted the report of the Working Group on Programme and Co-ordination (ID/B/L.91) and decided that the full text of the report of the Working Group should be included as a separate section in the report of the Board.^{1/} It also noted the summary review of UNIDO activities in 1970 (ID/B/L.91/Add.1 and Corr.1) which appears as annex I to the present report, and which is submitted to the General Assembly in conformity with General Assembly resolution 2407 (XXIII).

22. The Board approved the programme of work for 1972 and the updating of the programme of work for 1971, as submitted in documents ID/B/80 and Add.1-6, and requested that, in the implementation of this programme, within the resources available and to be made available for the respective years, the secretariat should take into consideration the observations expressed in the Working Group and in the Board, as recorded in the present report.

B. Report of the Working Group

23. 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.

24. The Working Group on Programme and Co-ordination held its third session at the Neue Hofburg, Vienna, Austria, from 10 to 21 May 1971. The present report was adopted by the Working Group at its 61st meeting on 21 May 1971.

^{1/} Cf. paragraphs 23 to 280.

25. 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.

26. The report of the third 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

27. In the absence of officers of the fourth session of the Board, the third session of the Working Group on Programme and Co-ordination was opened by the Executive Director.

28. The Working Group held twenty plenary meetings.

Participation

29. The following members of the Board were represented at the third session of the Working Group: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Chile, Costa Rica, Cuba, Denmark, Federal Republic of Germany, France, Ghana, Hungary, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Japan, Kenya, Kuwait, Mali, Mexico, Netherlands, Norway, Pakistan, Philippines, Poland, Senegal, Spain, Sweden, Switzerland, Thailand, Turkey, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay and Venezuela.

30. The following States sent observers to the session: Australia, Canada, China, Colombia, Congo (Democratic Republic of), Czechoslovakia, Ecuador, Finland, Gabon, Greece, Libyan Arab Republic, Peru, Republic of Korea, Republic of Viet-Nam, Romania, Rwanda, Trinidad and Tobago, Tunisia and Yugoslavia.

31. The United Nations Economic Commission for Africa and the United Nations Conference on Trade and Development were represented at the session.

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

33. Observers from an intergovernmental organization, the World Intellectual Property Organization, and of a non-governmental organization, the International Christian Union of Business Executives, attended the session.

Election of officers

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

Chairman: Mr. Kwaku Papuni Asante, Ghana

Vice-Chairmen: Mr. Massimo Casilli d'Aragona, Italy
Mr. V.C. Trivedi, India
Mr. Luis Weckmann Muñoz, Mexico

Rapporteur: Mr. Ernő Hárs, Hungary

Credentials

35. 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 54th meeting, and the Working Group approved the report.

Agenda

36. At its 42nd meeting, the Working Group approved a proposal by the Chairman to include in its agenda an item on the recommendation of the Advisory Committee for the Special International Conference of UNIDO to the Working Group on Programme and Co-ordination in connexion with the preparatory work for the Conference. The Working Group took note of the following points contained in the above-mentioned recommendation: (i) "the Working Group would not be directly involved as such in the preparatory work of the Conference"; (ii) "it may wish to invite Governments and geographical groupings to pursue informal negotiations on the Conference outside its normal sessions"; and (iii) "the secretariat will provide facilities for, and be at the disposal of, delegations in connexion with these negotiations". The Working Group unanimously adopted the following agenda:

1. Opening of the meeting.
2. Election of officers.
3. Adoption of the agenda.
4. Recommendation of the Advisory Committee for the Special International Conference of UNIDO to the Working Group on Programme and Co-ordination in connexion with the preparatory work for the Conference.

5. Activities of UNIDO:
 - (a) Report on the activities of UNIDO in 1970;
 - (b) Revised programme of work for 1971;
 - (c) Proposed work programme for 1972.
6. Co-ordination questions pertaining to projects within the work programme.
7. Adoption of the report of the Working Group on Programme and Co-ordination, including draft recommendations to the Board.

Organization of work

37. At its 42nd meeting, the Working Group decided, as in the past, to consider the items of its agenda in the following order: item 5 (Activities of UNIDO) - first Part Two of the programme of work for 1972 including report of activities in 1970 and updating of 1971 programme, by groups of activities, and then Part One which contains a general review of the programme of work for the three years considered; item 6 (Co-ordination questions pertaining to projects within the work programme); and item 7 (Adoption of the report of the Working Group).

Consideration of the programme of work for 1972, report of activities in 1970 and updating of 1971 programme

Programme activities by groups of activities, including co-ordination questions pertaining to projects within the work programme

Industrial Technology Division^{2/}

Group 1: **Engineering industries**

38. The activities of UNIDO in the field of engineering industries were generally welcomed in view of the importance of this sector to the process of industrialization. In addition, there was general agreement with the priorities in this field as reflected in the work programme, that is, agricultural machinery and implements, repair and maintenance, metalworking and construction machinery. One delegation, however, would have included among these priorities machinery for food, textile and wood processing industries.

^{2/} The programme of activities of this division is contained in document ID/B/80/Add.1. The paragraphs quoted in this section refer to the aforementioned document.

39. With regard to agricultural machinery and implements, many delegations welcomed the secretariat's continuing activities and expressed satisfaction with the increase in field projects as a follow-up to the 1969 meeting on **Agricultural Machinery Industry in Developing Countries** (paragraph 37) and to the fact-finding missions that had already been carried out (paragraph 38). Support for the continuation of such missions (paragraphs 39-42) and for the proposed expert group meeting on design and manufacture of wet land (rice) harvesting and threshing machinery (paragraph 44) was expressed by a number of delegations, some of whom stressed the need, in this connexion, for the promotion of local entrepreneurship and training. One delegation also stressed the need for more efficient machinery for rice milling in order to increase the supply of rice by reducing the waste.

40. Several delegations welcomed the co-operation of UNIDO with other organizations, particularly FAO, associated with the Green Revolution and called attention to existing studies and data in the field of agricultural machinery and implements prepared by interested organizations.

41. Attention was also drawn to the importance of promoting agricultural machinery and implements that are especially designed for developing countries and are within the purchasing power of the rural population such as small and inexpensive tractors.

42. With respect to electrical and electronic industries, differing views were expressed on the introduction of activities having a high technological content, such as the proposed expert group meetings on the manufacture of electronic components in developing countries (paragraph 48) and on the manufacture of semi-conductors on a subregional basis (paragraph 50). Some delegations expressed their reservations about the promotion of the manufacture of semi-conductors in developing countries because of the complexity of the production and testing methods, its high capital-intensiveness, and the limited home market, given the large series of production necessary. Other delegations, however, stated that developing countries should consider the creation of industries with advanced technology, especially as there were some developing countries which had already registered a measure of progress in advanced technology. These delegations were of the opinion that UNIDO should provide the necessary leadership in making accessible to developing countries the technology and know-how needed to establish such industries and should promote their expansion in those countries. One delegation said that it rejected the

view that developing countries were incapable of creating sophisticated industries and regarded such an attitude as conducive to a division of the world into haves and have-nots in technology. Another delegation from a developing country pointed out that its country had already licensed several units manufacturing semi-conductors. It was pointed out by the secretariat that the purpose of the meetings was to investigate recent developments in that area in order to provide a basis for decisions by individual developing countries as to whether they should embark on the manufacture of these components. Also included in these investigations were considerations of licensing and subcontracting. In response to an inquiry, the secretariat undertook to supply a list of countries that had requested the meeting on semi-conductors.

43. One delegation observed that UNIDO should not deal with questions of the transfer of used equipment to developing countries, as the problems of industrialization could not be solved with worn-out equipment.

44. Several delegations welcomed the continuing expansion of activities in the area of repair and maintenance, particularly for specific industrial sectors including agricultural machinery and implements, motor vehicles and electrical equipment. It was observed in this connexion that attention should not be concentrated on publicity work regarding the importance of repair and maintenance, but on practical questions of helping developing countries to organize the repair and maintenance of industrial equipment.

45. Some delegations urged the secretariat to undertake an evaluation of the repair and maintenance projects, particularly with regard to the effectiveness of mobile repair units, before expanding on its activities in this area. One delegation pointed out that such evaluation reports on mobile repair units were already available.

46. Some delegations were of the opinion that the manufacture of spare parts in developing countries might be too complicated and too costly. Other delegations, however, thought that the progressive build-up of local manufacture of spare parts was both desirable and feasible. It was noted that this matter was the subject of a further study by the secretariat, as evidenced by the study on the supply of spare parts to industry (paragraph 57). Satisfaction was expressed on the practical approach to the manufacture of spare parts through the establishment of repair workshops that could be utilized for the production of replacement units.

47. With respect to the development of the metalworking industries, several delegations welcomed the introduction of design centres and other service centres for these industries, with particular emphasis on product design, material testing and quality control and the encouragement of local production of consumer goods, machinery and tools and their better utilization.

48. Co-operation with the regional economic commissions and UNESCO in the organization of meetings concerned with development of the metalworking industries in Asia and Latin America (paragraph 59) and with the promotion of the machine-tool industry in developing countries in Europe and the Middle East (paragraph 61) was welcomed by several delegations.

49. In the discussion on transportation and equipment, attention was focused on shipbuilding, including particularly fishing vessels and small crafts. Some delegations expressed support of the activities of UNIDO in this area and pointed out that UNIDO should give special attention to the use of ferro-cement in the construction of low-cost fishing vessels.

50. One delegation was of the opinion that, starting with simple equipment, more attention should be directed towards promoting the gradual local manufacture of equipment needed for indigenous new factories in the developing countries. This would save great sums of foreign hard currency which could be earmarked for more important aspects of the over-all development projects of developing countries.

51. Support was expressed for the recommendations made at the fourth session of the Industrial Development Board with regard to the expansion of UNIDO's activities in the organization and holding of expert group meetings, seminars and symposia on various industrial questions.

52. One delegation, supported by other delegations, drew attention to the intensive activity of the UNIDO secretariat in giving aid to Israel, which was the beneficiary of four UNIDO projects in the engineering industries group alone, while UNIDO aid planned for Israel in all the groups of activities in 1971 totalled \$462,500 - three times more than the aid given to Israel by UNIDO in 1970, and more than the total amount of aid to be provided by UNIDO in 1971 for five Arab countries together, i.e. Iraq, Jordan, Lebanon, the People's Democratic Republic of Yemen and Syria. It was stressed, in this connexion, that UNIDO, as an organ of the United Nations General Assembly, could not refrain from taking into account, in extending aid and co-operation, the decisions

of the supreme organs of the United Nations regarding any country. UNIDO should not, therefore, give economic and technical assistance to Israel, which was carrying on aggressive activities against Arab territories and undermining the basis for peace and security in the Middle East, the establishment of which would further the economic and industrial development of the developing countries of that area.

53. One delegation deplored the introduction of political observations of this kind into what should be a technical discussion of the ways in which UNIDO was trying to assist the developing countries.

54. During the adoption of the report of the Working Group, other delegations endorsed this latter point of view. Other delegations, however, supported the formulation in paragraph 52 above.

Group 2: Metallurgical industries

55. The major areas of the activities of UNIDO in the field of metallurgical industries, as reflected in its work programme document, were noted and commented upon by various delegations. These areas included the smelting of ilmenite concentrates obtained from heavy black beach sand deposits, the establishment of iron and steel industries and of alumina and aluminium production, the creation of local metallurgical expertise and the production of castings, all of which constitute the initial stage in the creation of a metallurgical industry. Both the field and the headquarters activities of UNIDO's work programme were, on the whole, considered to be in line with the needs of developing countries, and a number of delegations endorsed the goals and priorities indicated in the programme (paragraphs 70 and 71).

56. The large number of operational projects in the metallurgical industries sector was noted with satisfaction. One delegation asked about the availability of sufficient secretariat staff for implementation of current projects and of the new projects forecast for 1972. One delegation stated that the number of UNDP/SF projects in this group was too low and recommended that an effort be made to increase UNDP/SF projects in the metallurgical field.

57. Some delegations expressed satisfaction with the current efforts of UNIDO to assist certain developing countries to establish industries for the processing of ilmenite concentrates obtained from heavy black beach sands (paragraph 74). The operational projects under implementation in this particular area of metallurgy were considered by these delegations as providing a good example of effective action by UNIDO. It was observed, in this connexion, that the activities

of UNIDO in a number of African and Asian countries in the utilization of black sands could serve as a good example of the promotion of the establishment of new branches of industry in developing countries. Certain delegations indicated interest in being kept informed of results of the work in progress.

58. Interest was expressed in the projects related to alumina and aluminium production, and it was recommended that the corresponding supporting activities should be carried out as programmed (paragraphs 86 and 87).

59. Two delegations expressed their concern with an apparent concentration of the efforts of UNIDO in projects relating to iron and steel industries. It was recommended that greater attention be devoted to the problems of the non-ferrous metals industries, since many developing countries have important natural resources of ores of these metals and would like to increase the degree of local processing so as to raise the value of their exports and to provide employment opportunities.

60. Attention was called to the fact that new technologies for processing non-ferrous metals such as aluminium, copper, lead and zinc were available for use in developing countries. Moreover, the installation of more pilot plants to test local raw materials was advocated by some delegations.

61. In answer to questions raised by two delegations, the secretariat pointed out that although mining and metallurgy were closely related, the former fell within the scope of the United Nations Division of Transportation and Natural Resources.

62. Several delegations expressed the view that the establishment of iron and steel industries in developing countries was important and should be the object of special attention on the part of UNIDO. They noted that steel was a basic material for the development of other industries and recommended that UNIDO study the problems of utilization of local raw materials and of establishment of iron and steel plants adapted to local conditions. One delegation emphasized the need for investigating the possibility of utilizing economically the low-grade iron deposits found in various developing countries. It was also stressed that possibilities of using low-grade coals found in certain developing countries for metallurgical use in integrated steel plants might be explored. UNIDO might assist the developing countries in setting up pig-iron manufacturing units based on local iron ore and coal. Certain delegations, however, called attention to the fact that the possible economies of scale and the world market conditions for steel should be taken into account in planning the establishment of such plants. One delegation referred to the need to explore the possibilities of utilizing alternate sources of water supply, for example, sewage or sea-water, in large-scale industries such as iron and steel.

63. Support was expressed by a number of delegations for the proposed third interregional iron and steel symposium (paragraphs 98 and 99) and for the corresponding preparatory expert group meeting (paragraph 100). It was noted that most of the recommendations of the Second Interregional Iron and Steel Symposium were being taken into account by UNIDO and/or by interested Governments. One delegation suggested that the third interregional iron and steel symposium might be devoted primarily to the consideration of steel processing (rolling, forging, etc.). The delegation of Brazil announced that its Government had officially offered to host the third symposium.

64. Certain delegations expressed concern about the cancellation of certain supporting activities previously programmed. The secretariat pointed out that, for a variety of reasons, certain activities could not be carried out as previously planned. Nevertheless, the issues constituting the subject of these projects would be partly covered by the proposed new projects in the programme.

65. The participation of UNIDO in the meeting on direct reduction, programmed by ECE for 1972 in Romania, was recommended.

66. Emphasis was placed by a number of delegations on the importance of the establishment of foundry industries and of the assistance of UNIDO in this area, in view of the general interest and of the possibilities these industries afforded for international co-operation. The need to carry out the 1971 supporting activities as planned (paragraph 103) was stressed by two delegations. Emphasis was also laid on the need for selecting viable ranges of casting and forgings for manufacture and for ensuring their quality. One delegation suggested that assistance be given in the manufacture of high heat refractories. Special mention was made of the activities relating to the setting up of centres for metallurgical technology, and UNIDO was urged to intensify its activities in this area.

67. The efforts to promote the transfer of metallurgical technology to developing countries were noted, and many delegations expressed satisfaction with the inclusion of such activities in the programme. Support was indicated for the proposed project for the promotion of metallurgical technology transfer to the metal-transforming industries of developing countries (paragraph 107). One delegation called attention to a collection of selected information on special technologies for metal transformation prepared in its country and stated that the collection could be made available for the implementation of this project, if UNIDO so requested.

68. Interest was expressed in the workshop on creation and transfer of metallurgical know-how (paragraph 106), programmed for 1971. Several delegations indicated that their Governments were interested in participating in this workshop. One delegation pointed out the need for carrying out comprehensive surveys to determine the requirements of certain developing countries for such items as plain carbon, iron, steel and steel products. UNIDO might assist in conducting such surveys.

69. A number of delegations expressed interest in how the dissemination of technological information available to UNIDO was carried out and requested information on the extent to which such information was disseminated. The Executive Director explained the difficulties in the present arrangements, which he indicated were unsatisfactory, including general delay in production of United Nations publications, the need for approval of Governments for the release of 'experts' reports and the mass of information in need of classification - a task that was unmanageable without the help of computers to store and retrieve the information. He mentioned various alternatives, which UNIDO had been considering, and recommended that the question of improving existing methods could be taken up at an early date by the Industrial Development Board.

Group 3: Construction and building materials industries

70. The growing emphasis in the work programme of UNIDO in the field of construction and building materials was noted with satisfaction by many delegations. The importance of the use of low-cost, locally available materials in the development of this industry was particularly stressed. Although most delegations agreed with the priorities as indicated by the secretariat in this field, one delegation urged the inclusion of building hardware in the programme. In the context of this group, certain delegations wished to have further explanation of the relative importance attached to the various groups of activities, as reflected in the changing percentages of over-all resources allocated to them.

71. The active co-operation between UNIDO, the United Nations Centre for Housing, Building and Planning, the regional economic commissions and UNESOB was favourably commented upon as likely to assist in the dissemination of the results of research in building materials and construction.

72. The particular suitability of the building materials field for the transfer of know-how was stressed by several delegations. In this connexion, some delegations called attention to the fact that the transfer of know-how was not taking

place exclusively between developed and developing countries. There were many examples of know-how being transmitted between countries at various stages of development. UNIDO was urged to organize its activities under this group so as to facilitate such transfers of know-how among developing countries.

73. The need for greater emphasis on construction in the work programme was stressed by several delegations, and one delegation proposed that studies be initiated to this end. The Executive Director observed, however, that the construction industry itself, i.e. the organization and function of the industry concerned with the construction of houses, factories and related public works, was not covered by the activities of the United Nations. Although UNIDO had been reluctant to enter into this field, he believed that certain aspects of this industry could be undertaken by UNIDO.

74. The inclusion of activities in the area of calcium silicate building materials, as recommended at the fourth session of the Industrial Development Board, was noted with satisfaction. Work in this area would result in the effective utilization of waste silicious materials such as boiler fly ash and tin and gold mine wastes, which were available in many developing countries at minimal cost. In this connexion, several delegations commented on the need for wider use of low-cost, locally available raw materials and economical construction designs. The use of expanded or porous cement blocks, woodwaste/concrete blocks and agricultural waste in building panels was particularly stressed as a further potentially fruitful area for investigation by developing countries, where efforts were being made to reduce consumption of Portland cement, which in many areas remained a relatively expensive raw material for building. Two delegations offered the co-operation of their national research facilities in activities related to this area.

75. Several delegations stressed the desirability of increasing the number of major development field projects in this group of activities. In this connexion, the secretariat pointed out that at present most of the requests received from developing countries were for shorter term expert or consulting missions to carry out such tasks as overcoming production problems or investigating new material resources, but possibilities for major projects would continue to be actively sought. One delegation observed that operational activities in the group under consideration should be strengthened. As far as the supporting activities were concerned, the schedule of such activities for 1972 was unsatisfactory.

76. One delegation stressed that it was particularly important that UNIDO should adopt a systematic approach to the problem of trade policy and that co-operation with UNCTAD was particularly to be desired. The same delegation put forward the idea of a joint promotion campaign similar to that successfully organized in the repair and maintenance field. The secretariat commented that there was already effective machinery for co-operation between UNCTAD and UNIDO and that joint consultations were taking place on this subject.

Group 4: Chemicals, pharmaceuticals and pulp and paper industries

77. In the consideration of the activities of UNIDO in the field of chemicals, pharmaceuticals and pulp and paper industries, the work programme met with broad approval. Particular interest was displayed by delegations in marine salt and salt-based chemicals, sulphuric acid, non-timber resources for pulp and paper, pharmaceuticals and industrial waste.

78. Some delegations stressed that, as this group of activities included industrial branches requiring rather large capital investment and intensive research, it was particularly necessary that there be a concentration of efforts on branches and projects carefully selected on the basis of economic and technological criteria, taking into account the expediency of assistance for the utilization of local raw materials in the developing countries.

79. Several delegations supported the proposed action team for the promotion of the extraction of essential oils from indigenous plants (paragraph 164) through local demonstration tests in individual countries, particularly as this procedure represented a positive and action-oriented approach.

80. The continuation of the work being carried out on the salt and salt-based chemical industry was generally welcomed. Two delegations stressed that a higher priority might be granted to the proposal to hold an expert group meeting on water-salt chemical complexes (paragraph 156), scheduled for 1971, subject however to availability of funds. Referring to certain projects concerning sulphuric acid production, one delegation drew attention to the concern recently expressed about a possible surplus of sulphur on the world market. Some delegations pointed out that the operational activities of UNIDO

with respect to the group in question were inadequate and that there had been failure to approve UNDP/SF projects, despite the fact that the requirements for assistance in the developing countries amounted to a value of from \$1.5 to 3 million. It was also pointed out that a number of projects planned for 1970 in the Priority A category had been postponed, transferred or cancelled, and that this had led to an unnecessary waste of effort on the part of UNIDO.

81. With regard to pharmaceuticals, the need for extensive capital investment and sophisticated manufacturing techniques for the development of this industry was noted by some delegations. Many of the present production proposals, however, were restricted to the more basic pharmaceutical materials. Questions were raised regarding import substitution of intermediates in pharmaceuticals and the co-operation of pharmaceutical concerns. One delegation offered to provide expert help from its country and indicated an interest in co-production agreements with developing countries. Other delegations welcomed the regional approach being adopted by UNIDO to the problems of the industry in suitable areas. One delegation requested that, given the considerable resources allocated to certain projects, particular emphasis should be placed on the training element of these projects and on the close linking of supporting to field activities.

82. Several delegations commented favourably on the programme of activities of UNIDO in the area of pulp and paper, particularly with regard to the utilization of non-timber fibrous materials, and suggested that experts from developing countries might be used in this work. One delegation recommended that a higher priority be allocated to the proposed workshop on pulp and paper production in a developing country (paragraph 167).

83. Several delegations expressed interest in the problems of industrial waste utilization and control, especially in the light of the increased activity expected in this area by both developed and developing countries in view of the global human environment problems. The cancellation of the proposed regional meeting on industrial wastes (paragraph 171) due to lack of resources was regretted by some delegations.

84. One delegation pointed out that insufficient use was being made of the opportunities afforded by its country in the field under discussion, although appropriate offers had been made.

Group 5: Fertilizers, pesticides and petrochemicals industries

85. The importance of the activities of UNIDO with regard to fertilizers, pesticides and petrochemicals was generally recognized in view of the role which this field played in the production of food. It was also noted that the recommendations of the previous Industrial Development Board were generally followed in the proposed work programme. Many delegations expressed satisfaction with the number of pilot plants that had been set up under this group of activities.

86. Some delegations noted that the allocation of funds for this group showed a decreasing tendency from 1970 to 1972 (ID/B/80, table 3). The secretariat pointed out that the figures represented estimates of forecasts of future requests of assistance from developing countries. It was also explained by the secretariat that several UNDP/SF projects were in the pipeline, some of which were expected to materialize, at which time the allocation of funds for this group would correspondingly increase. The substantive supporting activities at UNIDO headquarters, however, would remain more or less constant.

87. A number of delegations attached great importance to the question of the creation of pilot and demonstration plants in this field and indicated that the activities of UNIDO in the creation of such enterprises should be intensified, particularly with regard to granting interested developing countries assistance in preparing new UNDP/SF projects for pilot and demonstration enterprises in the field of fertilizers, pesticides and petrochemicals.

88. In view of the close relationship of this field of activities and those of certain other United Nations agencies, several delegations commented on the need for close co-ordination with UNCTAD, FAO and WHO particularly for market surveys and studies of distribution problems in pesticides and fertilizers within the context of the Green Revolution. Co-operation on the working level in specific projects between UNIDO and the relevant agencies and regional economic commissions and UNESOB was also remarked upon. The joint future publications with FAO of the surveys of fertilizer production facilities in the ECAFE and ECLA regions along the lines of the published survey of the Africa region (paragraphs 184 and 185) were welcomed.

89. Some delegations pointed out that UNIDO should move cautiously in promoting very sophisticated industries or technology, for instance in the manufacture of proteins (paragraph 209) and catalysts (paragraph 194). Other delegations, however, wished UNIDO to provide assistance in these sophisticated areas when requested by developing countries.
90. Several delegations expressed support for the activities of UNIDO related to fertilizers. In particular, they welcomed the Second Interregional Fertilizer Symposium, to be held in 1971 (paragraph 190), as a problem-solving and promotion meeting. A number of delegations also welcomed the studies in underutilization of capacities in the fertilizer and pesticides industries (paragraph 189). One delegation requested that summaries of findings be circulated to developing countries for their guidance. The necessity of making studies of fertilizer regulations and restrictions in trade, as practised in various countries, was pointed out by another delegation. One delegation drew attention to the importance of disseminating basic information about fertilizers and pesticides to potential users, thus increasing local demand for these products. Some delegations from developing countries requested UNIDO to undertake urgently a study on the ways and means of co-ordinating the production of fertilizers among countries in a subregion in order to resolve the problems of underutilization of capacities and shortages.
91. On the question of raw materials for production of fertilizers and pesticides, several delegations commented on the need for production of sulphuric acid from natural and by-product gypsum and urged that UNIDO give it high priority. It was pointed out that UNIDO should continue to study how to reduce the cost of sulphur received by developing countries. One delegation expressed satisfaction that, in connexion with the Second Interregional Fertilizer Symposium, a study was being carried out on future trends in availability and price of sulphur, including an evaluation of techno-economic aspects of transport of molten sulphur (paragraph 195) and offered the services of experts from its country for carrying out the study in question, if those services were requested.
92. In the area of pesticides, close co-operation with FAO and WHO was urged by many delegations. While recommendations on the appropriate formulations of pesticides for various uses and on the control of residues were functions of FAO and WHO, UNIDO should assist developing countries in the production of "soft" pesticides and DDT.

93. One delegation recommended that, given its limited resources, UNIDO should concentrate its efforts within this group on fertilizers and pesticides.

94. With regard to petrochemicals, some delegations urged the secretariat to exercise caution in promoting uneconomic-scale production of sophisticated products in small market areas. Rapidly changing technology, the need for heavy capital investment and lack of skilled personnel in some developing countries were cited as constraints. Other delegations, however, pointed out that petrochemicals had vast export potential. Some delegations stressed the need for technical assistance by UNIDO in the preparation of tenders and evaluation of offers in respect of petrochemical projects which might be set up in the developing countries.

95. Some delegations emphasized the importance of establishing petrochemical industries in developing countries. In view of the increasing production of hydrocarbons, especially from crude oil and natural gas, UNIDO could not ignore the possibilities of the developing countries in this area, as such industries would be of great importance in accelerating the industrial development of these countries. UNIDO was therefore invited to continue and to increase its activities in this area, with a view to assisting the developing countries to promote their petrochemical industries.

96. Two delegations asked the secretariat to ensure that there would be no duplication of the work of other organizations in the expert group meeting on future trends in, and competition between, natural and synthetic rubber (paragraph 206). The secretariat pointed out that several international and national organizations had been approached, with the result that duplication should certainly be avoided. Several delegations noted that the subject was of vital interest to many developing countries and recommended that UNIDO expand the activities in this area.

97. One delegation welcomed the assistance given to plastic manufacture and recommended that it be extended, on a priority basis, to the manufacture of intermediates needed in the production of plastics and to intermediates that were at present being imported by many developing countries. Two delegations recommended that the work of the plastic technology centres (paragraph 211) be carefully evaluated and that the components of such a centre be carefully selected.

98. Several delegations suggested that priority be given to studies in protein production from hydrocarbons and from vegetable and other matters such as spirolynn (used for animal feed in various parts of Africa and Latin America) both for animal feed and human consumption (paragraph 209).

99. Although several delegations expressed support for the proposed mobile team for the transfer of technology in petrochemicals and plastics industries (paragraph 213), one delegation questioned whether such short visits as envisaged would be useful. Another delegation suggested that the team might also be used to review the supporting work programme of UNIDO in this field.

100. One delegation pointed out that UNIDO made inadequate use of the opportunities afforded by the highly skilled experts from its country in providing technical assistance to the developing countries in the industrial branch in question. This delegation announced that the relevant organizations in its country were currently in a position to consider suggestions from UNIDO concerning the carrying out of new activities in the field in question in the coming years, financed from the country's voluntary contribution.

Group 6: Light industries

101. Many delegations agreed that the emphasis placed on this group of activities in the work programme was well justified, particularly since industries in this field were mostly labour-intensive, relatively small-scale and conducive to the development of non-urban areas. The growth in the number of projects in this group was welcomed by several delegations as it reflected the needs of the developing countries in the field of light industries. One delegation particularly welcomed the evidence in this group of activities, of the contribution of UNIDO towards the diversification of production in the developing countries. Another delegation called attention to the importance of using light industries in regional planning within developing countries.

102. Several delegations endorsed the emphasis given to activities in the textile industry sector. It was noted that this was another field suitable for the transfer of technology among developing countries and that such transfer was already taking place. Several delegations expressed satisfaction with the efforts of UNIDO to increase its co-operation in this sector with other international agencies such as the International Institute for Cotton

(IIC) and the International Wool Secretariat. The proposed co-operation with IIC, in particular, was commented upon by several delegations. While some delegations sought more information on results achieved so far, two delegations expressed their reservations with regard to the establishment of new research institutes and centres such as the planned IIC central laboratory (paragraph 217) before the capacities of existing institutes had been fully utilized. The Executive Director explained that in view of the very small share of funds available for global projects, it did not seem likely that the contemplated central laboratory would be established with UNDP funds.

103. Some delegations pointed out that as light industries were particularly suited to help solve the problem of employment as well as to make fuller use of local raw materials, they had a significant role to play in the expansion of the export possibilities of developing countries by producing new goods with a demand potential^o on the international market. These delegations urged UNIDO to give particular attention to the assistance of light industries in developing countries in order to equip and prepare them for the export of manufacturers to the international market, particularly in the light of the recent approval of the Generalized System of Preferences.

104. One delegation expressed satisfaction with the series of equipment selection studies (paragraph 232), noting the need for continuous updating. It was further recommended by this delegation that a second interregional workshop on textile industries (paragraph 233) should not be held until sufficient interest had been recorded to warrant convening it.

105. The planned expert group meeting on new yarn production and modification techniques (paragraph 234) received the support of several delegations, and one delegation recommended broadening the scope of this meeting through the inclusion of an examination of dyeing techniques appropriate to open-end spun yarns. Another delegation, however, expressed reservations in view of the fact that these techniques were very advanced and capital intensive.

106. The attention given to the food industry in the programme of work was commended by several delegations. Some delegations mentioned, in particular, the importance of sugar, fish protein concentrate and the conservation of food. One delegation commended the sound approach given to agro-industrial projects and pointed out the need for additional UNIDO regional industrial advisers on agro-industries (paragraph 236).

107. Some delegations felt that there was scope for increased co-operation between UNIDO and FAO in the areas of food production and production of protein. A number of delegations attached great importance to the development and expansion of the work of UNIDO, in co-operation with FAO and other organizations, on the production of protein from all possible sources.
108. Two delegations stated that more emphasis should be given in future to the production of edible oil. This should be reflected in an increased number of projects, and more resources for related supporting activities should be made available.
109. One delegation endorsed the scheduled meeting on industrial processing of rice (paragraph 242); another expressed concern lest the proximity of the dates for this meeting and for the expert group meeting on processing selected tropical fruits and vegetables for export to premium markets (paragraph 244) should make it difficult for UNIDO to service both adequately.
110. One delegation recommended that co-operation be secured with institutions concerned with food research, pointing out that a new conservation process had been developed by one of these institutions which could be made available to UNIDO.
111. The co-operative programme between one developed and some developing countries in the areas of wood processing and leather industries, with UNIDO as the co-ordinating agency (paragraph 216), was supported by some delegations.
112. Several delegations recommended that high priority be given to the expert group meeting on selection of wood-working machinery (paragraph 251). Some delegations expressed interest in the expert group meeting on the production of panels from agricultural wastes (paragraph 249) and endorsed the planned seminar on furniture and other secondary wood processing industries (paragraph 250). Other delegations recommended that Priority A should be accorded to the expert group meeting on the manufacture of adhesives for the wood processing industries (paragraph 252) and that UNIDO devote more attention to novel end uses of local raw materials such as hard woods.
113. The work programme with regard to the leather and leather products industry was favourably commented upon by a number of delegations. With reference to the proposed study on fur industries and their development

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(paragraph 257), one delegation recommended that the International Union for Conservation of Nature and Natural Resources (IUCN) be consulted. It was pointed out by another delegation that there were several other international agencies active in the field of leather and leather products industry and stated that close co-operation with them should be maintained.

114. The venue of the seminar on the development of the leather and leather products industries in Africa (paragraph 255) was questioned by one delegation. Another delegation felt that pre-tanned leather deserved greater attention, particularly in view of its export potential. Reference was made to existing studies on this subject by FAO, UNCTAD and the UNCTAD/GATT International Trade Centre, particularly on the marketing aspect.

115. One delegation recommended that special attention should be given to assistance in the production of high-quality hides and skins and that intensified co-operation be sought with FAO in this area. In the world market, the quality of hides and skins was often thought more important than the price.

116. One delegation drew attention to delays in the implementation of certain UNDP/SF projects on the establishment of centres for the development of certain industries, and urged that the pace of their implementation should be accelerated.

117. Some delegations considered that some of the industries in this group, by reason of their intrinsic nature, their modest size and their economic importance, might be very suitable areas for the application of the concept of pilot and demonstration plants.

Group 15b: Industrial branch reports and across-the-board techniques

118. The attention paid by UNIDO to the present state and future prospects of industrialization in developing countries through the industrial branch reports and perspective studies was noted with satisfaction by many delegations. There were, however, a number of comments on the purpose and approach of these reports and studies.

119. The current distinction between the branch reports and the new series of the Second Development Decade perspective studies was considered unnecessary by some delegations since the ultimate objective of both series was the same. The secretariat was urged to combine both series.

120. Although the usefulness of these studies was generally recognized, it was pointed out by a few delegations that there was a considerable time-lag between their preparation and publication. One delegation noted that the studies prepared were of very limited usefulness owing to the fact that the information contained in them became obsolete while the resources expended for their preparation were considerable. It was proposed to review once again the possibility of UNIDO preparing these studies. The view was also advanced, in this connexion, that UNIDO should consider the possibility of systematizing the collection of information and of devising ways and means of ensuring the continuity and uniformity of the flow of information from developing countries where such information might not always be readily available otherwise.

121. Some delegations were of the opinion that the reports and studies should only be undertaken in response to specific requests from developing countries. Others were of the view that the studies should have a global approach dealing with long-term prospects and including information from both developed and developing countries. In this connexion, the work carried out by the Economic Commission for Europe was cited, and UNIDO was urged to maintain close co-operation with this Commission.

122. Some delegations considered that the resources earmarked for certain projects proposed in the work programme were inadequate and stressed that UNIDO should, therefore, be more selective, concentrating its resources on a smaller number of studies. The secretariat was urged by some delegations to make greater use of existing organizations and institutions in developing countries in implementing this part of UNIOD's programme.

123. Several delegations expressed misgivings with regard to the broad range of activities undertaken by this group. Some delegations expressed the view that branch reports and studies could be carried out more appropriately by the relevant technological groups. Some delegations indicated also that subjects as varied as packaging and pollution could not be handled effectively by the same section, and that product improvement should be related to design and incorporated within the work of individual technological groups.

124. Other delegations, however, inquired why repair and maintenance, quality control and materials handling, which are across-the-board activities, were not included in this group. One delegation suggested that the activities of this group be exclusively devoted to the preparation of the Second Development Decade perspective studies, which represented a pragmatic way of bringing nearer the goal of industrialization.

125. The secretariat pointed out that there was close co-operation with the relevant technological groups at every stage of the preparation of branch reports and perspective studies, as well as the across-the-board activities. Furthermore, the necessity for a common approach and manpower considerations were factors bearing on the grouping of these activities under one heading.

126. Many delegations expressed satisfaction with the activities of UNIDO in packaging, and the activities proposed in the work programme were endorsed in principle. Some delegations, however, indicated that a higher priority should be given to packaging problems in the process of industrialization.

127. The establishment of national and regional packaging centres as well as the development of in-plant training programmes were considered by some delegations as worthy of special attention. The particular interest of export-oriented industries in packaging was emphasized by several delegations. In this connexion, attention was drawn to the importance of co-ordination between UNIDO and the UNCTAD/GATT International Trade Centre. One delegation expressed interest in the seminar on the production and use of tin-plate containers in the developing countries (paragraph 281) and urged that it be held as soon as possible.

128. The involvement of UNIDO in environmental engineering was noted with satisfaction by several delegations. One delegation considered the proposed UNIDO contribution, a paper on "Industrial Development and Human Environment" (paragraph 284), to the United Nations Conference on Human Environment academic in nature and felt that UNIDO should wait until after the Conference before deciding to invest resources in this field. In the view of this delegation, the contribution of UNIDO should be geared towards the actual problems of developing countries. The secretariat pointed out that this contribution would have a practical bent and that UNIDO, as a member of the United Nations family with a well-defined mandate, was expected to participate in the Conference and contribute in its area of competence.

129. Other delegations were of the opinion that the programme of UNIDO in the environmental field was too modest and should be given greater emphasis. In particular, it was felt that UNIDO should not confine itself to contributing to the Conference on Human Environment, but should devote itself more actively to specific problems associated with industrial development.

130. As regards product improvement through process control techniques (paragraphs 285 and 286), one delegation thought that this was too ambitious an undertaking and that UNIDO should concern itself with the practical difficulties faced by developing countries in trying to develop their exports. Although produce improvement was of an across-the-board nature, some delegations thought that it should not be undertaken under group 15b, but should be carried out by the relevant technological groups in their areas of competence. The secretariat pointed out that the activities of UNIDO in this field had so far been limited to the industrial application of radiation techniques and the development of a few projects in this field in co-operation with IAEA.

Industrial Services and Institutions Division ^{3/}

Group 7: Industrial administration

131. The programme of work proposed for this group was supported in general, especially in the areas of industrial public administration and training in the field of licensing.

132. The need for national and international co-operation was emphasized, and many delegations stressed the desirability of expanding operational activities.

133. With regard to industrial public administration, several delegations stressed the necessity of improving the efficiency of public agencies and pointed out the desirability of a business-like approach to meet the needs for social and economic development. Some delegations urged the addition of training programmes in this field for government officials. One delegation expressed the need for a handbook on administrative procedures in industrial public administration.

134. Some delegations urged that additional financial resources be devoted to increasing the activities and studies relating to industrial legislation, particularly with regard to the relevant rules and regulations. One delegation proposed that the secretariat should concentrate more on legislation for export industries and that UNIDO should codify this legislation in order better to serve both large and small countries. One delegation especially underlined the need for UNIDO to take account of the work done by the African and Malagasy Industrial Property Office (OAMPI) and member countries of this organization. Another delegation suggested that the network of correspondents for the collection of legislation affecting industrial development be extended (paragraph 36). Two delegations questioned the effectiveness of the network of correspondents. It was pointed out by the secretariat that the network currently covered 20 countries in Africa, Asia and Latin America. Furthermore, mention had been made of the increasing co-operation with the World Intellectual Property Organization (WIPO), which dealt with the legal framework of licensing. The co-operation of WIPO would be solicited in supplying both text and comments on industrial property legislation in various countries.

^{3/} The programme of activities of this division is contained in document ID/B/80/Add.2. The paragraphs quoted in this section refer to the aforementioned document.

135. Several delegations emphasized the need for co-operation with UNCTAD and WIPO in the field of patents and licensing in order to avoid duplication. One delegation said that greater progress would be made in this direction if more developing countries were members of WIPO.

136. One delegation stated that UNIDO should expand considerably its activities in the field of patents and licensing and pointed out that, as the most dynamic industrial sectors in developing countries relied heavily on the utilization of patented technology and licensing, their growing imports of technology would become a very heavy burden if market conditions were not substantially improved. The same delegation regretted that, in spite of the recognized importance of the activities in group 7, resources could not be found to carry out certain supporting activities in the field of industrial legislation and patents.

137. Interest was expressed in the completion of the manual of licensing practices (paragraph 41), and many delegations inquired about the status of this manual. It was pointed out by the secretariat that work on the manual regarding the transfer of technology from developed to developing countries had progressed satisfactorily and that the final version would be ready for distribution by the end of 1971.

Group 8: Industrial institutions

138. Several delegations underlined the importance of the activities of this group to industrial development, particularly the establishment and strengthening of institutions constituting vital infrastructures for industrialization. The new approach to supporting activities, in particular the joint consultations, was noted with satisfaction.

139. In the area of industrial research, many delegations noted with satisfaction the emphasis UNIDO was placing on establishing and strengthening industrial research institutes as local sources for the generation of innovations and production of know-how to supplement the flow of imported technology. Some delegations stressed the strategic role that industrial research institutes could play in setting a pattern of industrialization adapted to the specific conditions of their countries. They added that these

institutes, if properly integrated with the industrial sector, could help bring about an awareness among indigenous industrialists and entrepreneurs of the importance of developing and utilizing local research for their enterprises. One delegation said that UNIDO should encourage industrial research institutes to undertake more advanced and sophisticated research, when warranted by local conditions.

140. Several delegations endorsed the proposed meetings on stimulation and promotion of industrial research (paragraphs 70 and 71). One delegation, however, expressed doubts about the usefulness of such meetings, and another emphasized the need for industrial research institutes to concentrate on indigenous problems and to supply needed services to local industry rather than to undertake research for foreign concerns. One delegation regretted that resources could not be found to finance two supporting activities of considerable importance in the area of industrial research and one in that of metrology.

141. Many delegations expressed satisfaction with the activities of UNIDO in the evaluation of industrial research institutes and in assisting developing countries in formulating their industrial research policies, including the publication of the manual on the subject (paragraphs 72-74).

142. It was stated that the possibilities of sharing research work among developed and developing countries should be encouraged. The need was stressed for devising ways and means of promoting research in private industry, including co-operative research for the benefit of the smaller industrial enterprises.

143. Several delegations supported the establishment of the World Association of Industrial and Technological Research Organizations (WAITRO) and believed it would serve a useful purpose as a link between developed and developing countries in the area of industrial research. One delegation, however, requested more information about the relationship between UNIDO and WAITRO, as well as about the financial implications of this relationship.

144. The secretariat stated that WAITRO was an autonomous organization with its own secretariat, handling its own administrative and financial matters and programme of activity. UNIDO intended to co-operate with WAITRO in activities aimed at improving industrial research in developing countries.

Through this co-operation the duplication of specific research projects could be avoided, research workers could be exchanged, non-confidential research results could be disseminated and joint research projects might possibly be undertaken by developed and developing countries. The funds in the programme of work for 1971 and 1972 would be utilized for studies in the above areas, to be conducted by **WAIPRO** at the request of **UNIDO**.

145. The emphasis placed in the work programme on standardization, quality control and metrology (paragraphs 75-84) found general support. Many delegations noted with satisfaction the increase in field activities and endorsed the supporting activities planned for 1972. A number of delegations, however, urged the secretariat to stress the close relation between quality control and standardization within the programme and to increase field activities in the area of quality control. It was suggested that **UNIDO** should undertake studies on the ways and means of practical enforcement of standards laid down by the national institutions. Co-operation with other international organizations active in this area was also welcomed, and some delegations suggested the upgrading of certain supporting activities.

146. One delegation suggested that **UNIDO** take a lead in the co-ordination of national and international activities in standardization. Another delegation asked that **UNIDO** should co-ordinate its activities with those of the International Organization for Standardization (**ISO**), which was already seeking to elaborate an international definition of standards. Another delegation offered the co-operation of its Government with **UNIDO** in the conduct of the supporting activities to be financed partially from its voluntary contribution.

147. In the area of non-governmental administrative machinery for industrial development, there was broad agreement among delegations on the important role which industrial co-operatives could play in industrial development. Many delegations expressed their appreciation to the secretariat for the preparation of the report on industrial co-operatives in accordance with resolution 21 (III) of the Industrial Development Board and endorsed the conclusions of the report. A number of these delegations recommended that the suggestions contained in the above-mentioned report be used as a guideline for future activities. In the view of these delegations, **UNIDO** should continue and expand its activities in this area.

148. There was general agreement on the contribution that national chambers of commerce and industry and professional associations could make to industrial development, and the supporting activities planned for 1972 were generally endorsed. One delegation suggested that training workshops in the area of chambers of commerce and industry (paragraphs 90 and 91) be carefully evaluated.

149. In the field of promotional activities in co-operation with professional associations, one delegation inquired about the scope of co-operation with the World Federation of Engineering Associations (WFEO). The secretariat stated that the survey initiated in 1970 on the role of national engineering organizations in industrial development (paragraph 93) was scheduled for completion in 1971.

150. Industrial promotion service at fairs and exhibitions received the support of many delegations, some of whom have had industrial promotion services organized in their countries. These delegations recommended that UNIDO continue to organize such services and assist developing countries in acquiring needed equipment and know-how and in establishing joint ventures. One delegation observed that, as the experience of UNIDO's work showed, this activity of the secretariat led very easily to undesirable consequences when fairs and exhibitions were used to prepare the way in the developing countries for the capital of monopolies and of various centres of finance and for the expansion of their operations in these countries. There was also a growing tendency for so-called "assistance" to be given to developing countries often without any control on the part of the Governments of these countries, a procedure that was hardly consistent with the purposes and tasks of UNIDO in the developing countries. The interregional workshop on industrial fairs (paragraph 104) met with the approval of many delegations. Several delegations welcomed the initiative of UNIDO in organizing pilot ventures for the display of samples of goods from developing countries. More information was requested by several delegations on the mechanism for organizing and financing industrial promotion services, and a few delegations emphasized the need for evaluating the impact of this activity. One delegation questioned the approach taken by the secretariat. Another delegation noted that promotion of such contacts should be included in the over-all promotion scheme of UNIDO.

151. The secretariat pointed out that industrial promotion services were always organized at the request of the host countries. The costs were borne to a great extent by the host countries themselves through their voluntary contribution to UNIDO. An attempt was being made by the secretariat to follow up on some of the contacts made, and the accumulated information would make possible an evaluation of the benefits derived from this service.

Group 9: Industrial information

152. The establishment and strengthening of local information facilities was generally recognized to be essential to industrial development, and several delegations stressed the important role of UNIDO in this field.

153. Several delegations approved the approach of UNIDO to the building-up of information centres, particularly with regard to flexibility in size and the establishment of local inquiry and advisory services as well as of library and documentation units. Some delegations, however, thought it more advisable to promote the establishment of regional or subregional rather than national centres in order to reduce costs. Such centres could be large enough to provide a complete service covering all branches of industry.

154. Other delegations urged that information centres provide pre-processed information to satisfy the needs of specialized industrial sectors and of different types of users such as policy-makers, entrepreneurs and newcomers to industry - with special attention to small industries and industrial projects in non-urban regions.

155. Many delegations noted the low number of field projects financed through UNDP and the lack of UNDP/SF projects. They urged that increased efforts be made to develop field projects. A number of delegations also noted with dissatisfaction the decrease in funds for supporting activities and urged that more funds and personnel be allocated to this group of activity. Some delegations suggested that the available resources should be redistributed among the different groups so as to assign greater resources to activities in the information field.

156. In this connexion, a number of delegations urged that the work of UNIDO in this field be made more widely known to developing countries. Other delegations announced that they were ready to make use of the assistance of UNIDO in the establishment of information centres and industrial data banks. One delegation suggested that the assistance of UNIDO in establishing local information facilities should include the provision of equipment, audio-visuals, books, etc.

157. The observation was made that the operational activities of UNIDO in this group should be directed mainly towards creating industrial information services in the developing countries and assisting these services in acquiring the necessary information and disseminating it throughout the country concerned.

158. A number of delegations recommended that the industrial information service of UNIDO assist in the dissemination of information on the work of research institutes in developing countries and urged that close co-operation be maintained with UNESCO. Two delegations suggested that UNIDO should give more attention to the dissemination to developing countries of information on industrial technology and know-how in a readily usable form, and one delegation stated that UNIDO should equip itself to become a centre for the dissemination of such information. The view was expressed that co-ordination between the activities of UNIDO and of the regional economic commissions should be strengthened and, in particular, that use should be made of the links with ECE for the purpose of disseminating through the agency of UNIDO the positive scientific, technical and industrial experience of the developed countries of Europe.

159. Many delegations commented on the inquiry and advisory service (paragraphs 140-145). One delegation recalled the discussion in the second session of the Working Group on Programme and Co-ordination on the feasibility of including price information in this service. One delegation pointed out, however, that it would be extremely difficult to keep such information sufficiently up-to-date as prices and types of commodities were constantly changing. Other delegations urged that the inquiry and advisory service of UNIDO should be enlarged and should comprise as much data as possible, including prices and credit conditions.

160. One delegation asked whether UNIDO had established a system to evaluate its correspondents and inquired about the practical results of its advisory service. The secretariat pointed out the difficulty of such evaluation and said that the growing number of inquiries and the many letters of appraisal might be the only practical way to learn about results.

161. Some delegations recommended that the network of correspondents assisting the advisory service of UNIDO be expanded by including the assignment of more correspondents from developing countries to the network. One delegation proposed that information and data generated through this network should be included in the general documentation available to UNIDO.

162. Several delegations asked for more information about the Roster of Industrial Consultants (paragraph 143) and, in particular, inquired about its preparation and the procedure for ensuring that interested industrial consultants from the different countries could have their names included in the Roster. In reply, the secretariat indicated that the Roster comprised 1,600 consulting firms in 25 countries. The suggestion was made by several delegations that the Roster be made available to developing countries. It was noted that some developing countries had also developed expertise in the consultancy field.

163. Interest was shown by many delegations in the plan of UNIDO to undertake a feasibility study on the selection and use of computers in processing industrial information (paragraph 136). Answering queries as to whether UNIDO would be in a position to assist developing countries or regional groupings in establishing computerized industrial data banks, the secretariat pointed out that the introduction of computers would be greatly dependent on the order of magnitude of available data and on the availability of quantifiable critical data. It had to be decided, case by case, whether normal services based on textual information would have to be supplemented by data banks consisting of figures processed in a standardized way.

164. Several delegations noted with interest the plan of UNIDO to collect unpublished information material including feasibility studies and technical assistance reports (paragraph 135). One delegation suggested that this material be made available to developing countries. The secretariat pointed out that most of the reports in question were restricted and their release would require clearance from the Governments concerned.

165. The activities of UNIDO in the training and upgrading of industrial information officers were generally commended (paragraphs 121-125). It was noted in this connexion that the functioning of an industrial information system depended on the availability of trained staff.

166. Some delegations remarked that the industrial information services of UNIDO should not only provide assistance in the establishment of local institutions, but should also help to ensure the creation of a systematic flow of information to these institutions. The services should also provide a reporting system for the dissemination of industrial plans and programmes and other information from developing countries to other countries.

167. A number of delegations urged the use of various United Nations working languages in connexion with the industrial information service, not only to avoid delays in translation but also to prevent documents from remaining unutilized when the users cannot read the language in which they were written. The United Nations languages should also be applied in the inquiry and advisory service.

Group 10a: Industrial training

168. Many delegations stressed the importance of industrial training and welcomed the expansion of activities in this group as reflected in the work programme, particularly with respect to the number and variety of in-plant group training programmes (paragraphs 161-169). A number of delegations welcomed the plans of UNIDO to conduct in-plant group training programmes in developing countries; they urged that these plans be continued and expanded. It was remarked that in-plant group training programmes in specific branches were the most effective.

169. Several delegations, representing some of the countries that had hosted in-plant group training programmes, announced the intention of their countries to repeat these programmes in future and expressed the hope that UNIDO would organize the programmes on a long-term basis, using UNDP resources in conjunction with voluntary contributions. It was suggested that in-plant group training programmes should be organized in developing countries directly. Additional information was requested by one delegation about the cost-sharing practice for in-plant group training programmes. In reply, the secretariat stated that although cost-sharing was not fully standardized, in principle UNDP funds

were utilized for financing international travel and some incidental expenses, while the costs in the host country were borne by a contribution from that country. Another delegation sought clarification as to why more than one programme was conducted in the same field. The secretariat explained that, owing to language requirements and the differing conditions attending an industry in different countries, it might be possible that the same field of study was covered by more than one training programme.

170. Many delegations as well as one representative of a non-governmental organization expressed their satisfaction with the introduction by UNIDO of a programme in achievement motivation (paragraphs 181 and 182). The representative of the non-governmental organization indicated the willingness of his organization to co-operate with UNIDO in this and other training programmes. Other delegations sought further information on the scope and contents of the programme, on the procedure for the selection of participants and on the use made of consultants in setting up the programme.

171. One delegation expressed doubts about the programme for the publication of training manuals (paragraph 179), especially as the benefits derived from the first of these manuals could not yet have been assessed. The secretariat explained that, in its view, the training material developed warranted further dissemination.

172. The training programme for industrial administrators (paragraphs 183 and 184) was supported by several delegations. One delegation referred to the work of other organizations in this area and recommended that UNIDO exchange experience with these organizations.

173. One delegation noted that UNIDO had prepared an outline for a detailed long-term training programme (paragraph 178) as requested in resolution 8 (II) of the Industrial Development Board and inquired when this outline would be submitted to the Board. The secretariat stated that it was expected that this would be done at the next session of the Board.

174. A number of delegations commented on the studies on training methodologies and techniques (paragraph 174). One delegation recommended that a survey of the skills required for industrialization in some selected countries and in selected branches of industry be included in these studies. Other delegations stressed the desirability of co-operation and co-ordination in these activities with ILO and UNESCO. The secretariat reported that in this activity UNIDO worked closely with ILO, the Turin Centre and UNESCO.

175. With regard to individual fellowships, some delegations were concerned about placement procedures and the role of UNIDO in these procedures. One delegation offered the secretariat greater use of training facilities in its country. The secretariat pointed out that as the Technical Assistance Operations (TAO) of ECE Geneva had accumulated experience in this regard, placement of individual fellows in Europe was still being carried out by that office. UNIDO was exploring the possibilities of placement in small teams, rather than on an individual basis, in order to improve the implementation of the fellowship programme and to make optimal use of existing training facilities.

176. One delegation stressed the importance of the Seminars on UNIDO Operations (paragraph 174) and urged that this programme be continued. The delegation of the country financing these seminars announced that its Government would finance twelve additional seminars, four of which would take place in developing countries on a regional basis. Several delegations supported the proposed staff development programme (paragraphs 180) for the training both of new and of senior UNIDO headquarters and field staff. Special attention should be paid to training in the new UNDP country programming procedures. Some delegations requested further information on the proposed expert group meeting of directors of in-plant group training programmes (paragraph 175), and one delegation requested that the report of this meeting be made available to the Board. The secretariat indicated that the first meeting of this kind had been held in 1967 and that, in its opinion, it had become necessary to convene a second meeting in 1972, in order to have an exchange of experience, help in the evaluation of the programmes and review their curricula.

177. Several delegations requested further information on the evaluations of training programmes (paragraph 176). One delegation suggested that these evaluations should take place three or four years after each course, and another delegation mentioned the practice of follow-up questionnaires applied in its country. The secretariat outlined the procedures followed by UNIDO, which included interviews and the use of questionnaires at the beginning and the end of the programmes as well as after the participants had returned to their countries. Several delegations recommended that the results of these evaluations be made known to the Board and stressed the importance of follow-up action.

178. Some delegations requested clarification as to the function of the regional training advisers to be attached to the regional economic commissions and UNESOB and the source of funds for these posts (paragraph 171). The secretariat explained that the function of the regional training adviser would be to assist the regional economic commissions, UNESOB and the countries of the region in the planning and implementation of training programmes. These posts would be financed from the UNIDO Regular Programme.

Group 10b: Industrial management and consulting services

179. The programme of activities of this group was generally endorsed, particularly in view of the importance of management in the industrialization process.

180. Many delegations expressed, in particular, their support for industrial management clinics organized in interested countries (paragraphs 188-190) and recommended that these clinics be increased in number and scope. Concern was voiced by several delegations, however, over the relatively small number of management clinics actually held so far. The secretariat pointed out that the extent of its activities in this area was subject to budgetary considerations.

181. Several delegations made suggestions concerning project planning in this field. One delegation suggested that, with proper training, management clinics should be conducted through national rather than international staff so as to spread the benefits of such clinics more widely and speedily. Another delegation suggested that subregional or regional projects be considered. One delegation suggested the establishment of institutes for the dissemination of theoretical and practical knowledge in the field of management. Both the qualifications of field experts and the management problems of smaller enterprises were noted by a few delegations as deserving greater attention. One delegation suggested that the short-term problem-solving assistance should be as action-oriented as possible.

182. One delegation referred to delays in the implementation of two UNDP/SF projects for the establishment of centres for development of certain industries in its country and urged UNIDO to take steps to ensure the early implementation of the projects.

183. The development of domestic consultancy services and their use among developing countries (paragraph 191) were generally endorsed. In this connection, differing views were expressed regarding the advisability of extending further the traditional format of institution building through UNDP/SF projects as opposed to the concept of the joint co-operative projects.

184. Some delegations suggested that consultancy services in the developing countries should be made use of by UNIDO as far as possible. It was further suggested that UNIDO provide experts and offer fellowships to consultancy services in the developing countries.

185. Many delegations welcomed the expert group meeting on the use and development of consulting services in developing countries to be held in Latin America (paragraph 194), and one delegation suggested that the scope of this programme be extended to other regions. Other delegations, however, questioned the means proposed for developing national consultancy services. In reply to a question regarding the follow-up of the Latin American meeting, the secretariat stated that this would be considered and developed at the meeting itself and that the results were expected to be published in 1972.

186. The proposed activities in corporate planning and management information systems (paragraph 197) were supported by several delegations who recommended that these initial efforts be expanded to include more case studies and such areas as decentralization and top management budgetary controls.

187. One delegation suggested that further consideration be given to the question of cultural adaptation as related to the cross-cultural transfer of management skills, knowledge and know-how. The secretariat pointed out that a research project would be directed towards this subject in the 1973 work programme.

188. One delegation observed that activities in the field of industrial co-operatives should also be taken into consideration in this section of UNIDO's programme.

189. Several delegations stressed the importance of UNIDO's co-operation with other United Nations agencies, in particular with ILO, in this group of activities. The secretariat cited examples of consultations with ILO on both the short-term consultative and long-term planning basis.

Group 11: Small-scale industry and related activities

190. The work programme of this group was endorsed, with particular emphasis on the following areas: financing, including mobilization of private savings, institutional arrangements; marketing; promotion of co-operation between developed and developing countries through transfer of know-how, managerial skills and joint ventures; and the role of small-scale industry in countries at early stages of development and in the industrialization of non-metropolitan areas including rural areas and industrial estates. The importance of evaluating experiences of the development of industrial estates was also stressed.
191. Several delegations inquired as to what constituted a small-scale industry. The secretariat explained that such an industry included small enterprises of the manufacturing sector. The secretariat pointed out that the definition necessarily varied from one country to another, but was normally based on a ceiling of investment in buildings and plant and/or on the number of workers employed. One delegation suggested that the secretariat send a written inquiry to member States of the organization and, on the basis of the answers, try to define the concept of small-scale industry.
192. A number of delegations were concerned about the possible overlapping of activities with other groups within UNIDO. The secretariat pointed out that in many countries small-scale industry was promoted by special agencies, even though other agencies dealt with industrial development in general. This fact was also reflected within UNIDO in the form of a Small-scale Industry Section and a special programme of activities in this field. Since small-scale industry needed assistance in all areas and at all stages of establishment, management and operation, group 11 had adopted a horizontal approach that cut across some of the fields covered by other groups without, however, duplicating or overlapping the activities of other groups.
193. Several delegations drew attention to the capital-saving, labour-intensive aspects of small-scale industry and to its potential benefit for rural areas. The same delegations pointed out that small-scale industry could be instrumental in preventing the drift of rural populations towards urban areas and in solving other social problems.

194. Several delegations expressed the hope that the work of the secretariat in promoting the financing of small-scale industry, common service facilities, industrial extension services and industrial estates would lead to a further expansion of operational activities. Some delegations, however, expressed concern about over-investment as well as underutilization of industrial estates in some developing countries and urged UNIDO to pay attention to these problems.

195. Some delegations supported the activities relating to the domestic marketing of small industry products and to subcontracting between large and small industries (paragraphs 240-242). Other delegations endorsed the training workshops on industrial extension services and noted the secretariat's intention of promoting the establishment of multinational or subregional institutions for the training of extension workers; of carrying out surveys of small-scale industries including those in centrally-planned economies; and of encouraging the transfer of appropriate technology, especially to industries in rural areas.

196. One delegation noted that small-scale industries and some of their common service facilities had an important role to play in the provision of maintenance and repair services and suggested that the participation of this group in the maintenance and repair programme of UNIDO be encouraged.

197. One delegation particularly welcomed the participation of UNIDO in the meeting on the promotion of small industries in the Regional Co-operation Development (RCD) countries, held in Teheran (paragraph 237). During the consideration of the report of the Working Group, other delegations associated themselves with this point of view.

198. In reply to a question, the secretariat stated that while industry profiles and model schemes were not prepared under the group 11 programme of activities, this was a major role of many technical co-operation experts in the field. One delegation suggested that UNIDO should expand its studies to include not only the promotion of small establishments but also the possibility of their growth into medium-sized and large-scale industries. Other subjects suggested for study were legal and administrative procedures for the promotion of small-scale industry, including the reservation of certain fields of manufacturing to that sector; allocation of scarce raw materials; and other incentives. In reply to one delegation's question, the secretariat stated that it would be appropriate for UNIDO to evaluate individual industrial estate schemes only upon the request of the relevant Governments.

Industrial Policies and Programming Division 4/

Group 12: Industrial programming and project planning

199. The importance of programming and strategy formulation in the industrialization of developing countries was generally emphasized. Many delegations commended the progress made by the secretariat towards greater consistency between field and back-stopping activities in this group. The comprehensive and intersectoral approach to various tasks involved in industrial programming was also noted with satisfaction by several delegations. Some delegations stressed the need for continued close co-operation in this field with other international organizations, including the World Bank. A number of delegations considered that UNIDO should concentrate its efforts in this field on providing assistance to developing countries in the elaboration of scientifically-based plans and programmes for industrial development, taking into account the particular features of the national economies of the different countries and recognizing the need to ensure properly planned bases for the management and consolidation of the state sector.

200. Some delegations also acknowledged the increasing orientation of UNIDO's work programme in this field to the actual problems and issues faced by individual countries. A number of delegations suggested that UNIDO should analyse the experience gained from operational projects and should use this experience in improving its assistance to developing countries in the formulation of industrial development strategies. A number of delegations also took note of the balance between the macro-level and micro-level approaches to development strategies, planning, project preparation and evaluation.

201. Some delegations felt that, in view of the importance of the work related to over-all long-range prospects, plans and policies, UNIDO should take a more active part in guiding the developing countries in these matters.

4/ The programme of activities of this division is contained in documents ID/B/80/Add.3, and ID/B/80/Add.5. The paragraphs quoted in this section refer to the aforementioned documents.

202. Some delegations emphasized that the summaries of national industrial development plans (paragraphs 27 and 28) should cover the most recent published material and should be followed up by an appraisal of the progress achieved in the implementation of these plans (paragraphs 36 and 37). Some delegations attached great importance to both projects as a means to promote regional co-operation. Other delegations, however, were not convinced of the usefulness of the summaries.

203. Some delegations drew attention to the need for increased exchange of experience in planning and programming, particularly the experience gained in the socialist countries. In this connexion, some delegations indicated that insufficient use was being made by the secretariat of specialists from their countries, who had wide experience in industrial programming and project planning, in providing assistance to the developing countries in this area. It was recommended by the same delegations that the international workshop on industrial planning systems and indices, scheduled for 1971 in Sofia, should be given high priority (paragraph 45).

204. Several delegations stressed the importance of developing an adequate data base for development programming. They pointed out the need for protecting the developing countries from the too early adoption or possible misuse of electronic data processing techniques and for assisting them in the improvement of the data base.

205. The importance of project planning and evaluation was generally recognized, and UNIDO's assistance in the preparation of techno-economic feasibility studies and in the economic evaluation of industrial projects was considered of high priority. The multi-disciplinary approach of UNIDO to project planning and evaluation was particularly emphasized. A few delegations suggested that the work of the secretariat in the various aspects of project evaluation should be consolidated in a comprehensive document, with due emphasis on the decision criteria necessary to determine the real economic costs of projects. Several delegations proposed that the interregional workshop on project evaluation (paragraph 58) be accorded high priority and that emphasis be placed on its interaction with the UNIDO investment promotion programme. One delegation stressed the vital importance of this group's work on social cost benefit analysis and expressed the hope that all divisions of UNIDO would soon be conversant with this technique.

206. Several delegations stressed the importance of the preparation of checklists for various stages of project development and implementation and urged UNIDO to publish these checklists in the Industrialization and Productivity Bulletin.

207. Several delegations expressed satisfaction with activities in the area of maintenance and modernization of industrial facilities. In reply to questions on the relationship of these activities with those of other groups of activities, particularly group 1, the secretariat stated that the activities of group 12 dealt with the economic aspects of maintenance only, and that this was done in close co-operation with group 1.

208. A large number of delegations noted with satisfaction the preparation of model contracts (paragraphs 71 and 72), which emphasized the inclusion of certain domestically produced capital goods and services in turn-key contracts with foreign firms. One delegation suggested that work in this area be co-ordinated with that of group 7.

209. Appreciation was expressed by many delegations of the activities of UNIDO in industrial project implementation (paragraphs 59-72), particularly with regard to training workshops dealing with implementation scheduling and control as well as with the organization of industrial planning and implementation machinery. The usefulness of Time Profiles on Project Implementation as pinpointing the impediments to timely execution of projects was noted by some delegations. A few delegations, however, felt that these Profiles might be of limited use to developing countries.

210. Many delegations emphasized the significance of regional industrial co-operation, particularly for small developing countries. In this connexion, it was suggested that higher priority be accorded to the work on social aspects of regional development.

211. One delegation pointed out that in the whole context of industrial planning and programming, early attention should be given to environmental considerations and to the abatement of industrial pollution.

212. One delegation suggested that UNIDO undertake studies on ways and means to promote harmonious co-operation in the industrial field between developed and developing countries. In the view of this delegation, the results of these studies would provide the Board with material for policy discussions, leading to a more harmonious partnership in the field of industrial activities.

213. A number of delegations noted that the Industrialization and Promotion Bulletin (paragraphs 49-51) served a useful purpose in publishing articles on vital planning issues and in providing a channel of information between UNIDO and developing countries. They recommended that UNIDO make use of this medium, rather than issuing numerous separate publications.

Group 13: Industrial policies and financing

214. Many delegations, while recognizing the scope for continual improvement, endorsed the programme of work of this group, which included industrial policies, industrial financing and industrial investment promotion.

215. With regard to industrial policies, some delegations, while supporting the activities in the work programme, suggested that more emphasis be put on operational activities. Many delegations welcomed the increased co-ordination between the activities of this group and those of other groups, in particular groups 7, 12 and 15a, as well as with the activities of other United Nations organizations, and stressed the importance of such co-ordination. It was pointed out that UNIDO should not only undertake studies relating to incentives for industrial development, but should identify and study the bottlenecks in this field.

216. Several delegations supported the proposed comprehensive studies of the industrialization policies of selected developing countries as part of the appraisal activities of UNIDO related to the Second United Nations Development Decade. These delegations pointed out that developing countries could learn from the experiences of other countries. One delegation drew attention to a study in this field by the Development Centre of the Organisation for Economic Co-operation and Development (OECD) and stressed the dangers of a policy of wholesale import substitution.

217. A number of delegations supported the series of training seminars on the design of industrial policy measures (paragraphs 117 and 119). Interest was expressed in the Directory of Industrial Investment Incentives (paragraph 121), and UNIDO was urged to complete it as soon as possible. One delegation suggested that the need for developing countries to avoid competing for foreign investment projects by offering more generous incentives should be considered at regional or subregional meetings of investment promotion centres.

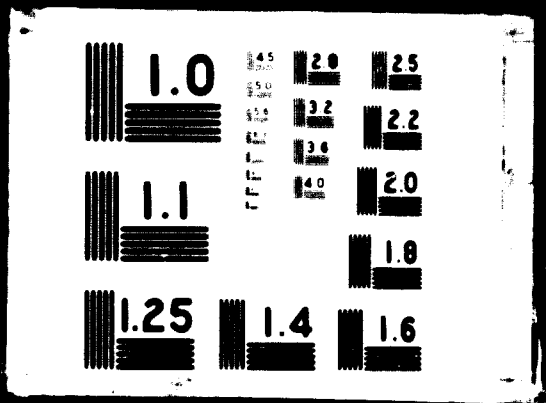


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218. Several delegations pointed out that industrial policy was part of the general economic policy of the State, and one delegation pointed out that it was therefore important that consideration should be given to the provisions of General Assembly resolution 2152 (XXI) on the utilization of the experience of countries with different social and economic systems.
219. The importance of improving the performance of manufacturing enterprises in the public sector was stressed by a number of delegations, who otherwise endorsed the approach of UNIDO to this subject.
220. Considerable importance was attached by many delegations to the formulation of industrial policies to promote and facilitate regional and subregional industrial co-operation. Several delegations welcomed the orientation of UNIDO activities in this area, which aimed at assisting regional subgroupings in planning and policy formulation (paragraphs 127-132). They felt that these activities should be expanded and that close co-operation should be maintained with UNCTAD.
221. One delegation stressed the importance of helping countries develop readjustment measures for branches of industry that had been over-protected in the past. Another delegation stressed the need to remove obstacles to a greater participation by indigenous entrepreneurs in establishing new industries. This delegation also emphasized the need to adapt the whole structure of taxation and monetary policy to support more rapid industrial development.
222. In the area of industrial financing, many delegations commended the development and orientation of UNIDO activities (paragraphs 133-140). A number of delegations supported the training programmes in industrial banking techniques and financial planning and analysis. They also recognized the usefulness of the publications dealing with the external sources of financing and the Manual on Joint Venture Agreements. One delegation suggested that UNIDO give greater assistance in appraisal of industrial projects and loan applications to industrial financing agencies in the developing countries.

223. Most delegations emphasized the importance of utilizing domestic financial resources for the development of industry. They supported, in this connexion, UNIDO projects for mobilization of savings for industry. While recognizing with appreciation the reference made in the work programme to activities related to this mobilization of domestic savings, one delegation expressed the view that these activities should be given priority as compared to external financing. This delegation urged that consideration should also be given to the financing of manufacturing enterprises in the public sector. It observed on this point that the problems of development of the state sector of industry deserved much more attention on the part of UNIDO. Another delegation, while recognizing the importance of domestic financial resources, thought that many developing countries would still have to rely on external sources of financing and that this fact should not be overlooked by UNIDO. In this connexion, one delegation urged that UNIDO should help developing countries in improving the terms and conditions of external financing.

224. Many delegations supported the activities of UNIDO in fostering co-operation among industrial development financing institutions of developing and developed countries. They welcomed the organization of meetings such as the one to be held at Copenhagen. Some delegations suggested that UNIDO's work in this area should be further intensified and that UNIDO's field advisers should maintain close contact with local development banks and industrial financing institutions.

225. In the area of industrial investment promotion, most delegations while expressing satisfaction with the focus of these activities of UNIDO (paragraphs 150-169) and supporting their expansion, considered that the selection, preparation and presentation of projects should be improved. They noted with satisfaction the explanations given by the secretariat about the development of this programme and its future orientation, including the need for consolidation, in-depth action and the gradual transfer of infrastructural aspects of promotion to national and regional institutions. As national and regional machinery assumed responsibility for the preparation of national and regional projects, UNIDO would be able to concentrate on the location of potential partners and on assistance, where requested, in the negotiation of specific projects.

226. Many delegations expressed their satisfaction with the investment promotion meetings held so far and supported the continuation of this type of activity. Some delegations felt that sufficient intervals should be allowed between meetings to enable participants to reflect on projects discussed and allow for proper follow-up action. A number of suggestions were advanced by various delegations for improving the quality of these meetings, including high-level representation at the meetings, focusing certain promotional meetings on a few selected branches of industry or on a subregional group of countries, and the location of some of the meetings in industrialized countries. It was also pointed out that such meetings should also be looked at as constituting valuable instruments for the transfer of technology.
227. A number of delegations raised questions regarding the evaluation of the practical results of these meetings. They noted with interest the secretariat's preliminary presentation of the results of the four meetings held so far and of the follow-up action taken. They expressed hope that more details could be given in the future, taking into account the necessity of respecting the confidential nature of this type of operation.
228. Many delegations expressed interest in the secretariat's intention to use more intensively the portfolio of projects as one of the major tools in the promotion of industrial projects. The development of the portfolio of industrial projects, these delegations pointed out, would enhance the position of UNIDO as a centre for the collection, processing and supply of information on projects and investment resources.
229. Many delegations pointed out that domestic resources were the main source of financing for the industrial development of the developing countries, although external financing could play an auxiliary role. External resources could be justified if they helped to develop the national economy and to strengthen the economic independence of those countries receiving foreign loans and credit. In that connexion, one of the main tasks of UNIDO should be to ensure that the developing countries received external credits and loans on equitable terms and to defend these countries against interference in their internal affairs by foreign lenders. Several of these delegations felt that the present activities in the field of promotion, although becoming more and more important in the work programme, were still insufficient to achieve this goal.

promotional work, in which UNIDO played the part of a go-between, was directed solely towards helping private capital and monopolies to infiltrate the economies of the developing countries. UNIDO should not play the part of go-between, furthering the interest of foreign monopolies in the developing countries, but should be an international organization on which the developing countries could rely in their struggle to obtain equitable terms for external aid, in spite of the pressures exerted on them by monopoly capital and its attempts to impose conditions that would infringe on their national interests and sovereignty.

230. These delegations stated further that facts had recently shown that UNIDO, an intergovernmental organization, in the course of its work in the developing countries, was attempting to bypass the Governments of these countries by creating direct links between firms in the Western countries and industrialists in the developing countries. As an intergovernmental organization belonging to the United Nations system, UNIDO should not allow any of its activities to bypass Governments. That would not only amount to an infringement of its constitution, but would lead to undesirable results for industry in the developing countries, increasing the influence exerted by foreign monopolies and thereby reducing national independence. It was also pointed out that, according to document ID/B/80/Add.3, UNIDO's basic aim was to promote capital investment in industry in the developing countries. UNIDO took the one-sided view that "promotion" meant attracting foreign capital to developing countries, regardless of the terms and conditions on which it was offered. That approach to furthering industrial development and the way in which it was carried out by the secretariat could not be accepted. The proper approach to promotion was to carry out the whole series of measures set forth in General Assembly resolution 2152 (XXI). In that connexion, the secretariat should review both its approach and its working methods, with a view to making the necessary corrections.

231. On the other hand, several delegations stated that foreign capital, from the public or private sector, was an important additional resource for the industrialization of developing countries. They pointed out that it must remain a cardinal principle of UNIDO to respect the wishes of Governments regarding the political philosophy to be followed over industrialization. It was thus a matter for each developing country to decide what sort of external financing it would encourage, and these delegations saw every advantage in UNIDO helping each country to obtain the investment it desired.

232. The need for further increased integration of this programme with other activities of UNIDO was stressed by many delegations, who noted with interest the existing level of co-operation with other groups in the economical and technical preparation of projects and their follow-up, as well as the support provided by the promotion machinery of the activities of other groups within UNIDO. The importance of co-operation with other international bodies such as FAO was also stressed by many delegations.

Group 14: Promotion of export-oriented industries

233. Most delegations welcomed the emphasis placed in the work programme on the development of export-oriented industries as reflecting the objectives of the International Development Strategy for the Second United Nations Development Decade.

234. The wide range of activities undertaken by this group was favourably commented upon by several delegations. One delegation, however, felt that UNIDO could fill a gap in the programme by drawing more upon the experience of socialist countries in this field. In the view of another delegation, UNIDO might investigate the potential for trade in manufactured and semi-manufactured goods among the developing countries themselves. In this connexion, the trend towards integration in setting up of common markets in some of the developing areas of the world was to be welcomed and encouraged. Another delegation put forward the suggestion that UNIDO examine the possibilities for transferring certain labour-intensive industries as well as primary processing industries from developed to developing countries.

235. Some delegations recalled the introduction of the Generalized System of Preferences, which they considered to be a major step forward by the international community in promoting exports of manufactured goods from developing countries. In the view of other delegations, however, the Generalized System of Preferences would benefit only those developing countries whose industrial capacity was established to take advantage of the preferential offers. The role of UNIDO in developing this capacity was emphasized by a number of delegations. In this connexion, the participation of UNIDO in the proposed UNCTAD project to disseminate information on the Generalized System of Preferences and UNIDO's initiative in organizing joint country missions

with UNCTAD and the UNCTAD/GATT International Trade Centre (paragraph 187) were welcomed by several delegations. However, certain delegations emphasized the need to pay special attention to the problems of the least developed of the developing countries. Attention was also drawn to the need for the considerable administrative work required from the developing and the developed countries, in order to gain the maximum benefit from the Generalized System of Preferences.

236. In considering specific means by which developing countries could promote exports of manufactured products, a number of delegations pointed to the need of developing countries, particularly those with export capabilities, for assistance in improving the quality and design of their products and in remedying the problem of high costs due to low productivity. In this connexion, several delegations expressed support for the training programme in export production techniques (paragraph 201) and the product adaptation and development programme (paragraph 215) to promote a greater awareness among manufacturers of developing countries concerning the requirements of international markets. It was also emphasized that developing countries should be assisted in the diversification of export markets in order to obviate the limiting effects of quotas and other restrictions.

237. With regard to the activities of UNIDO in the establishment of free ports and free-zones (paragraphs 197 and 198), one delegation, while welcoming these activities, cautioned that the establishment of these zones and free ports required heavy capital investment.

238. Several delegations expressed interest in the project on utilization of excess capacity in developing countries for export (paragraphs 202 and 203). The forthcoming interregional training seminar on this topic was endorsed by one of these delegations.

239. The international subcontracting programme (paragraphs 205-212) was supported by most delegations as a practical approach to the promotion of export-oriented industries. One delegation felt that the programme should be accelerated. It was also urged that, particularly in order to gain experience of the problems involved in international subcontracting, UNIDO should endeavour to include a few projects of this type in the forthcoming investment

promotion meetings. The secretariat described UNIDO's approach to this programme in establishing contacts between specific enterprises in developed and developing countries and outlined the progress achieved in a relatively short period. In answering questions raised by some delegations, the secretariat explained how this programme was co-ordinated with the promotion programme of UNIDO, including certain activities of group 13 and activities of sections of the Industrial Technology Division.

240. Several delegations considered that the international subcontracting programme should be viewed within the context of the over-all programme of UNIDO on the transfer of technology. In this connexion, they noted with interest the proposed meeting to stimulate the transfer of technology and know-how through subcontracting and licensing agreements (ID/B/80/Add.5, paras. 4-13). Some delegations stressed the importance of such an activity and welcomed the orientation envisaged by UNIDO of placing this project in the broader perspective of building up a programme of technical development at the country level. It was felt that UNIDO should view the problem of technological development from a broader perspective and not from the project level only. One delegation expressed doubts as to the usefulness of the proposed meeting because of its wide scope and expressed concern lest it lead to conflicting and doctrinaire attitudes; the conclusions of such a meeting should not therefore form a basis for further activities without member Governments having been given full opportunity to consider them. The secretariat explained the objectives and organizational details of the meeting, which would emphasize the practical approach. It explained how this meeting was an extension of existing promotional activities and how its implementation would require close co-operation of several units of UNIDO and other international organizations. In this connexion, the representative of the World Intellectual Property Organization (WIPO) explained that his organization had been associated with this project at an early stage and was happy to provide its full co-operation.

241. One delegation felt that UNIDO could usefully utilize the experience of world export institutions to benefit manufacturers in developing countries (paragraph 196), and considered that this project should be given Priority A. Several delegations expressed the opinion that the priority of the component on international associations of producers for specific branches (paragraph 199) should also be upgraded.

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242. In discussing the over-all United Nations export development effort, the representative of UNCTAD described in detail the machinery which had been established to co-ordinate the efforts of UNIDO and UNCTAD in this sphere. A number of delegations commented on the importance of close co-operation between the various United Nations organizations concerned with export development and expressed appreciation on the practical approach to co-ordination that had been established in this case. However, one delegation felt that rather than approaching the problem on a project-by-project basis, an integrated approach between UNIDO and UNCTAD should be developed towards the promotion of export-oriented industries.

243. While noting the co-operation that was taking place with other United Nations agencies, one delegation pointed to the need for closer co-ordination with other groups within UNIDO. The secretariat explained that, by their nature, the activities of group 14 were always closely linked to those of other groups in UNIDO and gave a number of examples of projects which had been undertaken jointly with other groups in the organization.

Group 15a: Industrial surveys

244. Many delegations expressed their appreciation with the expanded programme of country survey missions undertaken by UNIDO in this group. In the view of the same delegations, these missions were of particular interest to small developing countries. The training aspect of these missions was also emphasized. Several delegations noted with satisfaction that these missions, if repeated periodically, might constitute an important tool for monitoring industrial development during the Second United Nations Development Decade, as well as for providing a vital economic background for country programmes of technical assistance.

245. Some delegations expressed concern about the possible duplication between the country surveys in this group and similar activities in other groups of UNIDO, particularly groups 12 and 13. In reply, the secretariat explained that the surveys were the first step in a consistent sequence of activities at the country level and presented a sound basis for subsequent steps, namely formulation of industrial strategies, plans and policies and industrial plan implementation. Furthermore, the conclusions of these surveys had been already followed up through the technical assistance activities of the various groups in UNIDO.

246. As regards the supporting activities of this group, many delegations expressed satisfaction with the annual publication of the Industrial Development Survey (paragraphs 241-247). One delegation proposed that the findings of the Survey should be discussed by the Industrial Development Board or by the Working Group. Other delegations urged the inclusion of more up-to-date data in the Survey. One delegation strongly urged UNIDO to stand prepared to adapt the Industrial Development Survey, starting with volume 5, to the review and appraisal needs of the Second United Nations Development Decade, when those needs had been precisely determined.

247. The programme of the special industrial studies (paragraphs 248-257) as well as on the country file system (paragraphs 265 and 266) were supported by a number of delegations. As regards the projections undertaken by this group (paragraphs 252-257), some delegations expressed concern that there might be a duplication of efforts with other United Nations bodies and also inquired as to the relationship between these projections and the targets of the Second Development Decade. In its reply, the secretariat assured the Working Group that these projections were not duplicating any work undertaken so far in this field by other United Nations bodies. Close contacts were being maintained with all interested organizations, especially the United Nations Centre for Development Planning, Projections and Policies (CDPP), the regional economic commissions, UNESOB and UNCTAD. In the secretariat's view, one of the main purposes of these projections was to open a dialogue with these organizations and the interested countries on the perspectives, problems and policies regarding industrial development.

Consideration of the programme as a whole

248. The Working Group proceeded to consider the summary review of past and programmed activities of UNIDO, from 1970 to 1972, contained in document ID/B/80.

249. In introducing the operational activities, the secretariat pointed out certain trends that have become identifiable in the UNIDO field programme:

(a) the increasing confidence of the developing countries in UNIDO as evidenced in the growing number of projects; and (b) the growing complexity and sophistication of projects as countries achieve more advanced stages of industrialization.

250. Although there has been a more balanced structure of field programmes and a better utilization of resources, implementation presented certain difficulties which the secretariat had sought to remedy through a number of measures including the transfer from New York to Vienna of the recruitment of field personnel, increased use of subcontracting, and the review and evaluation of procedures and projects. A recently established computerized management information system for project implementation as well as the forward planning of recruitment of field personnel were expected to be of help in accelerating implementation.

251. With regard to UNDP country programming of technical assistance, the secretariat indicated that, to date, there had been too little experience to judge its implications for UNIDO. However, the experience gained by UNIDO in initiating long-range programming in some 60 countries since 1969 would be helpful in this connexion.

252. With regard to individual programmes, the secretariat stated that, aside from the 68 projects with which UNIDO had already been entrusted, some 150 UNDP/SF projects were in the pipeline, 43 of which had been officially requested. Despite the great success of the SIS programme, the future of the programme remained uncertain. The importance of assuring the continuity of the SIS programme was stressed.

253. Noting that UNDP had agreed to the financing of 22 industrial development field advisers, the secretariat indicated that, although the developing countries were requesting an increase in their number, the secretariat's hope of obtaining financing for 30 posts had not materialized.

254. On the question of presentation of the work programme documents, there was general agreement that this year's documentation represented a marked improvement on that of previous years. The presentation in Part One of the work programme document of certain broad issues and considerations underlying the preparation of the programme was particularly welcomed by several delegations. One delegation suggested that this presentation could be made more meaningful if it reflected a conscious effort to tie together the various activities within the different programmes rather than simply listing various activities which happened to fall under one of the programmes.

255. Some delegations, however, expressed the view that more information was needed on the purpose, cost, selection and achievements of individual projects. Particularly useful would be the detailed examination of selected operational activities at all stages of their preparation, implementation, evaluation and follow-up. In response to this, the Executive Director referred to the requests for brevity which had been expressed by the Industrial Development Board as well as by several other bodies of the United Nations, requests to which the secretariat had to adhere. He pointed out that each project was the subject of a continuous process of negotiation and discussion from the time the request for assistance was submitted until the project was completed. Detailed information was available at UNIDO to all interested members of the Working Group on specific projects, including project data sheets, plans of operation, joint evaluations carried out with UNDP, reports from experts and UNDP Resident Representatives as well as the relevant correspondence with all the parties concerned. The difficulty was not the lack of information, but of what to choose for presentation to the Board within the limitations on United Nations documentation.

256. A number of delegations noted with satisfaction the increase in field projects. Many delegations, however, considered that the number of projects entrusted by UNDP to UNIDO for execution - particularly in the Special Fund component - was too low in comparison with the needs of the developing countries. These delegations urged an increase in UNDP resources devoted to the industrial field. One delegation inquired about the average time needed for SF requests to be approved. The secretariat replied that the average time for which official requests had been pending was fourteen months. Another delegation expressed the hope that UNDP procedures in this regard would be simplified.

257. Several delegations, noting the importance of the SIS programme to the activities of UNIDO, called for the continuation and expansion of the programme. One delegation suggested that action might be taken by the Industrial Development Board to request the twelfth session of the Governing Council of the UNDP, to be held in Santiago, Chile from 7 to 21 June, to increase the expenditure figure for the SIS programme. A few delegations, on the one hand, thought that there was need for clarification of the role of the SIS programme, particularly in relation to country programming.

258. A number of delegations commented on the UNDP country programming of technical assistance. Some of these delegations emphasized the usefulness of this approach in providing an integrated country approach and stressed the need for this programming to be based on the national development plans of the developing countries. One delegation urged UNIDO to counter any tendency in the country programming towards reinstating technologically obsolete projects by giving particular attention to technological developments. A few delegations urged that the experience of countries with various social and economic systems be taken into account in the preparation of these programmes.

259. The importance of the role of the Industrial Development field advisers in country programming and in generally advising Governments on UNIDO technical assistance was referred to by a number of delegations. Several delegations called for an increase in the number of these advisers. One delegation urged that the field advisers should develop liaison with the industrial financing agencies and industrial institutions in the private and public sectors in the developing countries.

260. Some delegations emphasized the view that the main task of UNIDO was operational activities.

261. Several delegations underlined the need for full co-operation and co-ordination with other organisations in their respective fields of activities.

262. On the question of the role of UNIDO in the industrial development of the developing countries, several delegations considered that UNIDO should not only render services and react to requests from developing countries, but were in favour of the organization playing a more active role as a qualified adviser of developing countries, helping them to find a useful orientation in the interest of the most effective development of their national industry, taking

into account the variety of conditions, facts and circumstances, which were best seen by the organization because of its central position as a leading international body in the field of industry. At the same time, attention was drawn to the inadmissibility of the organization using its role of adviser in an attempt to force upon developing countries such directions of development of their industries that would not be in the interest of these countries.

263. Several delegations commented on the question of selectivity and priorities in the formulation of the work programme. While noting with satisfaction the emphasis given by the secretariat to certain key areas in industrial development, some delegations stressed the need for a definitive list of priorities to which the secretariat should adhere in its programme of work and by which developing countries would be guided. Some delegations observed that, though the ultimate choice and initiative in regard to programme requests rested with the individual countries, developing countries should continue to be guided closely and increasingly on the utility of the various types of projects suitable for them. One delegation suggested a refinement of the system of priority designators or projects currently utilized by UNIDO to expand the present two-level system along the lines of priority indicators used by other United Nations bodies.

264. Several delegations noted a number of fields which they considered worthy of special attention by the secretariat, without necessarily affecting the developing countries' freedom in choosing their own priorities. In the view of these delegations, the establishment of priorities for field projects should remain the prerogative of the requesting Governments. Among the priority areas and/or fields of concentration mentioned by various delegations were the following: technological development, including transfer of technology - with the inclusion, in turn, of such transfers among developing countries; assistance in the planning and programming of industrial development; primary product processing; development of export-oriented industries; training of national personnel, including the strengthening of local expertise; activities related to the Green Revolution; assistance for strengthening the public and co-operative sectors; mobilization of local resources; encouragement of new and small enterprises and self-employment in industry; maintenance and repair of industrial equipment; development of rural areas; regional co-operation; and assistance to the least developed among the developing countries.

265. Other delegations indicated that the following fields of activity of UNIDO should have priority: contribution to the development of scientifically and economically founded plans and programmes of industrial development for developing countries linked to a strengthening of their public sector; a contribution to the development, on the basis of the appropriate economic conditions, of key sectors of industry, mobilizing for this purpose local and acceptable external resources; a strengthening of the training of national professional and technical experts. The activities of UNIDO in developing countries should, in the opinion of these delegations, be linked to economically well-founded plans of industrial and economic development.

266. Several delegations appealed to UNIDO to give more attention to the creation of pilot and demonstration plants from UNDP/SF resources, being of the opinion that UNIDO should consider this matter as one of the first priority fields of its activities in developing countries. In particular, they indicated that UNIDO needed a well-considered concept in this field, on the basis of which the work of the organization should be built. A proposal was made that in the documents to be presented at regular sessions of the Board, the activity of UNIDO in the setting up of pilot and demonstration plants be presented as a separate section with a description of the work carried out by UNIDO in this field.

267. Several delegations, taking into account the great variety of circumstances, conditions and peculiarities of developing countries, indicated that UNIDO should be prepared to give technical assistance, upon requests from developing countries, also in the new and advanced fields of industry, with due regard to the level of development of those countries and the tasks which they have set for themselves in their plans of national industrial development. It was stressed by some delegations that UNIDO should provide maximum possible direct managerial and technical assistance at the plant level to the developing countries, especially in the field of sophisticated and technologically complex industries. In this context, the operational role of UNIDO was particularly emphasized.

268. One delegation pointed out that in policies greater attention should be given to the creation of domestic mineral processing facilities as well as to the establishment of industries using minerals (mainly metallurgical and

chemical industries) to increase the value added to the export component. This delegation suggested that it was time to consider recommending that UNIDO should develop activities relating to mineral research and mineral processing, activities that were vital to the industrialization process.

269. Some delegations, while noting the improvement in the rate of project implementation achieved by the secretariat, urged that greater efforts be made to further accelerate the process of implementation. In this connexion, a number of delegations welcomed the increasing recourse by the secretariat to subcontracting of field projects. One delegation called for an increase in the human and financial resources of the Technical Co-operation Division to cope with the growing programme of technical assistance. It was also pointed out that the forecast of the requirements for 1972 of certain individual groups indicated an order of activity substantially in excess of present levels and that administrative action to cope with such marked increase of work load might be taken.

270. Taking into account the great activity shown by the UNIDO secretariat in the field of promotion, several delegations expressed concern as to the real usefulness to developing countries of this type of activity, especially as to the form in which it was being carried out, and as to its consequences to those countries. In their opinion, one should not demonstrate such a great activity in this field without a deep study of these questions. In this connexion, the same delegations recalled that one of the main tasks of UNIDO in the field of promotion should be to ensure that developing countries receive equitable conditions in the granting of external credits and loans, and to protect these countries against an interference of foreign creditors in their internal affairs. This was particularly important in the light of the gigantically growing external indebtedness of developing countries to the financial centres of the Western countries.

271. Many delegations emphasized the need for evaluation by the secretariat of the activities it had undertaken and recommended that a separate item on this subject be included in the agenda of the future sessions of the Working Group and of the Board. The country evaluation reports prepared by the secretariat were noted with appreciation by several delegations. Some delegations expressed the view that these reports represented a good start by the secretariat in tackling the question of evaluation.

273. One delegation called attention to the need for closer review of UNIDO publications programme, noting that the Working Group had received no reports on the extent to which proposed publications were subject to central review and control in the secretariat.

274. Several delegations noted that the experience and possibilities of socialist countries and of experts from these countries were far from being adequately utilized by UNIDO. In this connexion, insufficient participation of experts from these countries was pointed out with regard to the work of UNIDO missions and long-term programming, and also with regard to the fact that the number of experts from these countries in the field did not correspond to the possibilities of these countries. In the opinion of these delegations, the experience of socialist countries in the accelerated development of their industry, in the utilization of their natural resources, in the creation and strengthening of the public and co-operative sectors of their economy, in the adoption of a planned basis for the economy and in the training of experts, the introduction of new techniques etc., was a source of very useful experience for developing countries. UNIDO could help to utilize this source in the interest of developing countries.

274. One delegation stated that the appropriate organs of its country were prepared, on the basis of existing possibilities, to consider concrete proposals from UNIDO as to the organization in the coming years in this country of UNIDO symposia, seminars, expert group meetings, training programmes, visits to facilities as well as the supply of equipment to developing countries etc., to be financed from its voluntary contribution to UNIDO.

275. One delegation suggested that UNIDO should be converted into a comprehensive organization covering industrial activities spread over the entire United Nations system at present.

276. Commenting on certain remarks addressed to the secretariat, the Executive Director stated that the establishment of country programmes of UNDP, when completed, could become the proper basis upon which the long-term activities of UNIDO might be formulated. A country programme should correspond to the development plans of a given country, but other elements, such as new trends and changes in technology, would also have to be taken into consideration in establishing a long-term programme of UNIDO. In his view, not enough stress

had been laid on the fact that UNIDO's contribution to industrial development in the developing countries amounted to only 1 per cent of total requirements. If UNIDO was to exercise its proper role as an international organization, it was not sufficient to limit its activities to those falling within the scope of country programmes. Projects had to be selected in the light of the impact and multiplier effect they might have and of their general influence on other aspects of development. Naturally, they should fall within the implementation capacity of UNIDO.

277. In connexion with evaluation, the Executive Director stated that it was essential that UNIDO's work, which was entirely informational and advisory, should be assessed in the light of its demonstrational effect and impact and not simply as a technological or business service. There was a close connexion between the way in which a project or a programme item was selected, implemented and evaluated. All three processes were part of a single continuous and cyclic operation. From the outset, UNIDO had attempted to ensure that member States were free to choose their own projects, while the organization was free to analyse them, to see whether they fitted its capacity, priorities and financial resources, and - in implementing them - to try to extend their impact and usefulness beyond the scope of the direct recipient.

278. The Executive Director stated further that some of the observations that had been made relating to implementation and evaluation did not reflect shortcomings of the programme but arose directly from a mandate that gave predominance to technical assistance with little margin for initiative by the organization. It was equally essential, however, that UNIDO, through its supporting activities, provide leadership within the international community. To lay undue stress on operational activities would practically reduce the organization to the status of an industrial consultancy service. When the secretariat emphasized the role of the promotional approach in addition to technical assistance and headquarters activities, it did so in the belief that traditional technical assistance procedures had their limitations in the field of industry and that, in the interest of the developing countries themselves, different approaches had to be simultaneously followed in order to attain greater effectiveness through different elements.

279. At its 60th meeting, the Working Group noted the Summary Review of UNIDO Activities in 1970 (ID/B/L.91/Add.1) which was to be submitted by the Board to the General Assembly in conformity with General Assembly resolution 2407 (XXIII).

280. At its 61st meeting, the Working Group proceeded to the formal adoption of this Summary Review of Activities of UNIDO for 1970 with the understanding that the observations made during the discussions of the work programme documents would pertain also to this report and that this report would be submitted to the Board for its consideration.

C. General considerations

281. In the course of the discussion, the representative of UNDP presented the views of his organization on the report of the Working Group and on the documents prepared by the secretariat. Referring to the Report on the Progress Achieved in the Implementation of resolution 28 (IV) on Operational Activities (ID/B/90), he said he wished to dispel the impressions which this document might have given, i.e. that there was a misunderstanding between UNIDO and UNDP on the subject of the SIS programme. He expressed the satisfaction of UNDP with the increasing welcome given by developing countries to these and other programmes executed by UNIDO.

282. The question had also been raised, he said, of increasing the share of UNIDO in UNDP resources. Of course, the ultimate decision lay with the developing countries themselves, since they alone were responsible for making requests and establishing priorities. Nevertheless, he was optimistic that, with the introduction of country programming procedures and of new procedures within UNDP itself, the share of UNIDO in UNDP resources might rise to 10, 15 or 20 per cent by the end of the Second United Nations Development Decade. Already three fundamental priorities had been selected by UNDP as a result of the establishment of the Planning Bureau and the Advisory Panel on Programme Policy: the struggle against underemployment; the introduction of technological innovations best suited to the needs of developing countries, particularly pilot plants; and concentration on projects leading to increased production. Those three priorities tallied with the trends in the field programme of UNIDO. In addition, he wished to single out the excellent

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definition in the report of the Working Group^{5/} of the respective responsibilities of sovereign requesting countries and the international organizations responsible for implementing projects: namely, that member States were free to choose their own projects, while the organization was free to analyse them, and, in implementing them, to try to extend their impact and usefulness beyond the scope of the direct recipient. That corresponded exactly to the current policy of UNDP.

283. With regard to the respective roles of UNDP, technical agencies and financial institutions, he pointed out that the Administrator of UNDP had an obligation to make a choice and to entrust projects to the agencies best qualified to implement them. In the case of industrial projects, the problem of subsequent investment was so important that financial institutions had to be associated at the proper stage with those projects that depended on external investment. In this connexion, UNDP attached particular importance to projects jointly executed by several agencies such as the project executed by UNIDO, UNCTAD, GATT and ITC in the field of international trade.

284. As regards the Special Industrial Services programme, he said that UNDP realized the importance of this programme and was fully aware that the extreme flexibility and rapidity necessary in the provision of these services must in no event be interfered with or obstructed by procedures artificially imposed by UNDP. The cost of such services was not particularly high and relatively modest financing was needed but in no case limitations arising from the factor of resources should restrain UNIDO or the other organizations concerned in the execution of their programmes of Special Industrial Services. In so far as indicated planning figures might impose an obstacle in certain cases, the Administrator of UNDP would have recourse to the programme's reserve funds, as in the past, for the financing of Special Industrial Services.

285. A number of delegations commended the secretariat on the preparation of the report on the Role of Co-operatives in the Industrial Development of Individual Countries (ID/B/88) and attached importance to the work of UNIDO in this field. Several delegations urged UNIDO to expand its work in this field of co-operatives, particularly with regard to training, standardization,

^{5/} See para. 277 above.

financing, structure, legal aspects and marketing. Some delegations drew attention to the experience that could be gained from the work of the International Co-operative Alliance (ICA), and one delegation suggested that the secretariat might commission ICA to prepare the proposed manual on case studies. Some delegations noted the expertise their countries had acquired in the field of co-operatives and offered to make this expertise available to the secretariat.

286. One delegation suggested the report should differentiate between industrial co-operatives and producing co-operatives in the agro-industry field which, it said, was particularly suited to co-operatives.

287. Other aspects mentioned as needing attention were: the size of industrial co-operatives; leadership; the direction of urban and rural industrial co-operatives; the need for legislation appropriate to the character of industrial co-operatives in developing countries; the impact of industrial co-operatives on rural industrialization; and co-operative industrial estates and co-operatives for self-employed technicians. One delegation, referring to paragraphs 22 to 31 of document ID/B/88, said that the problems and solutions relating to co-operatives should not be strictly compartmentalized according to the existing organizational structure of UNIDO, but should be viewed and dealt with as an organic whole. There should be a concentration at national and international levels on selected schemes, and these schemes should be given all possible assistance.

288. One delegation, referring to the report on the Utilization of Computers and Computer Techniques for Industrial Development (ID/B/89), urged that UNIDO should consider the use of computers on the enterprise level in developing countries, the implications of the use of computers and computer techniques on the level of employment, and the possibility of adapting computer technology for use in the developing countries. The representative of the World Intellectual Property Organization (WIPO) gave an account of the first results of the study made by his organization at the request of the United Nations. This study was concerned in particular with the protection of computer programmes.

289. The representative of FAO said that the concept of agro-industrial development, a field in which FAO would continue to co-operate fully with UNIDO, was based on the close relationship between the agricultural and

industrial aspects of the development process, particularly where industry relied on agricultural, fishery and forest products as raw materials, and where agriculture in turn relied on industry for the equipment, material inputs and other prerequisites of production.

290. The representative of FAO stressed the need for sustaining the success of the Green Revolution, taking into account social, economic and human side effects. He informed the Board that the United Nations Administrative Committee on Co-ordination had made an analysis of the opportunities offered by the Green Revolution and of the role that various United Nations agencies could play in furthering the spread of new technologies which were proving to be successful. In this regard, the FAO representative highlighted some important aspects of this exercise that were of particular relevance to UNIDO-FAO co-operation, including the supply of inputs such as fertilizers, insecticides and agricultural machinery and implements. FAO was already involved in conducting fertilizer trials in more than 30 countries and, on the basis of the results and in co-operation with UNIDO, FAO was assisting in the identification of countries where manufacture of fertilizer could be successfully undertaken. Processing of agricultural and allied products was another area where UNIDO-FAO co-operation was being effectively implemented.

291. The FAO representative stressed the need for a well conceived farm mechanization policy and for the introduction of more power for agricultural production to reach the desired minimum of 0.5 HP/hectare. Due to limitations in human and animal power resources, there was a need to introduce mechanical power in suitable agricultural machinery and implements. There was also a need to develop improved animal drawn equipment and hand tools in the developing countries.

292. The representative of FAO stated that UNIDO and FAO had already initiated joint action in the elaboration of a well conceived policy on farm mechanization, without which the greater possibilities of employment in the rural sector, realized through the application of new techniques, could not be fully utilized. The diversification of diets, the creation of "semi-conventional" protein foods, and the development of production technology would provide further opportunities for collaboration between UNIDO and FAO.

293. Agricultural and industrial development must be the subject of integrated planning if each was to make a full contribution to the targets of the Second United Nations Development Decade. A key question in that connexion was the extent to which it was possible for developing countries to select industrial technologies better suited to their resources than the modern capital-intensive methods that had evolved in the developed countries, in particular, the extent to which industries using agricultural raw materials could lend themselves to such a choice. Another major problem for the developing countries was the expansion of their foreign exchange earnings from exports of processed products, in competition with established industries in the developed countries. That problem led in turn to the question of the relationship between agricultural production and the facilities for processing agricultural products and to the related matter of the location of processing industries.

294. The representative of ILO said that the fifth session of the Board was extremely important in that it immediately preceded the Special Conference, which he hoped would be a landmark in United Nations efforts on behalf of the industrial development of the developing countries. He reiterated the commitment of ILO to co-operate fully with UNIDO and to co-ordinate their respective activities. In that connexion, he pointed to the progress that had been made by the joint ILO/UNIDO Working Party, which had produced a statement of mutual understanding on maintenance and repair that should be the starting point for a vigorous effort by the two organizations. Work in that field could help to bring about a more economical use of foreign exchange credits by the developing countries.

295. Many United Nations organizations, the representative of ILO pointed out, contributed to the work of industrial development. UNDP statistics showed that 24 per cent of Special Fund allocations were used in the industrial sector, including, inter alia, ILO programmes on vocational training, management development and productivity. There was a clear need to make full use of the resources and experience of all bodies, taking into account the principal role of UNIDO in the field of industrial development.

296. The major contribution of ILO to the Second United Nations Development Decade was the World Employment Programme, designed to cope with the dual problem of unemployment and underemployment in many of the developing countries. Industry had a special role to play in the field of job creation, and

if the World Employment Programme was to be a success, the support of all United Nations bodies, and notably UNIDO, would be essential. He was therefore glad to note the assistance already received from UNIDO, which had contributed to the comprehensive employment strategy missions sent to Colombia and Ceylon.

297. A further ILO activity relating to industrialization in the developing countries was the Industrial Activities Programme, which attempted to deal with the social and labour problems of particular industries and categories of workers. The programme covered such fields as transport, the iron and steel industry, metal trades, petroleum and chemical industries, textiles and construction. Its means of action were through technical co-operation activities for individual industries, contacts with international organizations in specific industrial sectors, and the holding of expert meetings, regional meetings and meetings of representatives of Government, employers and workers. The programme offered good prospects for collaboration with UNIDO.

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

298. General appreciation was expressed by the delegations of the document on the Role of UNIDO in Co-ordination of Activities in Industrial Development: Co-ordination at the Country Level (ID/B/83) which provided an account of the progress made by UNIDO on the harmonization and co-ordination of industrial programmes and projects in the different countries and regions.

299. One delegation stated that the present status of UNIDO guaranteed to the organization the possibility of playing a central role in the activity of the United Nations system in the field of industrial development, in as much as it had been entrusted with that role by the General Assembly and acted under the guidance of the Economic and Social Council (ECOSOC), which, under the Charter of the United Nations, was responsible for all the social and economic activities in the United Nations system.

300. Unanimous satisfaction was expressed on the progress made by UNIDO in the co-ordination of its activities in industrial development, and the need was emphasized to improve, strengthen and extend the efforts to ensure the maximum benefits and services rendered by UNIDO in co-operation with other organizations - both within and without the United Nations family - to the developing countries. The arrangements for co-operation initiated by UNIDO were considered business-like and constructive. It was noted, however, that there was still scope to improve upon the present arrangements, and one delegation referred, in particular, to the responsibility of UNIDO to intensify co-ordination of industrial development activities under the Second United Nations Development Decade and not merely to avoid duplication.

301. Several delegations referred to the important role of the industrial development field advisers as the instruments of co-ordination at the country level. It was considered essential that the number of industrial development field advisers be increased considerably. Some delegations suggested that the system of the industrial development field advisers could be improved further and that efforts should be made to obtain persons with the highest level of qualifications.

302. One delegation suggested that the present procedures of UNIDO's field activities, which were not conducive to maximum operational efficiency, needed to be streamlined in order to give UNIDO more effective control over its field staff. This delegation also suggested that UNIDO could have a tighter control over its field advisers if they were to be financed under the UNIDO regular budget rather than by the UNDP. In this connexion, it was suggested that the field advisers should be exchanged periodically with headquarters staff.

303. Some delegations noted the progress made by UNIDO in organizing long-range programmes of technical assistance and suggested that these programmes be harmonized with the new country programming procedures to be undertaken by UNDP. Several delegations noted the role of UNDP resident representatives in the co-ordination of programmes and stated that UNIDO should participate in the new country programming procedures.

304. Another delegation considered it highly desirable that UNIDO should harmonize, as far as possible, its activities with those of the bilateral aid programmes.

305. Several delegations commented favourably on the arrangements established by UNIDO for co-operation with the regional economic commissions and UNESOB. It was stated that the way for UNIDO to intensify its activities at the regional level and to ensure co-ordination of all the types of resources, which various organizations in the United Nations system had at their disposal for industrial development, was by strengthening the co-operation of UNIDO with the regional economic commissions and UNESOB. One delegation suggested further that UNIDO should strengthen and increase the number of its regional or subregional projects with regard to economies of scale and that UNIDO should provide continued support to the projects initiated by the Asian Industrial Development Council. This delegation noted with satisfaction the work of the UNIDO regional industrial development advisers, who were attached to the headquarters of the regional economic commissions and UNESOB. The same delegation expressed its full support of the planned re-alignment of functions in industry between UNIDO and the regional economic commissions and UNESOB, whereby the scarce available resources would be utilized for the maximum benefit of the developing countries. The hope was expressed that the secretariat would provide a report at a later date on the progress and outcome of the efforts of UNIDO in regard to this re-alignment of functions.

306. Many delegations were happy to note the progress made by UNIDO in developing co-operation with UNCTAD. UNCTAD/GATT/ITC, ILO, FAO, UNESCO, WHO and IAEA. It was pointed out by some delegations that the objective of the co-operation between UNIDO and UNCTAD should be the implementation of the principles formulated at the first United Nations Conference on Trade and Development and of the agreement on the Generalized System of Preferences. Some delegations attached particular importance to establishing viable export-oriented industries in the developing countries and referred to the role UNIDO could take in the identification of products for export. One delegation, while expressing satisfaction with the fact that the relations between UNIDO and ILO had improved considerably, suggested that UNIDO should consider co-operating increasingly with UNESCO, more especially in the scientific field as regards the establishment and development of institutional links between research organizations of developed countries and those of the third world where UNESCO has shown interest. Another delegation, however, felt that insufficient attention had been paid to an exact definition of functions between UNIDO and ILO. The collaboration of UNIDO with WHO was noted in the following four fields: pharmaceuticals, pesticides, occupational health and environmental pollution. The need was underscored for UNIDO to take more fully into account the possibilities and terms of reference of other organizations of the United Nations system in the carrying out of common projects with these organizations.

307. Several delegations commented on the progress achieved by UNIDO in developing co-operation with the financing agencies, in particular with the regional development banks and the World Bank group of agencies. They felt that this co-operation should be strengthened further since the programme of UNIDO was mainly operational. Two delegations, on the other hand, opposed any suggestions for co-operation between UNIDO and the World Bank group, which was not a representative international organization and which reflected the interests of a narrow group of countries. These two delegations objected, therefore, to UNIDO granting assistance to the missions of the International Bank for Reconstruction and Development that were sent to the developing countries. One delegation felt that insufficient attention had been focused by UNIDO on industrial financing institutions, especially with regard to their pre-investment feasibility activities. It was felt that UNIDO should pay special attention to the co-ordination of its activities with the financial institutions in the countries, as they needed assistance in assessing the requests submitted to them for financing.

308. Another delegation suggested that UNIDO should intensify its co-operation with the International Organization for Standardization. The hope was expressed by another delegation that UNIDO would join the work of the FAO/UNICFF/WHO Protein Advisory Group.

309. Several delegations noted with satisfaction the country reports on Jamaica and Senegal (ID/B/83/Add.1 and 2), which provided an evaluation of the contribution made by UNIDO to the industrialization efforts of those countries.^{6/} In this connexion, a suggestion was made by one delegation to refine the methods of evaluation used in the country studies. Such evaluation should be undertaken with the utmost speed so as to provide a basis for an immediate follow-up of actions to be taken by the Governments concerned. This delegation also suggested that the evaluation in the field of technical assistance should lead to a whole series of interdependent activities so that together, all technical assistance projects would make an impact on industrial growth.

310. With regard to the central role of UNIDO in the promotion of co-ordination, several delegations noted with satisfaction the completion of the first phase of co-ordination, which had consisted of eliminating gradually the duplication of headquarters and field activities in industry within the United Nations system of organizations through inter-secretariat meetings, joint programme discussions and continuous consultations. Some delegations felt, however, that UNIDO should continue its efforts in developing joint programmes of action and particularly in harmonizing projects at the planning stage. Reference was made to the beginning of the second phase of UNIDO's role in co-ordination of industrial development activities, a role that was being undertaken outside the United Nations system, including the co-ordination of bilateral aid from the developed countries with the multilateral activities of UNIDO. One delegation requested clarification of the statement contained in document ID/B/83, paragraph 108, that UNIDO had a mandate for promoting co-ordination but no authority to execute it.

^{6/} The subject of evaluation was also referred to in paras.18 and 271 above.

311. In reply to some of the observations made during the discussion, the Executive Director stated that co-ordination was a continuous task. In the first phase of action, the machinery and procedures of co-ordination had been established by UNIDO with the United Nations agencies, regional banks, and the bilateral aid programmes. The future work of UNIDO in co-ordination would consist of strengthening its co-operation and harmonization with the bilateral programmes, the international professional organizations and with the business and industrial community. The purpose of these activities was to ensure, at all times, the best service to the developing countries.

312. With regard to the establishment of a working mechanism and a concept of harmonization with the World Bank, the regional economic commissions and UNESOB, the Executive Director stated that progress had unfortunately not been as rapid as he would have liked it to be. He hoped to be able to report more progress later.

313. The Executive Director emphasized that UNDP through its financial decisions and by its approval of projects was, in effect, establishing the operational programmes of the agencies and that it thus had the most important role of co-ordination in the operational field. This co-ordinating role of UNDP had been further amplified by the newly established country programming system. This event was of particular importance to the role of UNIDO in co-ordination.

314. The Executive Director stated that UNIDO had the mandate but not the authority to co-ordinate the industrialization activities of the United Nations family of organizations and that it had no resources available for this specific purpose. UNIDO was drawing on its resources and was performing a purely goodwill and missionary task, without calling on any intergovernmental or inter-agency authority.

315. He stressed that UNIDO had established working relations that were acceptable to the partners concerned. The pragmatic approaches and machinery of bilateral discussions with other agencies had created a sense of co-operation and co-existence and had eliminated duplication, leading to better utilization of available resources. In certain cases, UNIDO had passed the stage of co-existence and had entered into a stage of planning jointly future activities such as those related to the Generalized System of Preferences, to the Green Revolution and to repair and maintenance. He emphasized that these activities represented a start towards making future harmonization of programmes easier.

316. The Executive Director stated that the industrialization of the developing countries was a more complex problem than merely the manufacturing industry dealt with by UNIDO's fifteen groups of activities. Thus the role of UNIDO in co-ordination did not refer merely to the manufacturing industry, but to the process of industrialization as a whole, which included the entire areas of policies of industrialization, the planning of development in the different sectors related to industry, including energy and other inputs, the training of manpower, technology and marketing, areas which up to the present had not been touched by UNIDO's activities in co-ordination.

317. He hoped that UNIDO would actively pursue these fields of work in the future. In conclusion, he stated that the major impact of co-ordination was in the fields of industrial policies and resources, fields that had hardly been touched by UNIDO as yet in its co-ordination activities.

318. The representative of ECA referred to the role assigned to industry in Africa's development strategy for the 1970s and to the recommendations adopted at the First Conference of African Ministers of Industry, recently held in Addis Ababa. While the Conference laid down guidelines for intensified co-operation between UNIDO and ECA, the Addis Ababa declaration adopted by the Conference provided a framework for both bilateral and multilateral assistance to Africa at the regional and national level. He further stated that ECA and the Organization of African Unity (OAU) would convene a conference of Ministers of Industry every two years to evaluate industrial development programmes and policies and to draw up guidelines for necessary action to be undertaken by countries singly and collectively in order to accelerate industrialization in the region.

319. The representative of UNCTAD referred to the growing and intensified co-operation between his organization and UNIDO. The two organizations and UNCTAD/GATT/ITC had established a joint programme to enable the developing countries to derive maximum benefit from the System of Generalized Non-Reciprocal and Non-Discriminating Preferences. The organizations were also working together with regard to international subcontracting, establishing of free ports and free zones, etc. With regard to the transfer of technology, the representative of UNCTAD referred to resolution 74 (X) of the UNCTAD Trade and Development Board and to resolution 2726 (XXV) of the General Assembly which defined UNCTAD's role in this field.

300. The representative of IAEA referred to the work of IAEA in promoting the use of nuclear energy for industrial development and, in particular, to the collaboration between the IAEA and UNIDO. Joint action by the two organizations was being considered in industrial branches where nuclear techniques could be used in areas such as metallurgy, food processing, chemical processing industries and instrumentation. He also referred to the co-operation between UNIDO and IAEA with regard to the establishment of joint services such as reproduction, medical services, interpretation, etc.

321. The representative of WHO referred to the very satisfactory collaboration between WHO and UNIDO, which was based on the complementary activities of the two organizations. He referred in detail to the activities undertaken in four areas, i.e. pharmaceuticals, pesticides, occupational health and environmental pollution.

CHAPTER IV. FINANCIAL MATTERS

A. Budget estimates for 1972 and forecast for 1973

322. On the subject of financial matters, the Board had before it document ID/B/84 containing the initial budget estimates for UNIDO for the year 1972, estimates which the Secretary-General would be submitting to the General Assembly. The document was submitted to the Board for its information in accordance with paragraph 5 (b) of resolution 9 (II).

323. In introducing this document, the secretariat pointed out that the initial estimates submitted by the Secretary-General, to the amount of \$13,123,100, provided only for the increase required to maintain in 1972 the same level of activities as that of 1971. The level of resources estimated to implement the 1972 work programme, submitted to the Board, would be approximately \$14.3 million, but this figure did not provide for the likely consequences of the revaluation of several European currencies that could not yet be determined with accuracy. The Board was also informed that the Secretary-General would submit to the General Assembly at its twenty-sixth session revised budget estimates for UNIDO which would take into account the views expressed by the Board during its consideration of the work programme as well as any financial implications that might arise from the recommendations of the Special International Conference. The Board was assured, however, that the Executive Director would take the required measures to enforce economy so as to lighten as much as possible the burden, caused by increased costs, on contributing States. One delegation noted that the regular budget estimates for 1972, as proposed for UNIDO by the Secretary-General of the United Nations, was fully sufficient to give the secretariat of UNIDO the possibility of carrying out the volume of work planned for UNIDO in 1972.

324. Several delegations expressed the view that continued efforts should be made to direct the resources of the organization primarily towards the operational functions and that there should be more effective utilization of resources available for the implementation of projects. In this connexion, the secretariat pointed out that the rate of delivery of projects as compared with the resources available was being gradually increased and that further improvement was to be expected in the future.

325. Some delegations noted that the secretariat of UNIDO should take steps to ensure a more rational use of the resources given to the organization as well as of its own resources, and should find ways of carrying out the growing volume of work, and of improving its efficiency, mainly through further improvement in the use of staff, in particular, by a reduction in the administration and equivalent increase of the operational staff, but also through improvement of the qualifications of staff members, through the reduction of all kinds of unproductive expenses and through the avoidance of duplication in the work.

326. Several delegations suggested that, in line with their support for increased operational activities, there should be a corresponding allocation of staff to reinforce those divisions that were particularly concerned with the administration of field projects, particularly the Technical Co-operation Division and the Industrial Technology Division, in whose areas of competence fell the largest proportion of operational projects.

327. A number of delegations commented on the proposed periodical Industry International and its financing. Some delegations commended the secretariat on the quality of the proposed publication and noted its potential usefulness to a wide range of readers. Several delegations questioned the fact that it had not appeared in all the official UNIDO languages, and one delegation noted that this project had not been submitted to the Working Group and that no action should therefore be taken until the next session of the Working Group. The secretariat noted that since this was a pilot issue, it had been published in only one of the official languages. If a decision was taken to publish it regularly, it would appear in the official languages, within budgetary limitations. With regard to the financing, the secretariat stated that the publication was expected to become self-supporting. Any initial deficit could, however, be covered by re-allocation of resources without any budgetary increases.

328. One delegation expressed the opinion that, according to the rules of procedure, this question should be postponed to the next session of the Board and that, until a decision had been taken by the Board, the secretariat of UNIDO should not undertake any further action. During the consideration of the report, other delegations supported this view. Several delegations, however, supported the publication.

B. Regular programme of technical assistance and special industrial services programme

329. In introducing the document on the UNIDO regular programme of technical assistance (ID/B/82), the President said that the Board was required to approve the programme proposals for 1972 and to recommend the 1973 planning level for the programme.

330. In the ensuing discussions, several delegations called for an increase in the resources available to this programme to a level commensurate with the needs of developing countries. The figure of \$2 to \$2.5 million was cited by one of these delegations.

331. While supporting the programme proposals for 1972, a number of delegations commented on the substantive aspects of the programme. One delegation recommended that part of the resources under this programme might constitute a reserve for the financing of new and untried activities, rather than that the whole should be pre-empted in advance for fellowships and advisory services. Another delegation, recalling the training courses in the metallurgical industry organized in its country, urged that these courses be continued and financed from the UNIDO regular programme of technical assistance. Still another delegation supported increased appropriations from the programme for financing consultations with Governments and for long-range country programming.

332. One delegation indicated that it would abstain on the Board's decision on the UNIDO regular programme of technical assistance.

333. The Board then proceeded to approve the programme proposals for 1972, as contained in document ID/B/82, and recommended a programme planning level of \$1.5 million for 1973. One delegation stated that the financing of in-plant training in the field of iron metallurgy in Zaporozhie (Ukrainian SSR) should be continued from the sources of the regular programme of technical assistance.

334. In the discussion of the document on the SIS programme (ID/B/81), most delegations emphasized the importance of this programme as a highly effective and flexible instrument of assistance to developing countries in the field of industry. They urged that the programme be continued and that the necessary resources be made available to it by UNDP. Some delegations recalled the statement made by the representative of UNDP on the subject and considered it encouraging. However, a number of delegations called for an increase over the present UNDP expenditure level of \$2 million.

335. Some delegations addressed themselves to certain procedural aspects of the SIS programme. Noting with satisfaction the progress made by the secretariat in speeding up the implementation of projects, a number of delegations urged that efforts be continued in this direction. A number of other delegations, citing the number of requests pending approval, queried as to the reasons for the time lag in the processing of requests and urged that UNIDO and UNDP accelerate their approval of projects. One delegation noted with satisfaction the equitable regional distribution of the SIS programme. Another delegation questioned the assistance provided under the programme for a country which, according to its information, was not listed among the developing countries. To this latter query, the secretariat pointed out that the country in question was considered by UNDP as eligible for technical assistance.

336. At its 113th meeting, the Board considered a draft resolution on the programme of Special Industrial Services (ID/B/L.96/Rev.1) submitted by Algeria, Brazil, India, Iraq, Mali, Senegal and Upper Volta.

337. During the discussion, most delegations expressed their support for the draft resolution, pointing out the importance of the SIS programme in meeting urgent needs of developing countries for technical assistance to industry. A few delegations, while not disagreeing in principle with the draft resolution, sought to introduce certain amendments in the text which in effect would have left the question of an increase in allocations in the programme to the consideration of UNDP.

338. The representative of UNDP stated that up to 30 April this year, \$521,000 had been spent by UNDP under the Revolving Fund on the SIS programme and a further \$785,000 had been committed, making a total of more than \$1,300,000 for the year. In 1970, the total was \$737,000, so it would seem likely that any new requests put in for 1971 could be met within the present financial allocations. Should new requests for a higher amount be submitted, he was confident that the Administrator of UNDP, in consultations with the Executive Director of UNIDO, would find supplementary resources. He indicated further that it was the concern of UNDP to allocate maximum resources within the country programmes.

339. The secretariat stated that disbursements in 1970 were estimated in document ID/B/80 at \$3.6 million under the UNIDO General Trust Fund and the Revolving Fund components. In 1971, disbursements and obligations recorded until the

end of April under both components were in the amount of approximately \$2.7 million. The secretariat of UNIDO estimated that total expenditures, until the end of the year under both components, would reach \$4.5 million.

340. One delegation expressed concern about the increasingly wide range of projects financed by SIS and about whether it was proper to use funds from the SIS programme for disaster relief, especially in the future when another part of the programme of UNDP was to be set aside for that purpose. The same delegation recognized, however, that the SIS programme had an important part to play in helping Governments of developing countries to deal with urgent problems as long as it was not expanded to the point where it distracted Governments from making adequate provision in their country programmes for industrialization.

341. The draft resolution, with two amendments, was adopted unanimously (see annex IV, resolution 30 (V)).

342. Answering to a question on the possible use of SIS funds, the Executive Director explained that the original document of the General Assembly of the United Nations (A/6070/Rev.1) established the use to be made of the SIS programme, and UNIDO was bound by this resolution. He observed that, in certain situations, the several countries which had been struck by disasters both in Latin America and in Europe claimed assistance from this fund for industrial rehabilitation of an urgent nature, and with the approval of the Administrator of the UNDP such assistance in limited quantities was given. He said that it would be the wish of the Board not to exclude these cases. Naturally, if there were funds within the United Nations system specifically established for disaster relief, one might make a claim for these resources, but he did not think it would be advisable to eliminate completely this type of expenditure.

C. UNIDO General Trust Fund

343. The Board also considered the Report on the UNIDO General Trust Fund (ID/B/93). In introducing the report the secretariat pointed out that pledges at the Third Annual United Nations Pledging Conference on UNIDO and subsequently amounted to approximately \$2.2 million, representing an increase of nearly \$350,000 over the contributions pledged in the previous years. Total contributions pledged to date amounted to \$6,913,381, of which \$5,439,357 had been

collected, leaving an uncollected balance of \$1,474,024. Projects programmed for implementation amounted by the end of 1970 to \$3,706,000, which represented approximately 80 per cent of the paid contributions.

344. Several delegations expressed satisfaction with the increased rate of utilization of the voluntary contributions to UNIDO. One delegation expressed the hope that, in the future, a larger number of countries could profit from projects financed under the UNIDO General Trust Fund. Noting with regret that no project had yet been approved for the Latin American countries and for the member States of the Association of the Southeast Asian nations which had contributed substantially to the UNIDO General Trust Fund, the same delegation urged the secretariat to remedy this shortcoming immediately. One delegation suggested that improved utilization of funds made in different currencies could be achieved if approval was given to more inter-country projects that permitted the utilization of contributions made in the respective currencies of the participating countries. Another delegation thought that the rate of expenditure could be improved if projects were approved for a somewhat greater value than the resources estimated at any given point of time.

345. One delegation noted that its voluntary contributions to the UNIDO General Trust Fund, since the establishment of UNIDO, amounted to 2 million roubles (or more than \$2.2 million). It further noted that it would be possible to ensure an effective and rounded use of its voluntary contributions mainly by carrying out group training programmes for experts from developing countries, symposia and seminars on its territory, the preparation by its experts of various studies and surveys, the provision of laboratory research, technical and economic evaluations and projects as well as by using it partly for the supply of equipment to developing countries and to finance other work.

CHAPTER V. ORGANIZATIONAL MATTERS

346. With regard to organizational matters (ID/B/85), several delegations stressed the need for a more equitable distribution of the staff in the professional category, particularly as regards representation of various geographical regions, representation within regions, distribution of the staff from these regions among the various divisions of UNIDO, and allocation of senior posts at levels P-5 and above. The abnormal situation with regard to the distribution of professional posts in the secretariat of UNIDO was noted by some delegations. Thus from 224 posts subject to geographic distribution, 120 posts (more than 53 per cent) were filled by staff from Western countries. The number of staff from these countries in 1971, as compared to 1970, had grown both in absolute figures and in percentage. The situation with regard to geographic distribution of posts in the secretariat of UNIDO was particularly unsatisfactory with regard to posts at the level of P-5 and above. It was pointed out that experts from socialist countries held only 4 out of a total of 62 such posts, while the Western countries held 33 posts. The situation was particularly unsatisfactory in the Division of Administration, Conference and General Services, where more than 60 per cent of the staff came from the Western countries, while staff from socialist countries held only 4 posts, mainly at the levels P-2 and P-3. Attention was drawn to the need for remedying this abnormal situation.

347. In this connexion, the secretariat reviewed its continuing efforts towards improving the geographical distribution situation, pointing out that progress had been registered each-year since the establishment of UNIDO, and assured the Board that these matters would be given the closest possible attention.

348. Attention was drawn by some delegations to the problems of recruiting experts. Some delegations commended UNIDO for improved performance in this respect. Several delegations drew attention to the need for further improvement and emphasized the advantages of recruiting a larger proportion of experts from the developing countries themselves. Other delegations pointed to the need to recruit more specialists from the socialist countries.

349. Some delegations requested that a list of the staff of the UNIDO Secretariat, including temporary personnel, interregional advisers and personnel in extra-budgetary posts, be provided by the secretariat shortly before each session of the Board. In reply, the secretariat drew attention to the list of the staff of the United Nations, including that of UNIDO, provided by the Secretary-General to each session of the General Assembly. One delegation stated that it would be useful if the secretariat would inform the Board of the extent to which the recommendations of the Administrative Management Survey concerning UNIDO had been put into effect. The secretariat stated that the report was addressed to the Secretary-General and that the UNIDO secretariat was therefore not authorized to discuss it.

350. With regard to headquarters accommodation, the delegation of Austria informed the Board of the decision of its Government to construct a permanent headquarters for UNIDO that would provide space for 2,266 persons. This delegation pointed out that in 1966 the original estimate of the United Nations was for the provision of space for 1,050 persons and included a growth factor of 50 per cent. He further stated that the architects' competition during 1968 and 1969 was based on an estimated occupancy of 1,730 persons. The secretariat noted with appreciation the decision of the Austrian authorities in planning headquarters accommodations in the Donaupark area. At the same time, the secretariat brought to the attention of the Board the fact that the space provision for 2,266 persons calculated to provide for UNIDO personnel growth through 1981 was the estimate of the Government of Austria, which was less than the projections provided to the Government in 1971. The secretariat added, however, that in view of the fact that Austria would bear the cost for the project, the secretariat was very willing to accept the Austrian definition.

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

A. Consideration of applications of intergovernmental organizations

351. At its 111th meeting, the Board unanimously agreed to designate the following intergovernmental organizations to participate in the deliberations of the Board and its subsidiary organs, pursuant to rule 75 of the rules of procedure of the Board.

- (a) Intergovernmental Council of Copper Exporting Countries (CIPEC);
- (b) International Institute for Cotton (IIC);
- (c) Council of Arab Economic Unity;
- (d) Organization of Senegal Riparian States (OERS);
- (e) Council for Mutual Economic Assistance (CMEA);
- (f) Organisation for Economic Co-operation and Development (OECD).

352. The representative of CMEA made a brief statement about the work of the Council. He pointed out, in particular, that the diversified experience of CMEA in its work in the co-ordination of plans and in the implementation of socialist economic integration could be used successfully both in the practical activities of UNIDO and in the work of the regional organizations of developing countries.

353. In connexion with the granting of consultative status with UNIDO to CMEA, one delegation stated that the establishment of co-operation between UNIDO and CMEA would undoubtedly contribute to the fulfilment of UNIDO's aims and tasks. Pointing out that most member countries of CMEA were also members of UNIDO, this delegation noted with regret that the experience and economic capacity of a member of CMEA, the German Democratic Republic, a highly industrialized country that was very ready to co-operate with the developing countries, were not being used in UNIDO.

354. In the opinion of this delegation, UNIDO, because of the very nature of its function and the tasks that lay before it, should become a universal organization, and all countries that were interested in the industrial development of the developing countries and that were ready to help fulfil the aims and tasks of the organization should be given the right to take part in its activities. It was common knowledge that the German Democratic Republic had repeatedly indicated its desire to become a full member of UNIDO and its willingness to

contribute to the activities of UNIDO and to help fulfil its aims and tasks. There was thus no justification for the fact that the German Democratic Republic, a highly industrialized country that gave large-scale assistance to many developing countries for their industrial development, was not admitted to full membership and participation in the activities of UNIDO.

355. Another delegation stated that it could not agree with this view. In the basic General Assembly resolution 2152 (XXI), by which UNIDO was founded, there was a clear formula established as to which countries were entitled to participate in the work of UNIDO. It was regrettable that an attempt had been made to re-open this issue on which the Board was not competent to make a decision.

B. Consideration of applications of international non-governmental organizations

356. 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 25 May 1971 to review the applications for consultative status contained in documents ID/E/86, Part Two, ID/B/86/Add.1, Part Two, and ID/B/86/Add.4.

357. 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 Savings Banks Institute;
- (b) International Organization of Consumers Unions (IOCU);
- (c) International Co-operative Alliance (ICA);
- (d) European Union of Coachbuilders (UEC);
- (e) International Union for Conservation of Nature and Natural Resources (IUCN);
- (f) International Union of Independent Laboratories (UILI).

358. The Board, at its 111th meeting, approved the recommendations of the Ad Hoc Committee.

CHAPTER VII. SPECIAL INTERNATIONAL CONFERENCE OF UNIDO

A. Information on the state of preparations for the conference

29. A statement was made at the 105th meeting by Mr. Z. Šedivý, Chairman of the Advisory Committee for the Special International Conference of UNIDO established under Industrial Development Board resolution 29 (IV), on the activities and recommendations of the Advisory Committee in assisting in the preparatory work for the Conference.^{1/} A report on the work of the secretariat in the preparation of the Conference, as requested by the Board at its fourth session, was submitted by the Executive Director as document ID/B/92. The Board noted this information.

360. The discussion of this item was resumed at the 113th meeting. Reservations were expressed by one delegation on behalf of Group D with regard to the document "Summary of the Positions Taken by Governments vis-à-vis the Issues on the Agenda of the Special International Conference of UNIDO" (ID/SCU/3), prepared by the secretariat. It also pointed out that the views of this Group were clearly reflected in the preliminary comments submitted to the secretariat and would be further elaborated in statements at the Special International Conference.

B. Consideration of other matters relating to the conference

361. The General Assembly, in resolution 2638 (XXV), endorsed the recommendations of the Board contained in Industrial Development Board resolution 29 (IV) to convene a Special International Conference of UNIDO and requested the Board to undertake at its fifth session consultations and preparatory work with regard to the Conference. In connexion with the preparatory work, the Board had before it document ID/B/92, which contained a report on the preparatory work, carried out by the secretariat, for the Special International Conference of UNIDO. It also heard a statement on 24 May 1971 by Mr. Z. Šedivý, Chairman of the Advisory Committee for the Special International Conference on the work of the Committee. In addition, two documents on the same subject, ID/B/WGPC/L.16 and ID/B/WGPC/L.19, which had been submitted by the secretariat to the Working Group on Programme and Co-ordination, were made available to the Board.

^{1/} Upon the request of several delegations, the statement was distributed to the Board as document ID/B/L.105. The statement is contained in annex III.

362. In implementation of this request and taking into account the relevant recommendations made by the Advisory Committee for the Special International Conference, the Board submitted the following proposals on the organization and procedure of the Conference.

Organization of the work of the Conference

363. It was recalled that the Board recommended, and the General Assembly endorsed, certain provisions with regard to the organization of the work of the Conference. According to these provisions, the Conference was to elect a President, three Vice-Presidents and a Rapporteur, hold only plenary meetings and adopt its agenda; for all other matters, the rules of procedure of the Conference would be those of the Industrial Development Board.

364. The Board proposed that: (a) in view of the short duration of the Conference, the Conference might find it useful to invite participants to make their statements as concise as possible or to undertake consultations with a view to introducing appropriate time limitations as regards such statements; and (b) in addition, and for the same reasons, the President might invite the participants to consider submitting written statements in amplification of their oral interventions. Sufficiently detailed summary records of the discussions should be kept.

Agenda of the Conference

365. The provisional agenda of the Conference, as approved by the General Assembly following the proposal contained in resolution 29 (IV) of the Industrial Development Board, included the following three items:

- I. Long-range strategy and orientation of the United Nations Industrial Development Organization's activities, including the organization's role in the Second United Nations Development Decade and the transfer and adaptation of technology for industrial development of the developing countries.
- II. The organizational structure of the United Nations Industrial Development Organization.
- III. Questions of the financing of the United Nations Industrial Development Organization.

366. Taking into account the fact that only plenary meetings were foreseen for the Conference, the Board proposed that, for reasons of expediency, these three items be taken up for discussion as a single item.

Report of the Conference

367. The following proposals concerning the report of the Conference were transmitted for the consideration of the Conference:

- (a) The report of the Conference would be composed of an introduction and a certain number of findings or conclusions on the main issues. Observations, reservations or dissents of Governments or groups would be recorded and would be an integral part of the report.
- (b) In addition, the Conference would authorize its Bureau or the Rapporteur to prepare, in consultation with the representatives of the geographical groupings, a consolidated record of the Conference which would contain the summary records of the Conference and the recorded statements of the delegations. This document would appear after the conclusion of the Conference and would not be voted on by the Conference.

368. At the 115th meeting a proposal was made to adjourn the present session of the Board and resume it for a single meeting at the end of the Conference.

369. After an exchange of views on the formulation of the proposal for the convening of the resumed session, the following compromise text was adopted by the Board:

"The Board decided to adjourn its fifth session and to resume for a single meeting after the end of the Special International Conference of UNIDO. The purpose of this resumed meeting would be to consider as a priority what consequent action would be necessary to pursue the conclusions and/or recommendations of the Special Conference for the long-range strategy of the activities of UNIDO."

370. Some delegations stated that they had accepted the proposed text with the condition that the words "as a priority" be regarded simply as an indication of urgency.

371. One delegation explained that it had reservations on this proposal and indicated that it would abstain should the proposal be submitted to a vote. In the opinion of the same delegation it would have been more appropriate to give the General Assembly the opportunity to consider the report of the Conference prior to any action being taken on any of its conclusions; the General Assembly might then have reviewed the report in the light of developments that might have taken place within other parts of the United Nations system.

372. During the discussion, the attention of the Board was also drawn by the Austrian delegation to the fact that the resumed session would have to take place on 8 June since the Kongresszentrum would not be available after that date.

CHAPTER VIII. OTHER BUSINESS

A. Headquarters Regulations

373. At its 112th meeting, the Board considered the draft Headquarters Regulations which were made by UNIDO in accordance with section 8 (a) of the Agreement between the United Nations and the Republic of Austria regarding the headquarters of UNIDO, and which were contained in the annex to document ID/B/94. The Regulations concerned: (a) qualifications for professional or other special occupational services with the UNIDO; and (b) operation of services within the headquarters seat.

374. The Board approved without discussion the Headquarters Regulations concerned.

B. Reports of the Joint Inspection Unit

375. In compliance with the provisions concerning the arrangements for dealing with the reports submitted by the Joint Inspection Unit, as proposed by ECOSOC resolutions 1457 (XLVII) of 8 August 1969 and 1544 (XLIX) of 6 August 1970, and with the procedures outlined by the Under-Secretary-General for Administration and Management in his memorandum of 20 January 1970, the secretariat submitted to the Board for its consideration a list of the reports of the Joint Inspection Unit which were of relevance to the field activities of UNIDO (ID/B/87).

376. At its 112th meeting, the Board took note of the above-mentioned reports. One delegation stressed the importance of these reports and invited UNIDO to make use of them in the future. This delegation recommended that, in the agenda for future meetings, these reports should appear under a specific item.

C. Inclusion of Fiji in list "A" of states annexed to General Assembly resolution 2152 (XXI)

377. At its twenty-fifth session, in paragraph 2 of its resolution 2637 (XXV) on the revision of the lists of States eligible for membership in the Industrial Development Board, the General Assembly decided to include Fiji in list "A" of the annex to its resolution 2152 (XXI).

378. Accordingly, pursuant to the last sentence of section II, paragraph 4, of General Assembly resolution 2152 (XXI) establishing UNIDO, the Board at its 112th meeting took note of the decision of the General Assembly referred to in the preceding paragraph.

D. Rotation of the members of the Bureau of the Board in the second five-year cycle (1972-1976)

379. With reference to rule 19 of the rules of procedure of the Board, the secretariat submitted to the Board for its information a document concerning the rotation of the offices of the members of the Bureau of the Board for the second five-year cycle, beginning in 1972 (ID/B/L.93).
380. At its 112th meeting, the Board took note of the above-mentioned document.

CHAPTER IX. PROVISIONAL AGENDA OF THE SIXTH SESSION

381. At its 112th meeting, the Board adopted the provisional agenda of the sixth session as follows:

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:^{3/}
 - (a) Activities of UNIDO including operational activities; report on the work accomplished in 1971; updating of 1972 programme; programme of work for 1973; and outline of programme for 1974;
 - (b) Co-ordination questions pertaining to projects within the work programme;
 - (c) Evaluation of the programme activities of UNIDO.
6. Matters arising from the conclusions of the Special International Conference of UNIDO.
7. Co-ordination of activities of the United Nations system in the field of industrial development.
8. Financial and organizational matters.
9. Matters concerning intergovernmental and non-governmental organizations.
10. Provisional agenda of the seventh session.
11. Date and place of the seventh session.
12. Other business.
13. Adoption of the report of the sixth session.

^{3/} Since they referred primarily to the work programme, the report on the UNIDO Regular Programme of technical assistance and the report on the programme of Special Industrial Services, which had previously appeared under the agenda item on financial matters, would appear under item 5 of the agenda related to the work programme.

CHAPTER X. DATE AND PLACE OF THE SIXTH SESSION

382. The Board decided at its 113th meeting that, in view of the third United Nations Conference on Trade and Development to be held from 11 April to 10 May 1972 in Santiago, Chile, the fourth session of the Working Group on Programme and Co-ordination and the sixth session of the Board should be held for a maximum of four weeks beginning during the second half of May 1972. It was agreed that the actual dates of the sessions of the Working Group and of the Board would be communicated in due course by the Executive Director to the members of the Board and to all Governments and organizations invited to participate in these meetings.

CHAPTER XI. CONSIDERATION OF THE REPORT OF THE FIFTH SESSION

383. At its 115th meeting, the Board unanimously adopted its report as a whole, it being understood that the part of the report relating to the late discussions on item 8 (b) would be finalized by the Rapporteur.

CHAPTER XII. CLOSURE OF THE FIFTH SESSION OF THE BOARD

384. The Board, at its 115th meeting decided, subject to observations made by several delegations, to adjourn its fifth session and to resume for a single meeting after the end of the Special International Conference of UNIDO on 8 June 1971. The purpose of this resumed meeting would be to consider as a priority what consequent action would be necessary to pursue the conclusions and/or the recommendations of the Special International Conference of UNIDO for the long-range strategy of the activities of UNIDO.

385. After the closing of the Special International Conference of UNIDO on 8 June 1971, the Board, pursuant to the decision taken at its 115th meeting, resumed its session to consider questions arising from the Special Conference. As there were no questions requiring immediate attention, the Board decided to close its deliberations, after having approved minor amendments to its report.

386. After statements by representatives of geographical groups and the President of the fifth session, the Board concluded its fifth session at 10 p.m. on 8 June 1971.

ANNEXES

ANNEX I

SUMMARY REVIEW OF UNIDO ACTIVITIES IN 1970

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 1970 is contained in documents ID/B/80 and Add.1-6, and ID/B/85, submitted to the Board at its fifth session.
3. The summary of UNIDO activities for 1970 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 the industrial development field adviser programme.

Summary review by programmes

General remarks

5. The operational activities of UNIDO include projects financed from the United Nations Development Programme Special Fund (UNDP/SF) and Technical Assistance (UNDP/TA) components, from the Special Industrial Services (SIS), from the UNIDO regular programme (RP) of technical assistance and from the UNIDO General Trust Fund.

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, 1969 and 1970
(In thousands of US dollars)

	<u>1969</u>		<u>1970</u>	
	<u>Resources</u>	<u>Expenditures</u>	<u>Resources</u>	<u>Expenditures</u>
Regular programme	1,500.0	1,496.1	1,500.0	1,496.6
UNDP/TA	3,000.0 ^{a/}	1,793.4	3,700.0 ^{a/}	2,439.2
UNDP/SF	4,800.0 ^{b/}	2,994.6	8,000.0 ^{b/}	4,560.6
SIS	3,300.0 ^{c/}	1,994.6	5,000.0 ^{c/}	2,937.0
UNIDO General Trust Fund	1,700.0	400.2	2,100.0	981.8

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

b/ 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.

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

UNDP/SF

7. As a participating and executing agency for UNDP, UNIDO was responsible in 1970 for 52 UNDP/SF projects, including three for which field operations were completed in the course of the year. The total cost of these projects amounted to \$101.5 million, of which \$39.8 million were UNDP earmarkings. In addition, UNIDO was associated in the implementation of seven projects executed by other agencies including ILO, FAO and UNESCO. The magnitude of the share of UNIDO in the total UNDP/SF component still remained small, with an average of only 5 per cent.

UNDP/TA

8. The share of UNIDO in the UNDP/TA component, which is directed mainly to medium-term expert services and fellowships in the UNIDO operational programme, showed a slight increase in 1970 as compared with 1969. Over 200 projects with a total value of about \$3.7 million were approved. To date, projects amounting to about \$2.4 million have been implemented. Additionally, a number of regional and interregional projects in the form of in-plant training courses, seminars, symposia etc. were financed under this programme. The total value of these projects approved for 1970 was about \$500,000.

Special Industrial Services

9. By providing speedy short-term assistance, the SIS programme continued to meet an increasing number of urgent requests in the industrial field. The obligations incurred in the implementation of SIS projects in 1970 amounted to approximately \$4 million and actual expenditures were in the order of \$3 million in 1970 as against approximately \$2 million in 1969. Some 300 projects amounting to \$5 million were requested and approved in the course of the year as against 226 projects at a value of \$3.3 million in 1969 - an increase of nearly 50 per cent. The original SIS Trust Fund having been exhausted, the SIS programme was almost entirely financed under the provisions of the UNDP Revolving Fund, which provides for an annual plan level of \$4 million. The cumulative value of approved projects under this programme rose from \$7.5 million at the end of 1969 to an estimated \$12.5 million by the end of 1970.

Regular programme

10. Assistance rendered through the regular programme focused mainly on training. In addition to a number of group training programmes organized by UNIDO, over 100 individual fellowships were awarded to nationals of developing countries in various fields of specialization. The network of UNIDO regional industrial advisers continued to be financed under this programme in 1970; a total of 15 advisers were attached to the regional economic commissions and UNESOB, and five interregional advisers operated from headquarters. The long-range country programming of technical assistance, intended to provide forecasts of the needs of developing countries and to assist them in the planning of their future needs, was also given support under this programme.

UNIDO General Trust Fund

11. Projects amounting to \$3.7 million were programmed and under implementation by the end of 1970 in such fields as establishment of industrial units, in-plant training and other technical workshops and meetings. Actual expenditures in 1970 amounted to \$1 million.

12. The Third Annual United Nations Pledging Conference on UNIDO, held on 10 November 1970 at United Nations Headquarters, resulted in approximately \$1.8 million in contributions for 1971. Contributions in the two preceding pledging conferences amounted to about \$3.6 million.

Summary review by regions

13. The magnitude and nature of technical assistance extended to countries of the regions differed in accordance with the stage of development and the expressed needs of the countries; in 1970, Africa received 33.8 per cent; Asia and the Far East, 20.8 per cent; the Americas, 18.5 per cent; and Europe and the Middle East, 15.4 per cent. Of the operational expenditures, 11.5 per cent was devoted to interregional projects.

Table 2

Status of expenditures in 1970 for technical co-operation activities
of UNIDO, by regions

(In thousands of US dollars)

	<u>Regular programme</u>	<u>UNDP/TA</u>	<u>UNTP/SF</u>	<u>Special Industrial Services</u>	<u>Funds-in- Trust</u>	<u>UNIDO General Trust Fund</u>	
<u>Africa</u>							
Country projects	257.6	321.1	2,025.6	853.1	67.7	115.7	3,840.8
Regional projects	<u>154.7</u>	<u>38.9</u>	<u>142.3</u>	<u>20.2</u>	-	<u>41.1</u>	<u>397.2</u>
Total	412.3	560.0	2,167.9	873.3	67.7	156.8	4,238.0
<u>The Americas</u>							
Country projects	180.0	547.9	450.5	789.8	40.7	0.2	2,000.9
Regional projects	<u>120.8</u>	<u>25.3</u>	-	<u>32.7</u>	-	-	<u>178.8</u>
Total	300.8	573.2	450.5	822.5	40.7	0.2	2,187.9
<u>Asia and the Far East</u>							
Country projects	229.5	729.8	1,254.9	709.4	27.9	136.6	3,028.1
Regional projects	<u>56.0</u>	<u>3.8</u>	<u>0.4</u>	-	-	<u>0.8</u>	<u>61.0</u>
Total	285.5	733.6	1,255.3	709.4	27.9	137.4	3,149.1
<u>Europe and the Middle East</u>							
Country projects	145.1	315.3	666.8	471.3	119.4	69.5	1,787.4
Regional projects	<u>36.2</u>	<u>2.3</u>	-	<u>4.2</u>	-	-	<u>41.7</u>
Total	181.3	317.6	666.8	475.5	119.4	69.5	1,829.1
<u>Interregional</u>	<u>316.7</u>	<u>254.8</u>	<u>20.1</u>	<u>56.3</u>	-	<u>617.2</u>	<u>1,269.3</u>
GRAND TOTAL	<u>1,496.6</u>	<u>2,439.2</u>	<u>4,569.6</u>	<u>2,937.5</u>	<u>255.7</u>	<u>781.8</u>	<u>10,670.5</u>

Africa

14. The volume of technical assistance provided to 41 countries and 8 regional and interregional organizations in Africa in 1970 reached a total of approximately \$4.3 million against \$3 million in 1969. Two hundred and forty-four experts were sent to the field compared to 212 in 1969, and 262 fellowship posts were established. The number of UNDP/SF projects executed by UNIDO in the region increased from 16 to 22. Requests for assistance under the SIS programme also registered a considerable increase in 1970, particularly at the plant level, expenditures amounting to \$873,300. Particular emphasis was given to industrial planning and development of industrial policies under the technical assistance component of UNDP. Voluntary contributions pledged to UNIDO served to supplement other technical assistance projects or to implement independent projects, including the establishment of complete production units.

15. Increasing assistance was given to regional organizations in such areas as export promotion and the application of international standards and quality control. As part of the long-range country programming of UNIDO, programming exercises were initiated in the East African Community, the Common Afro-Malagasy-Mauritius Organization (OCAM) and the Organization of Senegal Riparian States (OERS). A regional investment promotion meeting in Nairobi, held in late 1970, was attended by 80 participants from 25 countries in Africa. Cooperation with ECA was further developed, in particular as regards the harmonization of the work programmes of the two organizations in the industrial field.

The Americas

16. The volume of technical assistance provided to some 30 countries in the Americas increased from \$1.5 million in 1969 to \$2.2 million in 1970. A large part of the need for industrial development was met by requests financed by SIS, thus providing the countries in the region with urgent short-term assistance not available under other programmes. The volume of assistance under SIS doubled in 1970 to approximately \$850,000. Six UNDP/SF projects were operational with a total cost of \$8.6 million, including \$4 million in UNDP earmarkings. One hundred and sixty-seven experts were engaged in the field compared to 131 in 1969; in addition, 43 fellowship posts were established.

17. The nature and type of assistance provided in 1970 followed generally the pattern established in previous years. Given the varying degrees of industrialization, the region received assistance in such diverse areas as: import substitution and promotion of exports; policy planning and programming; development of basic industries and industrial infrastructure; utilization of mineral and agricultural resources; and development of sophisticated branches of technology. Assistance was also provided to CARIFTA in the development of small-scale industries, sectoral development and industrial policies. Close co-operation was maintained with ECLA. The annual meetings to review the work programmes of both organizations substantially promoted the co-ordination of industrial activities in the region as a whole.

Asia and the Far East

18. A total of 21 countries and three regional organizations in Asia received assistance in 1970 amounting to \$3.1 million, including the service of 217 experts. The number of UNDP/SF projects increased from 8 in 1969 to 11 in 1970, and five additional projects were prepared for the approval of the Governing Council of UNDP at its session in January 1971. In addition, 128 fellowship posts were established under various programmes in 1970, as compared to 75 in 1969.

19. In 1970, the operations of UNIDO in this region were marked by several trends. First, as a result of the surveys carried out by UNIDO on repair and maintenance facilities, on agricultural machinery and on export potentials for manufactured goods, a number of projects were established in these fields and more are expected in the next two years. Second, in-depth assistance continued to be given in the re-organization and development of specific industrial sectors. Third, there has been an increased demand for assistance to supporting institutions and facilities such as planning institutions, applied research and standardization, management, export promotion and small-scale industries. Finally, the requests for assistance were in relatively more sophisticated fields such as system analysis, polymer chemistry, data banks and development of criteria for location of industries and subcontracting between large and small industries. In addition, UNIDO continued to provide technical assistance in the following fields: industrial planning, policy formulation and project evaluation, food and light industries, metal-working, electronics, shipbuilding and pulp and paper.

20. Co-operation was further developed with ECAFE and with the other regional bodies concerned with economic development of Asia. UNIDO co-sponsored with ECAFE the Second Asian Conference on Industrialization in Tokyo and the first Asian Meeting to Promote Specific Industrial Projects in Asian Countries, held in Manila in September 1970. The two organizations are also co-operating in the Asian Survey for Regional Co-operation and other projects. Close co-operation was also maintained with regional intergovernmental organizations such as the Mekong River Basin Committee, the Regional Co-operation for Development (ROCD) between Iran, Pakistan and Turkey, and the Asian Productivity Organization (APO).

Europe and the Middle East

21. The value of the technical assistance activities of UNIDO in Europe and the Middle East in 1970 was of the order of \$1.8 million, as compared to \$1.5 million in 1969. This total includes the financing of some 90 experts and 220 fellowships in 1970, as against 83 experts and 212 fellowships in 1969. Long-range technical assistance missions were undertaken in two* countries of the Middle East during 1970 and additional missions were prepared for 1971. Assistance provided to the countries in this region ranged from highly sophisticated expertise to the basics in industrialization, reflecting the different levels of development. Attention was given to the lesser developed countries in response to growing interest on their part to avail themselves of technical assistance to industry.

22. Nine UNDP/SF projects, involving expenditures of approximately \$670,000 were under implementation in the region. Assistance under this programme covered industrial research and development centres, small-scale industries, electrical testing and experimentation and an in-plant training centre for engineers.

23. The SIS programme provided technical assistance with a value of approximately \$475,000. In addition to the increasing number of projects financed under this programme, two countries which had not previously participated in this programme submitted requests in 1970. A considerable volume of emergency assistance was provided to certain countries that had suffered extensive damages due to natural disasters.

4. Co-operation with regional organizations has continued throughout the year through assistance extended to the Arab Organization for Industrialization and Metrology (ASMO) and the Industrial Development Centre for the States (IDCAS). The impact co-ordinated activities with UNESOB have included a number of joint activities in the area, including participation in exploratory and survey missions. The increased activity of the UNIDO Industry Unit at UNESOB complemented the missions undertaken by UNIDO's regional industrial adviser.

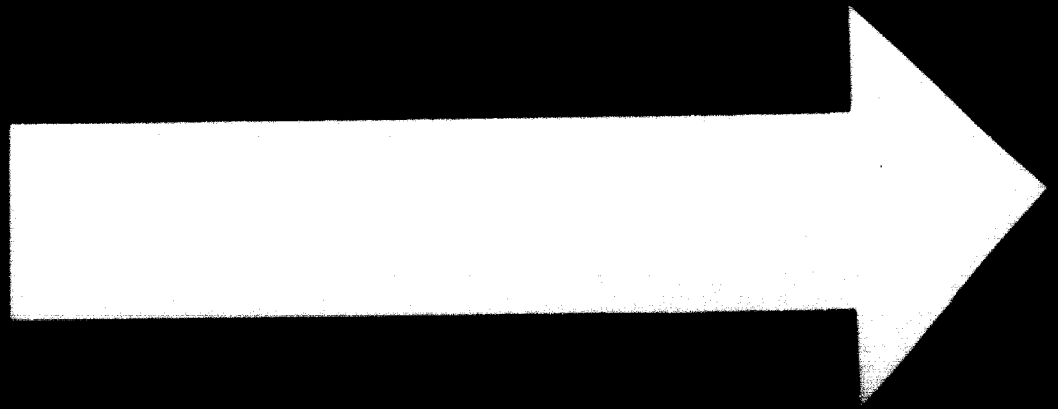
Summary review by groups of activities

25. The programmed activities of UNIDO are classified in fifteen groups, enumerated in Table 3 below, which also lists the distribution of the value of technical assistance to industry by groups of activities.

Table 3
Distribution of technical assistance to industry
in 1970, by groups of activities

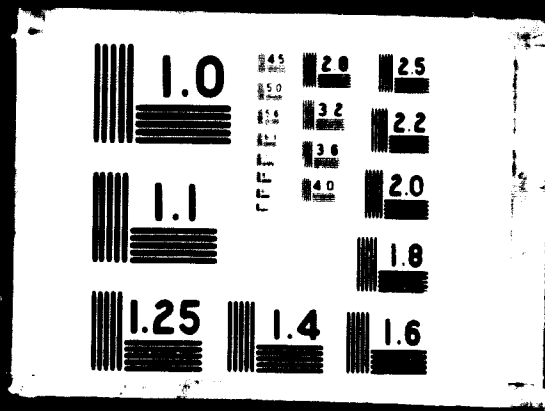
(In thousands of US dollars and per cent)

<u>Group of activity</u>	<u>US\$</u>	<u>Percentage of total funds</u>
<u>Industrial Technology Division</u>		
1 Engineering industries	1,521.0	12.0
2 Metallurgical industries	670.0	5.3
3 Construction and building materials industries	210.8	1.7
4 Chemicals, pharmaceuticals and pulp and paper industries	454.1	3.6
5 Fertilizers, pesticides and petrochemicals industries	1,809.0	14.3
6 Light industries	1,232.2	9.7
15b Industrial branch reports and across-the-board techniques	7.8	0.1
Sub-total	5,904.9	46.7
<u>Industrial Services and Institutions Division</u>		
7 Industrial administration	.8	-
8 Industrial institutions	1,259.5	9.9
9 Industrial information	123.6	1.0
10a Industrial training	1,424.3	11.2
10b Industrial management and consulting services	1,100.6	8.7
11 Small-scale industry and related activities	3,908.8	30.8
Sub-total		
<u>Industrial Policies and Programming Division</u>		
12 Industrial programming and project planning	2,104.6	16.6
13 Industrial policies and financing	346.2	2.7
14 Promotion of export-oriented industries	175.8	1.4
15a Industrial surveys	230.6	1.8
Sub-total	2,857.2	22.5
TOTAL	12,670.9	100.0



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Industrial development field advisers

26. The activities of the industrial development field advisers served to strengthen the links of UNIDO with the field. In co-operation with UNDP Resident Representatives, these advisers assisted Governments in the development of technical assistance programmes and were instrumental in promoting the co-ordination of technical assistance of UNIDO. The advisers also maintained contact with the regional economic commissions and UNESOB as well as with other regional and subregional organizations.

27. In 1970, the industrial development field adviser programme was further expanded by the addition of six advisers, bringing the total of filled posts to 15 against 20 established posts (candidates for the vacancies are still under recruitment). During 1970, five advisers were posted each in the Americas and Africa; four in Asia and one in the Middle East.

PART TWO: SUPPORTING ACTIVITIES

28. The expenditures in substantive supporting activities amounted to US\$3,596,800. A breakdown of these expenditures is given in table 4 by sources of funds and in table 5 by groups of activities. Table 6 provides information on the activities of the three substantive divisions of the secretariat, financed from the Regular Budget and overhead funds, in terms of man/months of professional staff and expenditures on meetings, consultants and publications. Table 7 gives for each group of activity a list of meetings held in 1970 and the number of studies and research projects carried out during the same year.

Table 4

Expenditures on substantive support activities
in 1970, by sources of funds
(In thousands of US dollars)

	<u>US \$</u>
Regular Budget	3,238.4
UNDP/SF	158.4
SIS	21.1
UNIDO General Trust Fund	117.6
Funds-in-Trust	61.3
TOTAL	<u>3,596.8</u>

Table 5

Expenditures on substantive support activities in 1970,
by groups of activities

(In thousands of US dollars and per cent)

<u>Group of activity</u>	<u>US \$</u>	<u>Percentage of total funds</u>
<u>Industrial Technology Division</u>		
1 Engineering industries	341.3	9.5
2 Metallurgical industries	133.0	3.7
3 Construction and building materials industries	70.8	2.0
4 Chemicals, pharmaceuticals and pulp and paper industries	119.8	3.3
5 Fertilizers, pesticides and petrochemicals industries	194.7	5.4
6 Light industries	243.3	6.8
15b Industrial branch reports and across-the-board techniques	112.3	3.1
Sub-total	1,215.2	33.8
<u>Industrial Services and Institutions Division</u>		
7 Industrial administration	80.7	2.2
8 Industrial institutions	184.4	5.1
9 Industrial information	340.5	9.5
10a Industrial training	104.1	2.9
10b Industrial management and consulting services	140.6	3.9
11 Small-scale industry and related activities	226.2	6.3
Sub-total	1,076.5	29.9
<u>Industrial Policies and Programming Division</u>		
12 Industrial programming and project planning	337.0	9.4
13 Industrial policies and financing	441.7	12.3
14 Promotion of export-oriented industries	239.7	6.6
15a Industrial surveys	286.7	8.0
Sub-total	1,305.1	36.3
TOTAL	3,596.8	100.0

Table 6

Activities of the substantive divisions of the secretariat in 1970,
regular budget and overhead funds

(In man/months and thousands of US dollars)

Group	Staff time ^{a/}		Consultants		Meetings	Printing	Total
	m/m	\$ ^{b/}	m/m.	\$	\$	\$	\$
1	157	228.6	11	18.3	5.2	14.0	266.1
2	55	73.3	8	13.5	6.5	8.8	102.1
3	26	34.7	4	6.7	12.4	2.5	56.3
4	58	79.7	5	7.3	-	2.2	89.2
5	80	111.7	6	8.9	4.9	26.3	151.8
6	102	136.0	22	35.3	11.0	4.2	186.5
7	33	46.1	10	15.0	0.9	-	62.0
8	72	100.6	16	27.8	12.4	2.7	143.5
9	86	120.1	8	11.8	-	16.1	148.0
10a	47	65.7	4	6.6	-	4.8	77.1
10b	57	101.2	2	3.2	6.0	-	110.4
11	83	148.2	10	15.8	-	17.1	181.1
12	140	170.8	21	34.1	13.7	25.0	243.6
13	209	287.2	17	27.8	14.3	6.5	335.8
14	127	154.9	7	10.3	3.9	3.9	173.0
15	169	211.2	30	48.8	-	5.9	265.9
	<u>1,501</u>	<u>2,070.0</u>	<u>181</u>	<u>291.2</u>	<u>91.2</u>	<u>140.0</u>	<u>2,592.4</u>
and staff assessment		<u>481.0</u>					<u>481.0</u>
	<u>1,501</u>	<u>2,551.0</u>	<u>181</u>	<u>291.2</u>	<u>91.2</u>	<u>140.0</u>	<u>3,073.4</u>

a/ Including staff time for direct backstopping of technical co-operation activities.

b/ Salaries calculated on a net basis.

Table 7

Summary of symposia, expert group meetings, seminars, group training, workshops and other meetings; and studies and research projects in 1970

<u>Group of activity</u>	<u>Meetings</u>	<u>No. of studies and research projects</u>
	<u>Industrial Technology Division</u>	
1	Interregional symposium on maintenance and repair in developing countries, Duisburg (FRG) Meeting on the operation, maintenance, design and manufacturing of chemical plants and equipment in developing countries, Königstein (FRG) Expert group meeting on the development of engineering design capabilities, Vienna	7
2	Seminar on copper production and group study tour of copper plants, USSR Seminar on tin-plate production, Santiago (Chile)	4
3	Workshop on clay building materials industries in Africa, Tunisia	
4	- - - - -	2
5	Meeting on the development of the fertilizer and pesticide industries in Latin American countries, Rio de Janeiro Second interregional training course for industrial production of pesticides in developing countries, Syracuse, N.Y. Seminar in plastics technology, Vienna <u>Ad hoc expert group meeting on the preparation of the second interregional fertilizer symposium, Moscow</u>	2
6	Expert group meeting on quality control in the textile industry, Budapest Expert group meeting on the production of panels from agricultural wastes, Vienna	7
15b	- - - - -	5
	<u>Industrial Services and Institutions Division</u>	
7	Expert group meeting on a manual on licensing practices, Vienna	1
8	Meeting of the World Association of Industrial and Technological Research Organizations (W.A.I.T.R.O.), Vienna Subregional training workshop for standardization personnel in English-speaking African countries, Addis Ababa Seminar on the organization and administration of industrial services in Asia and the Middle East, Tashkent Regional workshop for managerial staff of chambers of industry for participants from English-speaking African countries, Addis Ababa	5

Table 7 (continued)

<u>Group of activity</u>	<u>Meetings</u>	<u>No. of studies and research projects</u>
<u>Industrial Services and Institutions Division (continued)</u>		
9	Interregional training course for industrial information and documentation officers from English-speaking countries, Moscow Seminar for industrial information officers (for ECAFE and ECA regions), Teheran	8
10a	Seminar on achievement motivation for UNIDO staff members, Vienna ^{a/}	8
11	Training workshops on extension services for small industry in Africa, Dakar and Kampala Regional meeting on financing of small-scale industry in Latin American countries, Buenos Aires	10
<u>Industrial Policies and Programming Division</u>		
12	Working party on the presentation of national development plans, Vienna Working party on industrial programming data, Sofia Interregional training workshop on project implementation, Beirut Expert group meeting on industrial project planning for countries in the Middle East and North Africa, Beirut Expert group meeting on industry files system and other data bank techniques for industrial programming, Vienna Expert group meeting on time profiles for project implementation, Vienna	20
13	Interregional workshop on industrial banking techniques, Vienna Training workshop on investment promotion techniques (for English-speaking participants), Vienna First Asian meeting to promote specific industrial projects, Manila Second African meeting to promote specific industrial projects, Nairobi Expert group meeting on industrial development finance institutions, Paris	6
14	Expert group meeting on industrial co-operation for export between developed and developing countries, Bucharest	10
15a	Training workshop in methods of industrial surveys (for English-speaking participants), Brighton (UK)	3

^{a/} In addition, nine in-plant training courses were held in various countries in the following sectors: diesel engineers, iron and steel, maintenance system, pulp and paper, electrical, mechanical, metal-working, plastic and textile industries.

Publications

29. UNIDO printed 54 publications in the course of 1970:

- Industrial Technology Division: 12 publications.

Major publications related to various aspects of plastics, petrochemical and metal-working industries and the production of distribution transformers in developing countries. Reports on various symposia, seminars and expert group meetings were also issued.

- Industrial Services and Institutions Division: 11 publications.

These consisted of studies for engineers in the textile industry; publications on small-scale industries and the use of consultants; and the continuation of the Industrial Research and Development News.

- Industrial Policies and Programming Division: 12 publications.

These included, in addition to various reports on meetings and seminars, the second Industrial Development Survey, a directory of external sources of financing and an annotated bibliography on industrial location and regional development.

- 19 publications appeared as monographs under the series "Industrialization - Problems and Prospects" which covered the proceedings of the International Symposium on Industrial Development held in Athens in 1967.

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.

Long-range programming

31. UNIDO's long-range programming of technical assistance seeks to provide forecasts of the needs of developing countries and to assist them in planning to meet these needs from multilateral sources. To date, UNIDO has initiated some 60 long-range country programming exercises in co-operation with the Governments concerned. Some of the exercises were carried out at headquarters, others by headquarters staff missions and by the industrial development field advisers. The UNDP resident representatives were fully associated with these exercises. In practice, the approach adopted by UNIDO to country programming took the following form: (a) identification of long-term priorities for the industrial sector on the basis of national development plans; (b) determination of the type and timing of long-term projects; (c) preparation of projects to be established within one or two years after the programming exercises had been completed; and (d) adjustment of present projects to the country's development plans. Each country programme is subject to periodic reviews.

Activities related to the Second United Nations Development Decade

32. The contribution of UNIDO to the implementation of the International Development Strategy for the Second Development Decade continued to be carried out at three levels, namely at the country, sectoral and global level. At the country level, UNIDO assisted Governments in the formulation of long-term industrialization objectives, design of strategy and policies, and in the establishment of adequate systems of assessment, monitoring and follow-up for the industrial sector. At the sectoral level, a number of studies were prepared on trends and prospects for selected industrial branches, based on projections of demand and on investments known to be planned or envisaged. The studies covered the petrochemical, textile, fertilizer and automotive industries; studies in other branches were under preparation. At the global level, efforts centred on preparing projections of the industrial sector and

the undertaking of special studies in line with the recommendations of the International Development Strategy. These projections, when expanded, will provide a quantitative background of the situation of industry in the developing countries and serve as a reference for objectives, strategy and policy. The co-operation initiated in 1969 with individual countries, the regional economic commissions, UNESOB, UNCTAD and the specialized agencies concerned, was further expanded in 1970.

Activities related to the Green Revolution

Industrial inputs in agriculture

33. UNIDO's contribution in this field concerned primarily the mechanization of agriculture and the development of local production of inputs, including the manufacture of agricultural implements and machinery, establishment and promotion of fertilizer and pesticides production, and certain infrastructural requirements such as transport and storage.

Agricultural machinery and implements

34. In this area, the activities of UNIDO centred on assisting developing countries in formulating programmes for the development of agricultural machinery and implements. Technical assistance included feasibility studies, utilization of existing facilities for production of agricultural machinery and spare parts, and repair and maintenance. The joint UNIDO/UNESOB mission on agricultural machinery industry, which visited six countries in the Middle East, resulted in a number of additional technical assistance requests. Plant requirements for producing animal-drawn agricultural implements were covered by a report finalized during the year.

Fertilizers

35. Assistance was provided in the establishment of fertilizer industries and in the greater utilization of indigenous raw materials for fertilizer production. Operational projects in this field included marketing and pre-investment surveys and pilot demonstration plants, as well as studies on the utilization of existing capacities. Following the surveys of fertilizer production facilities in the ECA and ECAFE regions, a similar survey was conducted in Latin America, and a meeting was held in Rio de Janeiro to identify countries and regions where further facilities could be established.

Pesticides

36. Investigations were completed in selected regions of Latin America on the availability of excess chlorine as a potential raw material in the production of safe pesticides. Similar investigations were prepared for the African and Asian regions. Pesticide production problems were discussed at a meeting held in Rio de Janeiro in 1970, and preparations were made for a similar meeting in the UNESOB region. The Second International Training Course for Industrial Production of Pesticides was held in Syracuse, United States of America, in 1970.

Promotion activities

Industrial promotion services

37. The industrial promotion services of UNIDO provided opportunities for participants from developing countries to meet potential partners at industrial and trade fairs. The promotion of such contacts at fairs is intended to facilitate arrangements of mutual benefit in such areas as technical and financial assistance, provision of services and joint development of projects. In 1969 and 1970, UNIDO participated in six industrial fairs in different countries.

Promotion of industrial financing

38. In addition to assisting developing countries in setting up their own investment promotion machinery, UNIDO, under this programme, organized two investment meetings in 1970: one in the Philippines, in co-operation with ECAFE, and another in Kenya, in co-operation with ECA and the African Development Bank. These meetings provided an opportunity for participants from developing and industrialized countries to discuss several hundred specific industrial projects. Follow-up action was taken to assess the impact of promotion work in terms of actual investment achievements and to assist the countries in the development of their own network of contacts.

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

39. Co-operation with UNCTAD, ILO, FAO and UNESCO was further intensified in the course of 1970. The inter-secretariat meetings initiated with ILO and FAO in 1968 and 1969, respectively, reviewed an increasing number of projects of common interest in the course of the year. Such periodic inter-secretariat meetings were also established with UNCTAD and UNESCO in 1970. This inter-agency co-operation covered also special programmes such as the Green Revolution, industrial inputs in agriculture (fertilizers, pesticides, insecticides and agricultural machinery), the Generalized System of Preferences and UNIDO repair and maintenance programmes. Discussion on co-ordination of programmes continued also with WHO.
40. The joint review of work programmes with ECA, ECLA, ECAFE, ECE and UNESOB aimed at harmonizing the activities of UNIDO with those of the regional economic commissions in the industrial field, was continued and expanded in 1970.
41. A number of applications were received from intergovernmental and non-governmental organizations to be associated with the activities of UNIDO. They were submitted to the Board at its fourth session for consideration. Co-operation was maintained with the associated non-governmental organizations concerned, in particular with regard to consultation on the UNIDO work programme, exchange of information and mutual participation in meetings.
42. 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 38. Close contact continued to be maintained with these Committees, and further measures are under consideration for strengthening the co-operation between UNIDO and the National Committees.

Public Information Service

43. The expansion of the activities of UNIDO in 1970 was reflected in the increased demand on the Public Information Service. In addition to covering the increased schedule of meetings and training programmes, digests were issued of major studies and reports. The coverage of United Nations activities stressed field projects, the work undertaken in specific industrial

sectors or in a given country or region. With limited resources for on-the-spot reporting, maximum use was made of visits to headquarters by experts, country representatives and UNDP staff. In addition, visits by reporters to field projects were encouraged. An example of this approach was the visit to the Manila investment promotion meeting by six economic correspondents, sponsored by the Centre for Economic and Social Information.

44. Other activities included the production of printed material and specialized articles in several languages, lectures and group visits, radio and television interviews and feature programmes, the setting up of photographic exhibitions at trade fairs, and the preparation of a short feature film on the work of UNIDO.

Administration

45. On 31 December 1970, there were 40 vacant posts against a manning table of 337 professional posts. Under the consultant programme, 268 Special Service Agreements were concluded with outside experts during the year. The process of transferring responsibility for recruitment of UNIDO experts under all technical assistance programmes was completed in November 1970. Three hundred and thirty four UNIDO experts were appointed in the course of the year.

46. Personnel Services were re-organized in mid-1970 to strengthen the machinery for the recruitment of staff and experts and for the administration of the secretariat, consisting of over 900 staff members. The Joint Advisory Committee, the principal body for staff-management consultations continued its activity in matters of personnel policy and staff welfare; additional staff-management bodies were created to deal with specific staff matters.

Special International Conference of UNIDO

47. The Industrial Development Board, in resolution 29 (IV), requested the Executive Director to undertake the preparatory work for the proposed Special International Conference, including the preparation of the documentation and the necessary contacts and consultations. Accordingly, the Executive Director invited Governments and organizations concerned to inform the secretariat about their participation in the Conference and to submit their preliminary views and comments on the agenda items of the Conference. In addition, a series

of Aide-Mémoires relating to the provisional agenda and the objectives of the Conference were prepared by the secretariat and circulated to Governments and organizations. The series also included a brief digest on the activities of UNIDO since its establishment in 1967, and a summary of the views expressed by the Industrial Development Board and other legislative bodies on the past activities and future programme of UNIDO.

48. The views and comments of Governments, received by 12 March 1971 in reply to the Executive Director's invitation, together with certain statements and declarations of geographical groupings made available to the secretariat, were incorporated in a synthesis and distributed to the Governments as the basic document of the Conference (ID/SCU/2). The synthesis was subsequently updated to include additional replies received by 25 April 1971 (ID/SCU/2/Rev.1). The full text of these replies was issued in addenda to the synthesis document (ID/SCU/2/Add.1-3). In the course of undertaking the preparatory work of the Conference, contacts were maintained with the Governments in order to facilitate intergovernmental consultations on the Conference.

ANNEX II

LIST OF PARTICIPANTS

MEMBERS OF THE INDUSTRIAL DEVELOPMENT BOARD

Algeria

Representative

Mr. Raouf Boudjakdji, Ambassador, Permanent Representative of Algeria to the United Nations Office and the Specialized Agencies in Geneva

Alternate Representatives

Mr. Mourad Castel, Director of Industry, Ministry of Industry

Mr. Mohamed Bouzarbia, Secretary of Foreign Affairs, Ministry of Foreign Affairs

Mr. Ahmed Amrani, Secretary of Foreign Affairs, Ministry of Foreign Affairs

Argentina

Representative

Mr. Carlos Alberto Fernandez, Ambassador of Argentina to Austria, Permanent Representative of Argentina to UNIDO

Alternate Representatives

Mr. Carlos Roberto Lacroix, First Secretary, Embassy of Argentina in Vienna, Alternate Representative of Argentina to UNIDO

Mr. Juan Carlos Sanchez Arnau, Counsellor, Permanent Mission of Argentina to the United Nations Office in Geneva

Mr. Isidro Carlevari, Counsellor, Ministry of Industry

Austria

Representative

Mr. Peter Müller, Director, Ministry of Foreign Affairs, Permanent Representative of Austria to UNIDO

Alternate Representatives

Mrs. Helga Winkler, First Secretary, Ministry of Foreign Affairs, Alternate Representative of Austria to UNIDO

Mr. Erich Kristen, First Secretary, Ministry of Foreign Affairs, Alternate Representative of Austria to UNIDO

Austria (cont'd)

Advisers

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Mr. Georg Zuk, Director, Federal Chancellery
Mr. Bodo Beelitz, Director, Federal Chancellery
Mr. Rudolf Willenpart, Director, Ministry for Commerce, Trade and Industry
Mr. Anton Zembsch, Ministry for Commerce, Trade and Industry
Mr. Leopold Walzer, Director, Ministry for Agriculture and Forestry
Mrs. Erika Danzinger, Ministry of Finance
Mr. Hermann Holfeld, Federal Chamber of Economics

Belgium

Representative

Mr. P. A. Forthomme, Ambassador, Permanent Representative of Belgium to International Economic Conferences

Alternate Representatives

Mr. Georges C. Puttevils, Ambassador of Belgium to Austria, Permanent Representative of Belgium to UNIDO
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Advisers

Count J. F. de Liedekerke, Embassy Counsellor
Mr. R. Pieters, Director of the Multilateral Organizations Service, Ministry of Foreign Affairs and Foreign Trade
Mrs. J. Simonart, Director in the Ministry of Economic Affairs
Mr. A. Guichard, Counsellor, Permanent Delegation of Belgium to International Economic Conferences
Mrs. M. Van Haut, Attaché, Permanent Delegation of Belgium to International Economic Conferences

Brazil

Representative

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Permanent Representative of Brazil to UNIDO

Alternate Representatives

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Mr. Mario Augusto Santos, First Secretary, Division of Technical
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Mr. Alfonso Celso de Ouro-Preto, Second Secretary, Embassy of
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Mr. João Gualberto Marques Porto Junior, Second Secretary
Brazilian Mission in Geneva

Bulgaria

Representative

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Alternate Representatives

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Permanent Representative of Bulgaria to UNIDO

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Alternate Representative of Bulgaria to UNIDO

Mr. Stamen Stoimenov, First Secretary, Ministry of Foreign Affairs

Mr. Manol R. Popov, First Secretary, Embassy of Bulgaria in Vienna,
Alternate Representative of Bulgaria to UNIDO

Chile

Representative

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to UNIDO

Alternate Representatives

Mr. Jaime Coutts, Second Secretary and Consul, Alternate Representative
of Chile to UNIDO

Mr. Luis Larrain, Secretary of the Permanent Mission of Chile to the
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Mr. Jamal Soliman, Engineer with the Chilean Corporation for the Develop-
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Costa Rica

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Alternate Representative

Mr. Roberto Zeilinger, Alternate Representative of the Republic of Costa Rica to UNIDO

Cuba

Representative

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Mr. Christian Oldenburg, Secretary, Ministry of Foreign Affairs

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France

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Alternate Representatives

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Mr. Valladon, Civil Administrator, Ministry of Foreign Affairs
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Ghana

Representative

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Mr. Kobina Obu Beecham, Ministry of Foreign Affairs

Hungary

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Alternate Representatives

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Mr. Ernő Hárs, Deputy Head of Department for International Organizations, Ministry of Foreign Affairs

Mr. Endre Iván, Deputy Head of Department, Secretariat for International Economic Relations, Vice-Chairman, National Committee for UNIDO

Mr. Tamás Sömjén, Head of Division, Secretariat for International Economic Relations, Secretary, National Committee for UNIDO

Mr. István Major, Ministry of Industry

Mr. Antal Szentflúpi, Secretary, Hungarian Chamber of Commerce

India

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Mr. S. K. Modwel, Deputy Secretary, Ministry of Foreign Trade

Mr. K. Venkataraman, Ministry of Industrial Development

Mr. S. Venkataramani, Resident Director, Indian Investment Centre, Düsseldorf

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Indonesia

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- Mr. Cyrus Taihitu, Senior Official, Department of Foreign Affairs
- Mr. Agil Dahlan, European Representative of the Ministry of Industry in the Hague
- Mr. Z. Nasution, Third Secretary, Indonesian Embassy in Vienna, Adviser to the Permanent Representative of Indonesia to UNIDO

Iran

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- Mr. Javad Vafa, Under Secretary, International Affairs, Ministry of Economy
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- Mr. Ali Asghar Bahrambegi, First Secretary, Embassy of Iran in Vienna, Alternate Representative of Iran to UNIDO
- Mr. Farhad Moshar, Ministry of Foreign Affairs

Adviser

Mr. Bijan Nozari, Adviser, Research Centre, Ministry of Economy

Iraq

Representative

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Alternate Representative

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Italy

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Advisers

Mr. Gabriele de Santis, Ministry of the Treasury

Mr. Franco Strumia, Ministry of Foreign Affairs

Mr. Sergio Orefici, General Confederation of Italian Industry, Rome

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Representative

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Alternate Representatives

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Japan

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Alternate Representatives

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Adviser

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Mr. Ismat El-Khatib, Ministry of Commerce and Industry

Mr. Abdul-Mohsin El-Jaan, Ministry of Foreign Affairs

Madagascar

Representative

Mr. Alexandre Rakote-Zafimahery, Secretary of State for Mining and Supplies

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ANNEX III

STATEMENT BY THE CHAIRMAN OF THE ADVISORY COMMITTEE
FOR THE SPECIAL INTERNATIONAL CONFERENCE OF UNIDO,
MR. Z. SEDIVY, TO THE INDUSTRIAL DEVELOPMENT BOARD

1. The Advisory Committee for the Special International Conference, established by resolution 29 (IV) of the Industrial Development Board, was given the mandate under paragraph 7 of the operative part of that resolution to review the progress of the preparations for the Conference and address any recommendations thereon to the Executive Director. It was requested to endeavour to reach recommendations by consensus. General Assembly resolution 2638 (XXV) requested the Executive Director and the Advisory Committee to prepare the documentation for the Conference in a concise and comprehensive way and sufficiently in advance to enable the Industrial Development Board at its fifth session to undertake comprehensive consultations and preparatory work in this respect. The Advisory Committee was composed of the five members of the Bureau of the fourth session of the Industrial Development Board: Messrs. Abubakr, Archibald, Brillantes, Probst^{1/} and Šedivý. It held three sessions: the first from 10 to 11 July 1970, in Vienna; the second, from 17 to 18 December 1970 in Prague; and the third, from 22 to 24 March 1971, in Vienna. At the first session of the Committee, Mr. Šedivý, the President of the fourth session of the Industrial Development Board, was elected Chairman of the Committee.
2. In dealing with the task assigned to it by the Industrial Development Board, the Committee had to take into account both the very short period available for the preparation of the Conference and the short duration of the Conference itself as compared to the importance and complexity of the items on its agenda.
3. With this in mind the Committee made a certain number of recommendations on action to be taken in connexion with the preparation of the Conference by the Governments of the member States and the interested organizations invited

^{1/} At the first session of the Advisory Committee Mr. Girard represented Mr. Probst.

to participate in the Conference; by the secretariat of UNIDO; and by the Industrial Development Board in accordance with the relevant provision of resolution 2025 (XXV) of the General Assembly. It also formulated a certain number of proposals of organizational and procedural nature related to the holding of the Conference which were aimed at expediting its proceedings.

4. As regards the preparatory work for the Conference, the following phases were envisaged at the first session of the Committee: (i) the period preceding the final decision of the General Assembly on the Conference, which was expected to take place in late 1970; (ii) from the decision of the General Assembly until the opening of the third session of the Working Group on Programme and Co-ordination on 10 May 1971; (iii) the period of sessions of the Working Group and the Board until the opening of the Conference.

5. At the same session, the Committee recommended that during the first phase the secretariat establish the necessary contacts with member Governments and all intergovernmental and non-governmental organizations interested in the work of UNIDO in order to bring to their attention the subject matter and the objectives of the Conference. At the same time it invited Governments to consider the following three points with reference to the proposed agenda of the Conference: (a) their experience with UNIDO, including an assessment of UNIDO's activities and performance; (b) what UNIDO should do in the future in order to realize more effectively the assistance to the developing countries in their industrialization; and (c) proposals and suggestions as regards the programme of activities of UNIDO, its structure and the resources that would be required for that purpose.

6. At its second session in Prague, which coincided roughly with the opening of the second phase of the preparatory work, the Committee received the report of the Executive Director on the action that has been taken by the secretariat. This included, among others, preliminary contacts with Governments to draw their attention to the decision that had been taken by the General Assembly to approve the holding of the Conference; the circulation to Governments of several Aide-Mémoires including Aide-Mémoire No. 4 which contained as an annex some reflections by the secretariat on various issues to be dealt with by the Conference; and the sending out of an invitation to member Governments to nominate representatives.

7. Having considered this action, the Committee recommended to the secretariat to invite Governments to submit their preliminary views and observations on the items of the provisional agenda of the Conference and on the basis of the documentation to be circulated by the secretariat. Among such documentation, the Committee recommended the preparation of a brief digest of the activities of UNIDO since its establishment in 1966 and a synthesis of the views expressed by the Industrial Development Board and other legislative bodies regarding the activities and future operations of UNIDO. Governments were urged to send in their communications before the end of February so as to enable the secretariat to prepare by the end of March 1971 a report containing a synthesis of the views of Governments and groups of Governments on the issues of the Conference. This synthesis was intended as the basic document to be used in discussions and negotiations during the pre-Conference period and in the Conference itself. In addition, the secretariat was requested to intensify its contacts and consultations with Governments and all organizations concerned in order to stimulate their interest in the Conference.

8. Following these recommendations, the secretariat prepared in late March 1971 document ID/SCU/2, based on the replies and other communications received from Governments, geographical groupings, and intergovernmental and regional organizations as of 12 March 1971 which had been designated as the cut-off date. The draft document was discussed by the Advisory Committee at its third session and approved, with some changes, for immediate distribution to Governments. The document was released by the secretariat on 29 March 1971 under the symbol ID/SCU/2.

9. Since only a limited number of replies had been received by the cut-off date mentioned above, the Committee recommended that the Executive Director invite again Governments that had not yet sent in replies to submit their comments and those Governments that had already replied to send supplementary or revised comments. A new cut-off date, 20 April 1971, was set for that purpose and the secretariat was requested to prepare an up-dated synthesis document, based on all replies and documents received by that date, including those covered in ID/SCU/2. The up-dated version was to supersede the first synthesis document as the basic document of the Conference.

10. During the same session, the Committee took note of the report made by the Executive Director on the activities of the secretariat during the period between the second and third sessions of the Advisory Committee, including the consultations and discussions which were held by the Executive Director and other officials of the organization. It considered that the secretariat should continue these activities and be at the disposal of Governments and geographical groupings to facilitate in every way intergovernmental consultations on the Conference.

11. As regards the third phase, immediately preceding the Conference, i.e. the period of the three weeks of the sessions of the Working Group and the Board, during which, in the opinion of the Committee, the preparations for the Conference would have entered the decisive stage of negotiations, the Committee made a certain number of recommendations destined to facilitate these negotiations. It considered that the negotiations should result in a clarification of positions and a certain number of positive conclusions by the time of the opening of the Conference on 1 June 1971.

12. With this view in mind, the Committee recommended that all member Governments of UNIDO, including Governments of States not members of the Industrial Development Board, be invited to send representatives to take part in the negotiations during this period, so as to ensure the widest geographical participation in these negotiations. In this connexion, two members of the Committee said that the negotiations should be open to all Governments interested in the problems of industrialization and the success of the Conference. Two other members maintained that the negotiations should be limited to Governments invited to participate in the Conference according to the pertinent resolutions of the Industrial Development Board and the General General Assembly.

13. The Committee considered that the Working Group and the Industrial Development Board could make an effective contribution in promoting and facilitating these negotiations. While the Working Group, under the terms of General Assembly resolution 2638 (XXV), was not directly involved in the preparatory work of the Conference, it may nevertheless consider inviting Governments and geographical groupings to pursue negotiations on the Conference on an informal basis outside its normal sessions. As to the

Board, which by General Assembly resolution was requested to take part in the preparatory work for the Conference, the Committee recommended that it consider the item of its agenda concerning the Conference early in its session. The Committee further stressed the importance of the results of the negotiations between Governments and geographical groupings being made available to the Conference at its opening in the form of a document which either the Board itself, or the geographical groupings themselves or, failing this, the secretariat would prepare for this purpose.

14. Finally, the Committee made a certain number of recommendations intended to expedite the work of the Conference, taking into account its short duration. Thus, it suggested that: (a) Governments and geographical groupings engage in consultations before the opening of the Conference as regards the composition of its Bureau; (b) the President may propose that the three items of the agenda of the Conference should be taken up for discussion as a single item (sufficiently detailed summary records of the discussion should be kept); (c) the President may find it useful to invite representatives to make their statements as concise as possible or to undertake consultations with a view to introducing appropriate time limitations as regards such statements; and (d) the President may also invite the participants to consider the submission of written statements in amplification of their oral interventions.

15. The Committee also made certain recommendations intended to expedite the preparation of the report of the Conference. It recommended that the report be drafted in the form of a number of findings or conclusions on the main issues on which either a consensus or a majority opinion had been reached. In the latter case, the reservations or dissent of the minority would be recorded. This set of findings and conclusions, which would constitute the report of the Conference, would then be transmitted to the General Assembly through the Economic and Social Council. In addition, the Conference should authorize its Bureau or the Rapporteur to prepare, in consultation with the representatives of the geographical groupings, a consolidated record of the Conference on the basis of the approved set of conclusions, of the summary records referred to earlier, and of the recorded statements. This document should appear after the conclusion of the Conference and should not be voted upon by the Conference.

16. Allow me, in conclusion of my report on the activity of the Advisory Committee, to thank all members of the Committee for the work they have done and for the assistance they have extended to me in fulfilling my tasks as Chairman of the Advisory Committee. Thanks to this, we were able to achieve unanimity of conclusions in all questions, as required by the resolution at the Industrial Development Board 29 (IV), except for the already mentioned question of participation of all countries in preparatory consultations before the meeting of the Special International Conference. Allow me to express my thanks also for the support which the secretariat of UNIDO has given to the Advisory Committee during the whole period of its activity.

ANNEX IV

RESOLUTION ADOPTED BY THE INDUSTRIAL DEVELOPMENT BOARD
AT ITS FIFTH SESSION

30 (V). Programme of Special Industrial Services

The Industrial Development Board,

Having examined the report of the Executive Director on the progress achieved in the implementation of Industrial Development Board resolution 28 (IV) on the operational activities of the United Nations Industrial Development Organization (ID/B/90),

Recognizing the growing importance of the programme of the Special Industrial Services in the operational activities of the United Nations Industrial Development Organization,

Recalling that the Governing Council of the United Nations Development Programme, at its tenth session, included the maintenance of the Special Industrial Services programme in the consensus, a decision which was confirmed by the General Assembly, and that the Council at its eleventh session provided for annual financing of the programme out of a specific reserve, specifying that the annual amount would remain at an appropriate level,

1. Reaffirms the importance of this programme, which is an effective and flexible instrument for assistance to the developing countries, designed to meet rapidly certain requirements of these countries;
2. Requests the Governing Council of the United Nations Development Programme to increase, under expenditures for 1971, the amount of the resources already granted to the Special Industrial Services programme at its eighth session, in order to make it possible to meet the increased needs of the developing countries, which are demonstrated by the constantly growing number of requests;
3. Requests the United Nations Industrial Development Organization and the United Nations Development Programme, respectively, to make a constant effort to accelerate both the examination of these requests and the relevant approval procedures;
4. Requests the Executive Director to transmit this resolution to the United Nations Development Programme Governing Council at its twelfth session and to report to the Industrial Development Board at its sixth session on the progress achieved in the implementation of this resolution.

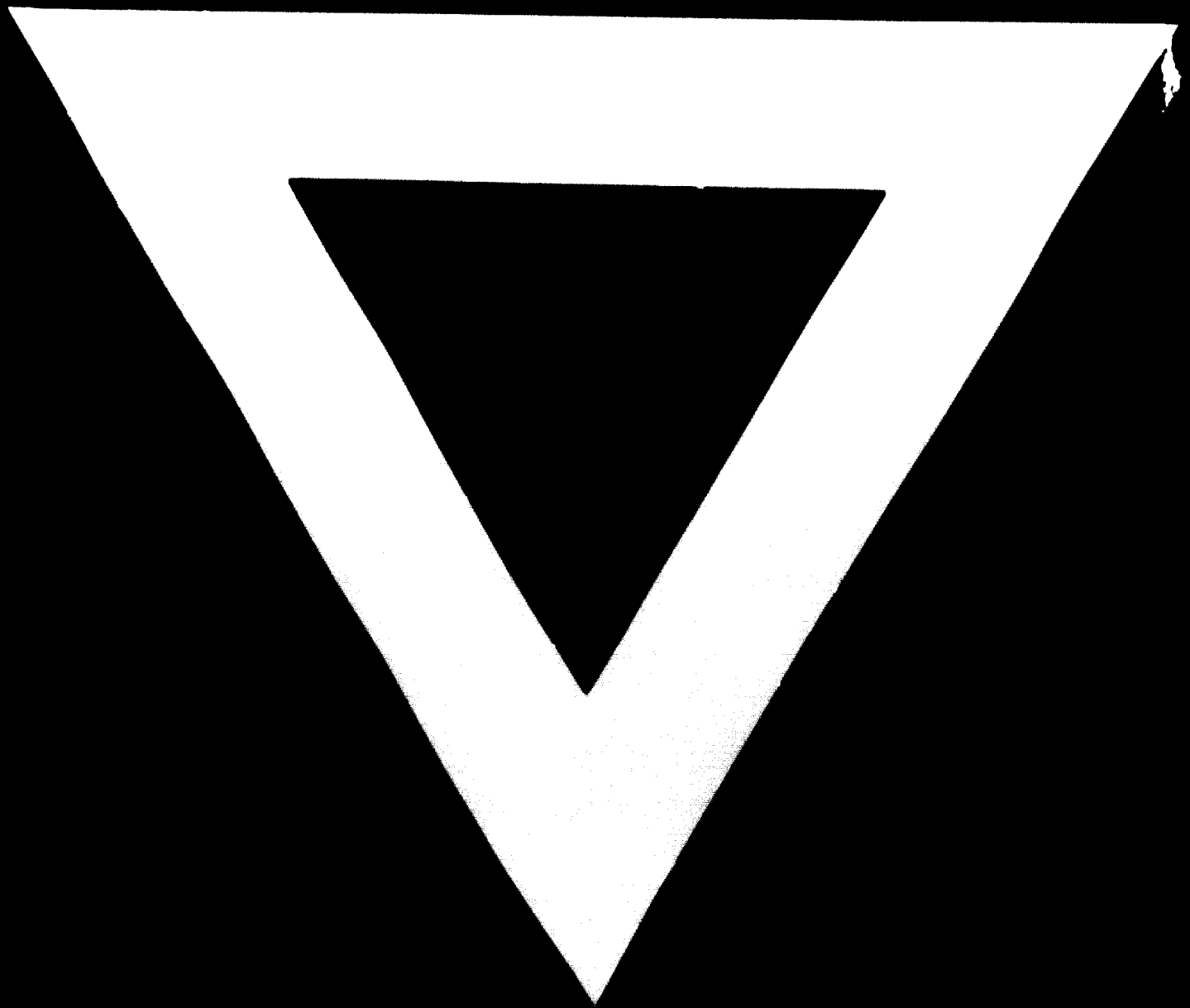
113th plenary meeting,
28 May 1971.

ANNEX V

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

General Series

ID/B/80 and Corr.1	Programme of work for 1972, report of activities in 1970 and updating of 1971 programme (Part One)
Add.1 and Corr.2 and 3	Part Two: Industrial Technology Division (groups 1-6, 15b)
Add.2	Part Two: Industrial Services and Institutions Division (groups 7-11)
Add.3 Corr.1 and 2 and Add.5	Part Two: Industrial Policies and Programming Division (groups 12-15a)
Add.4	Part Three: Lists of operational and selected supporting projects
Add.6	Report of the Executive Director on Prior Consultations on Work Programmes
ID/B/81	Report on the Programme of Special Industrial Services
ID/B/82	UNIDO regular programme of technical assistance
ID/B/83	Role of UNIDO in co-ordination of activities in industrial development, co-ordination at the country level
Add.1	Evaluation report: Jamaica
Add.2	Evaluation report: Senegal
ID/B/84	Budget estimates for 1972
ID/B/85	Administrative activities and organizational matters of UNIDO in 1970
ID/B/86 and Add.1-5	Consideration of applications of intergovernmental and international non-governmental organizations
ID/B/87	Reports of the Joint Inspection Unit
ID/B/88 and Corr.1	Role of co-operatives in the industrial development of individual countries
ID/B/89	Utilization of computers and computer techniques for industrial development
ID/B/90	Report on the progress achieved in the implementation of the Industrial Development Board resolution 28 (IV) on operational activities
ID/B/92	Report on the preparatory work for the Special International Conference of UNIDO
ID/B/93 and Corr.1	Report on the UNIDO General Trust Fund
ID/B/94	Headquarters regulations



22.7.74