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Industrial Development Board

Sixth Session

Vienna, 23 May - 2 June 1972

Agenda item 5a

**PROGRAMME OF WORK FOR 1973, REPORT OF
ACTIVITIES IN 1971 AND UPDATING OF
1972 PROGRAMME**

PART ONE



United Nations Industrial Development Organization

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PART ONE

Corrigendum

Page 4, para.2, penultimate line

Change "in 1967 to 17.4 million in 1971 ..." to read as follows: "in 1967 to 17.0 million in 1971 ..."

Page 21, para.58, line 7

Change "\$10.6 million, exceeding by approximately \$2 million ..." to read as follows: "\$10.6 million, exceeding by approximately \$0.2 million ..."

Page 24, table 1

Change figures for technical co-operation programme UNDP/TA and UNDP/SF in 1973 column (requirements) to read as follows:

	1973	
	<u>Requirements</u>	<u>Resources</u>
<u>Technical co-operation programme</u>	76.5	
Regular programme		3.0
UNDP/TA ^{a/}		
UNDP/SF ^{a/}		55.0

id.72-2712

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Page 2

Page 48

Change title of project No. 7.01.04 to read as follows: "International centre for industrial administration".

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ABBREVIATIONS

ECA	Economic Commission for Africa
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
FIT	Funds-in-Trust
GATT	General Agreement on Tariffs and Trade
OTF	UNIDO General Trust Fund
IAEA	International Atomic Energy Agency
ILO	International Labour Organisation
IPF	Indicative Planning Figures (UNDP)
ITC	International Trade Centre
RP	United Nations Regular Programme of Technical Assistance
SF	Special Fund (UNDP)
SIS	Special Industrial Services programme
TA	Technical Assistance (UNDP)
UNACAST	* United Nations Advisory Committee on the Application of Science and Technology to Development
UNCHBP	United Nations Centre for Housing, Building and Planning
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNESOB	United Nations Economic and Social Office in Beirut
UNITAR	United Nations Institute for Training and Research
WHO	World Health Organization
WMO	World Meteorological Organization

PREFATORY NOTE

The documentation on the programme of work for 1973, report of activities in 1971 and updating of 1972 programme consists of three parts. Part One (document ID/B/97 (Part I)) contains a summary review and a view in prospect of UNIDO's activities, a general report on the implementation of major directives and guidelines and a brief outline of the proposed work programmes for 1973 and 1974. At the end of Part One is a statistical appendix that provides an over-all statistical picture of both the headquarters and field operations of UNIDO. Annexed to Part One is an emergency plan for 1972 for the financing of high priority projects for which no resources have been obtained from UNDP.

Part Two contains a detailed account of the proposed activities of the organization for 1973, an updating of the programme of 1972, and a report on the implementation of activities in 1971, including an evaluation of selected activities. Part Two consists of three documents (ID/B/97 (Part II and Add. 1 and 2)), one for each of the three substantive divisions of the organization. In each document, the activities are presented, as in previous years, by groups of activities. Part Three (document ID/B/97 (Part III)) contains a list of approved operational projects of the organization in 1971 as well as a list of forecasts of requirements for additional projects. It also contains lists of in-plant training programmes, expert group meetings, symposia, seminars and research projects of the organization in 1971 through 1973.

INTRODUCTION

UNIDO ACTIVITIES - A SUMMARY REVIEW IN RETROSPECT

1. Four years after the establishment of UNIDO by the General Assembly, in resolution 2152 (XXI) adopted on 17 November 1966, the purpose and functions of the organization were the subject of an extensive review by the Special International Conference of UNIDO held in Vienna in June 1971.
2. During the first four years the work of UNIDO consisted primarily of: (a) operational activities; (b) supporting headquarters activities; and (c) co-ordination activities. These three types of activities are closely linked. The Industrial Development Board and the General Assembly have repeatedly stressed the primary importance of the operational activities of UNIDO. At the same time, these bodies have emphasized that supporting headquarters activities should be designed specifically to assist developing countries in their industrialization efforts and to support the operations that UNIDO will be undertaking in those countries. The relation between operational and supporting headquarters activities is not only one of substance and interaction but also of finance, for with the continuous increase of operational activities from \$5.4 million in 1967 to \$17.4 million in 1971, it was inevitable that the resources needed at headquarters increased correspondingly.
3. The co-ordination functions of UNIDO relate to the total activities of the organizations within the United Nations system in the field of industry. UNIDO has made efforts to implement its task in this area through a series of consultations and agreements of co-operation with other organizations of the United Nations family whose activities relate to industry. UNIDO has also successfully initiated efforts to harmonize multilateral aid with the bilateral aid from member States concerned. By means of a series of discussions and specific arrangements, UNIDO has utilized the voluntary contributions put at its disposal both through its annual Pledging Conferences and through direct donations to promote activities for the greater effectiveness of the industrialization effort of the developing countries. Nevertheless, the co-ordinating function of UNIDO has never been precisely defined, and important areas that require co-ordination are still not adequately covered. In particular, there will be a need to co-ordinate multilateral and bilateral assistance to industry at the country level in consultation with the recipient country and with the UNDP system. Equally important will be the over-all review of general policies and analysis of the total effort of the United Nations system to assist the industrialization of developing countries. Since 1965, UNIDO has prepared four consolidated reports that summarized the activities of the United Nations system in industry. Unfortunately, the fifth report, which was to have been submitted to the Industrial Development Board at its sixth session, could not be published owing to lack of funds although the report was completed.
4. The co-ordinating function of UNIDO is closely related to the specific industrialization activities of the United Nations agencies and of member Governments. This function is indivisible

from UNIDO's operational activities and its supporting headquarters activities. UNIDO has the mandate to promote co-ordination, but it has neither the authority nor adequate funds to implement this mandate effectively.

5. The operational activities of UNIDO, most of which are financed by UNDP, have been largely developed through the dynamic and effective character of the Special Industrial Services (SIS) programme. The Industrial Development Board, the Economic and Social Council, the Governing Council of the UNDP, as well as the General Assembly, have repeatedly stressed the importance of maintaining this programme and its continuous financing at an adequate level. Nevertheless, the problems that have confronted UNIDO with this programme have been multiplying, with regard to the level of financing and to the procedures established to ensure its effectiveness. The expenditure of this programme has increased more than fivefold between 1967 and 1971, with the prospect of still greater increase in the future. At this moment, however, there is no assurance of adequate financing or of the establishment of efficient procedures to maintain this programme even at its present level.

6. Another reflection of the close links between operational and supporting activities is the series of regional and interregional seminars and symposia, organized by UNIDO on an increasing scale, which deal with different branches and aspects of industry. In each of these meetings, the specific situation of industry in the developing countries concerned is examined with the participation of representatives from those countries and in consultation with UNIDO staff and consultants familiar with the prospects and developments at the international level. The discussions and recommendations of the regional and interregional meetings of UNIDO during the last few years have resulted in an impressive list of activities that have been most effective in facilitating the transfer of technology and in providing an initial basis for developing international co-operation in the respective fields.

7. In addition, since 1967, UNIDO has organized a series of in-plant training programmes in co-operation with industrial establishments in the developed countries and with their financial and technical participation. The number of such in-plant training programmes has increased from five in 1967 to fifteen in 1971. These programmes have been particularly well received by industry both in developed and in developing countries, and some of the training programmes are now fully financed by contributions from several developed countries. The interregional projects mentioned above as well as the in-plant training programmes organized by UNIDO in co-operation with the recipient countries are financed primarily from operational resources. This particular combination of headquarters activities with field activities has proved useful in developing channels of exchange of experience and in providing a mechanism for international co-operation. The combination of experience and resources of UNIDO staff with operational resources and experience of developing and developed countries is also evident in the series of promotional activities that are being introduced increasingly into the work programme of UNIDO, not only with regard to investment promotion, licensing and product development, but also in connexion with industrial fairs and exhibitions. Many other examples could be cited to demonstrate that UNIDO is developing programmes that are increasingly being accepted and supported, as they combine most effectively operational resources, supporting activities and associated resources from member States.

8. The three aspects of the UNIDO programme, namely operational activities, supporting headquarters activities and co-ordination activities, are dealt with separately by different authorities in the United Nations system without due consideration to the interlinkage of these aspects. Operational activities are dealt with, and financed largely by, the UNDP according to established procedures and regulations, which in many instances do not give full consideration to the nature of the industrial requirements of the developing countries, nor do the procedures and regulations provide the flexibility that is particularly necessary for effective action. The cost of adequately backstopping the implementation of the operational activities of UNDP is not sufficiently covered by the overhead costs which it provides. In fact, UNIDO's regular budget is subsidising to a considerable extent the operational activities. With the sharp increase in the volume of UNIDO's operational activities year after year, the limitations placed by the United Nations on UNIDO's regular budget will represent the critical restricting factor in the growth of not only the headquarters activities, but also of its operational activities.

9. Although the supporting activities of the organization are closely linked to the operational activities, the financing of the supporting activities is examined as a part of the United Nations budget and is therefore considered separately from UNIDO's operational responsibilities in all discussions and recommendations concerning long-range programming and budget co-ordination within the United Nations. In the future, due consideration should be given to the total responsibilities of UNIDO; the individual review of the regular budget should be supplemented by a review of the financing of interrelated operational functions. Moreover, the role of UNIDO in promoting co-ordination cannot be realized without close consultation between UNIDO and UNDP, as UNDP is the main source of financing in the United Nations family for operational activities. Such consultations are urgently required if UNIDO is to be in a position to assume, to any appreciable extent, the co-ordinating role assigned to it by the General Assembly in resolution 2152 (XXI).

10. UNIDO was established as an autonomous organization, and the recommendations of its legislative bodies have been directed towards increasing its autonomy, but recent events have demonstrated that UNIDO has been dealt with as part of the over-all United Nations machinery. At the same time, UNIDO has, on the basis of its mandate, its own specific functions and the requirements arising out of these functions should be taken into account, particularly with regard to personnel, management questions, information and publications.

UNIDO ACTIVITIES - A VIEW IN PROSPECT

11. At this juncture, UNIDO has built up a momentum of action and interest in both the developed and the developing countries. This momentum has already produced tangible results, i.e. a greater share for UNIDO in the first group of approved Country Programmes by UNDP; the accelerated increase in the requests for assistance under the SIS programme; and the multiplicity of projects, jointly prepared and financed by UNIDO in co-operation with Governments of developed countries. There is also evidence of an increasing interest, both political and financial, by developed and developing countries in securing for UNIDO, within and outside UNDP, independent and increasing resources for its operations.

12. The Economic and Social Council, in resolution 1617 (LI) of 27 July 1971, recognized the importance of the industrial activities in the development efforts financed by UNDP, and requested the UNDP Governing Council to instruct the Administrator of the Programme:

- "(a) To give, in accordance with the priorities assigned by the developing countries, special attention to requests submitted by them, and in particular to those of the least developed among them, in the field of industrial development, including requests for industrial technological development and industrial pilot projects;
- "(b) To present to the Governing Council at its summer session each year a comprehensive progress report on the preparation, approval and implementation of projects in the field of industrial development."

The first such progress report will be examined by the Governing Council of UNDP in June 1972.

13. As another indication of the concern of the General Assembly with the programme of activities of UNIDO, reference can be made to General Assembly resolution 2823 (XXVI), in which the General Assembly requests:

"the Administrator of the United Nations Development Programme to give, among the global projects mentioned in paragraphs 21 to 26 of the consensus adopted by the Governing Council of the Programme at its tenth session, in June 1970, particular attention to projects within the sphere of industrial technological development."

14. The concern of the States Members of developed and developing countries about the growth and effectiveness of programmes in industry is an indication of interest that is aimed at encouraging further efforts by UNIDO and at improving the services presently rendered by the United Nations family to the developing countries in their industrialization efforts. Moreover, these resolutions reflect a concern that a careful examination and possible revision of the existing procedures and activities are required. This is further amplified by the recommendation of the Special International Conference of UNIDO, which was endorsed by the General Assembly in resolution 2823 (XXVI), operative paragraph 3, in which the General Assembly:

"Requests the Secretary-General of the United Nations to take immediate action to appoint a small group of high-level experts from the various geographical groups, chosen in consultation with their respective Governments, to carry out the important task of formulating, in accordance with the guidelines set out in section I of the above-mentioned resolution,^{1/} bearing in mind the one referring to special consideration of the industrialization needs of the least developed among the developing countries, the long-range strategy for the activities of the United Nations Industrial Development Organization, and to submit their final report to the Industrial Development Board as soon as possible, and, at any rate, in time for consideration at its seventh session."

15. In spite of these resolutions, which brought to the foreground discussions on industry and the operational programme of UNIDO, its relation with UNDP, the establishment of UNIDO's field organization and other matters, UNIDO now finds that its operational activities are in danger of being constrained by a distortion in the procedures of management of the SIS programme

^{1/} Resolution of consensus ID/SCU/Res.1 (document A/8341/Rev.1).

and the limitations of its financing. Furthermore, the difficulties of financing regional and interregional projects under UNDP represent a serious obstacle in UNIDO's functions of training and transfer of technology and undermine the basic structure of the current headquarters programme of UNIDO. The combination of these two developments, together with the present budgetary restrictions and recruitment curtailment, presents a bleak picture for UNIDO in the immediate future, a picture which, it is hoped, will yet be remedied.

16. In the light of these developments, the programme of work of UNIDO for 1972, which was approved by the Industrial Development Board at its fifth session, has become untenable in its original form. An emergency programme of reduced activities was developed, therefore, in January 1972 to face the situation of curtailment of resources. The outline of this emergency programme is given in the annex to the present document. The situation will be reviewed again towards the middle of 1972 in the light of further developments.

17. Given this situation, it is almost impossible to speak with any degree of certainty about programmes of activities in 1973 and 1974. The budget resources are not likely to increase, while operational activities are expected to increase very rapidly to more than double their present volume within the next few years. This situation leads to a contradiction that is too obvious to be neglected. In spite of every effort to increase efficiency and to streamline the administration and organization of UNIDO, the time is approaching when this dichotomy will lead either to a curtailment of the operational services of UNIDO or to a reorganization of the structure and functions of the organization. Under such circumstances, UNIDO has formulated a programme for 1973 in which a number of activities are presented for examination and approval by the Industrial Development Board, but their implementation will have to be adjusted according to the priorities indicated and the availability of funds.

18. On the recommendation of the Special International Conference of UNIDO, the General Assembly, in resolution 2823 (XXVI), requested the Secretary-General to appoint a small group of high-level experts to formulate the long-range strategy for the activities of UNIDO. It is hoped that the work of this group, although specifically related to the long-range strategy of UNIDO's work programme, will also result in a clarification of the future requirements of the organization as regards its financing and structure. The same General Assembly resolution also envisaged that the second general conference of UNIDO should be convened in 1974 or 1975 and that the Industrial Development Board should establish, in due course, a provisional agenda for the conference.

19. Within the United Nations, several measures are being considered to introduce a new format of the budget and to establish a medium-term programme. In this connexion, considerable efforts are likely to be developed parallel to specific measures to improve the economy and financial solvency of the organization and to improve the administration and efficiency of operations. In reviewing these matters, it would be useful to give due consideration to the activities of UNIDO that are financed by the regular budget, the operational activities that are financed by UNDP and other sources, and the future role of UNIDO in co-ordination. In the following pages, the attention of the Industrial Development Board is drawn to a number of specific subjects requiring action, particularly long-term planning and budgeting, the Second United Nations Development Decade, the transfer of technology, and special measures for the least developed countries.

IMPLEMENTATION OF MAJOR DIRECTIVES AND GUIDELINES

LONG-TERM PROGRAMME PLANNING AND BUDGETING

20. In document ID/B/80, Part One,^{2/} the attention of the fifth session of the Industrial Development Board was drawn to the preparation of long-term programme planning and budgeting by UNIDO. Subsequently, the Secretary-General, in his report on the "Form of presentation of the United Nations budget",^{3/} submitted proposals to the twenty-sixth session of the General Assembly concerning the preparation of a medium-term work programme (1974-1979) together with the preparation and approval, on a programme basis, of a biennial budget for 1973 and 1974.

21. The General Assembly, at its twenty-sixth session, decided to defer for one year the implementation of operative paragraph 7 of resolution 2370(XXII) concerning the consideration and approval by the Assembly of the biennial budget. In other words, the secretariat of UNIDO will start the preparation of the medium-term work programme in October 1972 for the consideration of the Board in 1973, provided that the General Assembly approves the above-mentioned proposal at its twenty-seventh session.

22. The attention of the Industrial Development Board is also drawn to operative paragraph 14 of the resolution of consensus adopted by the Special International Conference of UNIDO in June 1971, which states:

"In order to give the Industrial Development Board more influence in budgetary matters and in order to link UNIDO's budget and programme of work more closely, the Board should, in the light of budget estimates presented to it by the Executive Director after verification of the estimates by the United Nations Controller's Office, provide at its annual session for an exchange of views among its members with respect to the basis on which those estimates have been established and on the relationship of the programme of work to such estimates, in order to give the Fifth Committee a clearer indication of the adequate level of the budget and of the priorities to be assigned to the various elements of the work programme and other headquarters' activities."

23. The problems facing UNIDO in the preparation of a long-term programme and budget have already been outlined. These problems give rise to an uncertainty of continuation, if not expansion, of important UNIDO activities related to the transfer of technology, training, promotional activities, and are responsible in part for the ill defined co-ordination functions of the organization, which hamper UNIDO from becoming an effective instrument for the enlargement of co-operation. Apart from these problems, two additional elements have to be taken into account, namely the UNDP five-year country programming and the deliberations to be held by the high-level experts on the long-range strategy for the activities of UNIDO.

^{2/} Programme of Work for 1972, Report of Activities in 1970 and Updating of 1971 Programme.

^{3/} Document A/C.5/1363, 18 October 1971.

24. As of February 1973, UNDP has approved Country Programmes for 19 countries. While these approved Country Programmes cannot be taken as a complete reflection of the ultimate situation, they nevertheless indicate that the 19 countries have attached high priority to industry. The share of industry programming in the total indicative planning figures for these countries is about 3 per cent. The over-all position will be clarified when the results of most of the other country programming exercises are available by 1973. It is hoped that the recommendations of the high-level experts on the long-range strategy for the activities of UNIDO and those of the ad hoc committee on co-operation between UNIDO and UNDP will provide the necessary priorities for the programme of work of UNIDO during the medium and long term.

25. While the above-mentioned committees, together with the subsequent decisions of the Industrial Development Board and the General Assembly, will provide the basic elements in the formulation of the long-range programme of work of UNIDO, such a programme of work will also have to be related to the present practice of formulating and obtaining the approval of the Industrial Development Board on an annual basis. The programme of work, as presented to the fifth session of the Industrial Development Board as well as to the current sixth session, is an account of a number of projects under seventeen functional groups. Any effort to extrapolate on the basis of the present system will lead to a plan of five-year projects rather than to a plan of five-year programmes. Thus a distinction has to be made between the preparation of a long-range programme for UNIDO and a long-range system of projects. UNIDO's programme of work for 1973 contains broad activities such as industrial training, industrial surveys, industrial information, maintenance and repair, agro-industries, small-scale industries and investment promotion. Different aspects of these activities are presented under the functional classification of seventeen groups. It is possible that this classification of UNIDO's activities into seventeen functional groups may not be entirely suited for the preparation of the long-range programme of work. The Industrial Development Board may therefore wish to review this question when it deals with the item of the formulation of the long-range programme of work of UNIDO.

SECOND UNITED NATIONS DEVELOPMENT DECADE

26. On 30 July 1971, the Economic and Social Council adopted resolution 1621 (LI), entitled "Organization of the work of the Council", in which item C concerns machinery for review and appraisal of the objectives and policies of the Second United Nations Development Decade. In this resolution, the intergovernmental bodies of the specialized agencies and of other organizations of the United Nations system, in particular the Trade and Development Board of UNCTAD and the Industrial Development Board of UNIDO, are requested to consider adequate procedures for the review and appraisal of the policy measures and the goals and objectives of the International Development Strategy falling within their competence and to report thereon to the General Assembly, through the Economic and Social Council.

27. General Assembly resolution 2801 (XXVI), entitled "Review and appraisal of the objectives and policies of the International Development Strategy for the Second United Nations Development Decade", further states the following:

"Convinced that the review and appraisal exercises at the sectoral level by the United Nations Conference on Trade and Development and the United Nations Industrial Development Organization should be

conducted by their respective intergovernmental bodies with a view to seeking new areas of agreement and widening the existing ones in the context of the International Development Strategy ...

"Decides that the Committee for Development Planning, in the light of the purpose and scope explained above, will prepare at the expert level comments and recommendations relating to the over-all review and appraisal which is to be undertaken every two years and the mid-term review in 1973; ...

"Invites the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the specialized agencies, the regional economic commissions and the United Nations Economic and Social Office in Beirut to integrate their review activities with the preparatory work for the over-all review and appraisal so as to avoid unnecessary duplication in this field; ..."

28. The two resolutions emphasize action at two levels: the Industrial Development Board is requested to "consider adequate procedures for the review and appraisal of the policy measures and the goals and objectives of the International Development Strategy", and UNIDO is requested to integrate its "review activities with the preparatory work for the over-all review and appraisal" work. It should be noted that the General Assembly, in resolution 2801 (XXVI), has called for a biennial review and a detailed review in 1975 - a mid-point in the Second United Nations Development Decade.

29. In implementing the above-mentioned resolutions, it is indispensable that the basic objectives of the International Development Strategy be taken into consideration, i.e. the attainment of an 8 per cent annual growth rate of industrial output in the developing countries, and the consequent efforts required from the countries themselves, on the one hand, and the role of the international organizations in providing assistance to the countries, on the other. The review and appraisal of progress during the Decade and the consequent reporting of that progress are only aspects of the over-all implementation of the goals and objectives of the Strategy. It will be necessary, therefore, for the Industrial Development Board to be concerned with the over-all work of UNIDO in assisting the developing countries in the implementation of the Strategy as well as with procedures for review and appraisal of progress.

30. The work initiated by UNIDO in implementing the recommendations of the International Development Strategy during the Second United Nations Development Decade was described in Part One of document ID/B/80, which was submitted to the fifth session of the Industrial Development Board. This work consisted of a series of activities to be carried out by UNIDO in co-operation with relevant organizations and within the framework approved by the Industrial Development Board at three levels - country, sectoral and global. Reference was also made to the large number of specific items in different parts of the work programme and to the fact that the financing of these activities was based on a variety of sources, i.e. the regular budget, technical assistance programmes, the UNIDO General Trust Fund and other special sources such as the Netherlands Trust Fund.^{4/}

^{4/} The Special International Conference of UNIDO adopted in its resolution of consensus (ID/SCU/Res.1) a series of guidelines for UNIDO's work in the Second United Nations Development Decade. These guidelines will be reviewed further by the high-level group of experts to be appointed to prepare the long-range strategy of UNIDO's work programme.

31. The work of UNIDO at the country level was particularly stressed in Part One of document ID/B/30 (para. 31) with regard to the assistance provided in the design of strategy and policies and in the establishment of adequate systems of assessment, monitoring and follow-up in the industrial sector. UNIDO has further prepared concrete proposals for assistance in depth for the consideration of the Governments and UNDP, which is the main source of financing for such activities at the country and regional levels; some of these proposals are presently being reviewed by UNDP for financing. UNIDO has also initiated action in seeking co-operation from developed countries, international organizations and the business sector so as to extend its total area of operations in providing assistance to the developing countries in the implementation of the International Development Strategy. The entire programme of work of UNIDO, which is examined by the Industrial Development Board every year, can be viewed, in one sense, as a contribution to the implementation of the Strategy.

32. UNIDO has already initiated work on the design of a system of assessment and monitoring of progress, and proposals to this effect were submitted in August 1971 to the ACC Sub-Committee on the United Nations Development Decade, which is a focal point for co-operation and co-ordination in the United Nations system. The proposals include global indicators, country and sectoral assessments using the United Nations statistical programme and a country appraisal under the Second Development Decade. The realization of these proposals depends on how quickly the United Nations Statistical Office provides the necessary data and details as well as on the availability of resources, primarily from UNDP, to undertake work at the country level.

33. The Industrial Development Board may wish to consider the matter of the time-table of review of industrial progress on a two-year and/or five-year basis. It would appear from discussions in the ACC Sub-Committee that most of the agencies will undertake a review of progress in 1975 in their respective sectoral areas. A global review of the total development effort will be undertaken on a biennial basis by the United Nations Department of Economic and Social Affairs, to which UNIDO will also be contributing. In this context, UNIDO's periodic Industrial Development Survey may devote itself to the evaluation of industrial strategies and policy measures in addition to an analysis of current trends in industry. The Industrial Development Board may wish to devote an agenda item to this subject in pursuance of the recommendation of ECOSOC resolution 1621 (LI) and provide further guidance to the secretariat in the planning and review of appraisal at the mid-point of the Decade, i.e. 1975.

TRANSFER OF TECHNOLOGY

34. The General Assembly, in resolution 2152 (XXI), established UNIDO and assigned to it specific functions with regard to the developing countries for the most effective application of modern industrial methods of production, dissemination of information on technological innovations, adaptation of existing technology and the development of new technology especially suited to the particular physical, social and economic conditions of developing countries. The Industrial Development Board, in amplifying the basic functions of UNIDO, emphasized in resolutions 25 (III) and 28 (IV) that "there is a need to broaden the instruments of technical co-operation to include additional forms of assistance suited to the special requirements of industry such as technological consultations at an appropriate level, and the transfer of technology, scientific and technical information to the developing countries, keeping in mind the fact that the United Nations Industrial Development Organization should be the organization

in the United Nations system primarily responsible for industrial technology and information". UNIDO has been further requested to accelerate and expand its work in this area by the General Assembly as well as by the Economic and Social Council.^{5/}

35. In its resolution of consensus, the Special International Conference of UNIDO stressed technological development including assistance in application, adaptation and development of technology and know-how and the preparation of product and product design, as well as the establishment of an adequate institutional infrastructure to help developing countries to find technological solutions of their own through independent research efforts. A recommendation was also made to the effect that UNIDO should continue to organize meetings for specific branches of industry at which experts from developed and developing countries could meet to discuss problems of mutual interest.

36. In accordance with the various recommendations of the General Assembly, ECOSOC and the Industrial Development Board, UNIDO has developed an action-oriented programme to facilitate the transfer of technology. The programme encompasses the entire range of activities as contained in the seventeen functional groups dealing with the many-sided problems of industrial development. Specifically, UNIDO has organized group training programmes by industrial branches in co-operation with Governments and industrial establishments in the developed and developing countries. It has organized several global industrial meetings in such areas as fertilizers, petrochemicals, cement and iron and steel at which leading technologists, industrialists, managers and government officials have exchanged information on technological development, choice of processes, engineering and production problems and managerial questions. With the assistance of a number of technological research institutes, information centres and individuals working in industry, UNIDO has developed an information advisory service to enable the industrial sector in the developing countries to obtain answers to specific technical questions. It has also undertaken programmes to improve the negotiating capacity of the developing countries in dealing with the contractual acquisition of technical know-how. UNIDO has directly assisted a number of industrial establishments in the developing countries in making specific production, management and investment decisions. UNIDO has also provided advice on the evaluation of processes, the design of plants suited to local conditions and related matters. This programme has been implemented primarily under the SIS programme. To date, some 1,700 projects involving transfer of technology have been dealt with under the SIS programme.

37. In the discharge of its functions, UNIDO has closely co-operated with the United Nations Advisory Committee on the Application of Science and Technology to Development (UNACAST) as well as with the United Nations Conference on Trade and Development (UNCTAD) and other United Nations bodies. The ad hoc working group of UNACAST met in Vienna in 1969 and again in 1970. The discussions of the ad hoc working group covered the effective use of industrial research in developing countries, appropriate plant and product design and the selection and utilization of more appropriate technologies for developing countries. UNIDO participated in the first meeting of the Intergovernmental Group on Transfer of Technology, organized by UNCTAD in Geneva, 14 to 22 June 1971, and further co-ordinated its activities with those of UNCTAD through the

^{5/} See also General Assembly resolution 2626 (XXV), section 7; General Assembly resolution 2658 (XXV), paragraph 7; ECOSOC resolutions 1626 (LI) and 1636 (LI).

regular meetings of the Working Group of Representatives of UNIDO and UNCTAD on Co-ordination. UNIDO is presently preparing a study in accordance with ECOSOC resolution 1636 (LI) on the ways in which reliable information on known alternative technologies for selected major industries of interest to developing countries could best be furnished in a systematic way to Governments, enterprises and industrial consultants; co-operation with UNCTAD, ILO and FAO will be sought in the preparation of the study.

38. As already mentioned, UNIDO has developed a series of mechanisms for the transfer of technical and technological know-how and knowledge, case by case and in specific industrial situations. The mechanisms include regional and interregional meetings by branches of industry, in-plant group training programmes in specific industries and the development of the industrial information service. References have been made to the value of these instruments both in the actual process of transfer of technology and in the promotion of investment through regional and interregional meetings in the various deliberations and resolutions of the General Assembly and the Industrial Development Board.

39. UNIDO is now facing a drastic curtailment of this programme, however. Its methods and procedures have been built up gradually during the past several years and have evoked a direct response from both the developed and the developing countries that contributed to these meetings not only financing and facilities, but also access to valuable sources of information during and after such meetings. Similarly, UNIDO's in-plant training programmes, which were originally financed from the UNDP/TA component, are also facing severe curtailment in view of the new procedures adopted by UNDP for the financing of interregional projects. The financing that UNDP provided in the past through convertible currencies, although it represented only a small proportion of the total resources devoted to these programmes, was nevertheless an important component that activated other tied resources and facilitated co-operation between Governments. UNIDO is thus faced with a serious situation in implementing its programme of work in the vital area of transfer of technology and has had to adopt an emergency plan so as not to diminish or seriously impair the momentum it has gained in this area.

SPECIAL MEASURES FOR ASSISTANCE TO THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES

40. The economic plight of the poorest countries in the world has come to the forefront during the past years, and a number of resolutions have been passed by the General Assembly and other legislative bodies urging the international community to take positive action to ameliorate the economic conditions in these countries. The International Development Strategy for the Second United Nations Development Decade calls for special measures to be taken by national and international organizations to improve the capacity of the least developed among the developing countries to expand and diversify their production structure. The Special International Conference of UNIDO recommended that "special consideration of the industrialization needs of the least developed among the developing countries"^{6/} should be among the means to achieve the most purposeful use of UNIDO's resources. Furthermore, the General Assembly,

^{6/} ID/SCU/Res.1, operative paragraph 3 (c).

in resolution 2768 (XXVI), operative paragraph 7, specifically requested UNIDO to initiate, as appropriate, action-oriented programmes in favour of the least developed countries.

41. A basic list of least developed countries^{7/} has already been agreed upon, following the recommendations of the Committee for Development Planning at its seventh session.

42. The ad hoc group of experts appointed by UNCTAD endorsed^{8/} the three main criteria defining the least developed among developing countries set out by the Committee for Development Planning:

- (a) GDP per capita of less than \$120;
- (b) Share of manufacturing in total GDP under 10 per cent;
- (c) Rate of literacy under 20 per cent.

The experts emphasized the need to make the best use of available resources to augment the capacity of the authorities in those countries to establish appropriate priorities in development and formulate sound projects. They also recommended that efforts be made to establish industries in the least developed countries as a means of providing a basis for accelerating economic growth. It was further suggested that in view of the special characteristics of these countries, a country-by-country approach would be desirable.

43. During the last few years, UNIDO has been actively engaged in assisting these countries. In 1971, the operational activities carried out by UNIDO in these countries amounted to \$2.6 million. UNIDO was the executing agency for three UNDP/SF projects in these countries and also provided equipment for a machine workshop and a foundry to one of these countries from the resources made available through its annual Pledging Conferences. The SIS programme, which accounted for one third of the programme in 1971, has been an effective instrument in providing assistance to the least developed countries.

44. UNIDO's programme in the least developed countries has consisted primarily of assistance in planning for industrial development, establishment of policies for industrial growth and of development centres, carrying out industrial studies, identification of viable industrial projects, development of small-scale industries, feasibility studies for the establishment of industrial estates and expert advice in their planning, establishment and operation.

45. UNIDO has already completed three industrial survey missions in Botswana, Laos and Lesotho, and three additional missions are scheduled to cover Sierra Leone, Surinam and Western Samoa. The missions are concerned primarily with the preparation of industrial development plans, preparation of a portfolio of industrial projects for further analysis, provision of advice on the training of personnel and identification of viable industrial sectors for

^{7/} Africa: Botswana, Burundi, Chad, Dahomey, Ethiopia, Guinea, Lesotho, Mali, Malawi, Niger, Rwanda, Somalia, Sudan, Uganda, United Republic of Tanzania, Upper Volta;

Asia and Oceania: Afghanistan, Bhutan, Laos, Maldives, Nepal, Sikkim, Western Samoa, Yemen;

Latin America: Haiti.

Document E/4990, para.66.

^{8/} See "Special measures in favour of the least developed among the developing countries", document TD/B/349 of 19 May 1971.

industrial purposes. UNIDO has been instrumental in the establishment of development centres and the formulation of industrial studies in Ethiopia, Guinea and the United Republic of Tanzania, and industrial research institutes have been established in some of these countries. In the field of small-scale industry, UNIDO's assistance related to advice to Governments on policies and incentives for the promotion of small industries, establishment of an institutional base to promote and assist small industries, transformation of artisan crafts into small-scale industries etc.

46. The future programme of work of UNIDO for the least developed of the developing countries will consist of extension of the country surveys to include as many countries as possible, improvement of the channels of communication by appointing additional senior industrial experts to be located in the ministries of industry or planning and assistance in improving national machineries for the monitoring and appraisal of progress in the field of industry. Programmes will be formulated for procuring financial resources for investment, evolving promotional policies, developing skills and assisting in the formulation of measures and incentives to establish industrial enterprises. UNIDO will also endeavour to implement the recommendations of the group of experts convened by UNIDO in 1971 concerning the identification of the needs of the least developed countries and the measures required to meet these needs by utilizing the resources available to UNIDO.

WORK PROGRAMMES FOR 1973 AND 1974

SALIENT FEATURES OF THE PROGRAMME OF WORK FOR 1973

47. UNIDO's programme of work for 1973 is contained in document ID/B/97, Parts Two and Three. This programme was finalized before full details of the budgetary restrictions became known and is therefore based on the normal growth of the budget and operational activities of UNIDO. As the 1972 programme has been altered in view of the budgetary situation and an emergency plan prepared, it is quite likely that part of the 1972 work programme, as approved by the Industrial Development Board at its fifth session, can be undertaken only in 1973.

48. In preparing the programme of work for 1973, consideration has been given to the discussions and recommendations made in the fifth session of the Industrial Development Board, particularly with regard to development of integrated activities. Priorities indicated by the Industrial Development Board have also been taken into account in developing a number of projects in 1973 such as promotional activities, in co-operation with the international and regional organizations and with the Governments concerned.

49. Following the recommendations of the Industrial Development Board and of the Special International Conference of UNIDO, stress has been given to the evaluation of UNIDO's activities. The documentation submitted to the sixth session of the Industrial Development Board reflects the emphasis given to evaluation by the Board. A beginning has been made in introducing the element of evaluation as an integral part of the presentation of the programme of

work of UNIDO so as to demonstrate, where applicable, the results of the work of the organization in specific areas. Efforts have also been made to include, for the first time, an evaluation of the projects contained in the Fifth Consolidated Report on the activities of the organizations in the United Nations system in industrial development. A number of documents evaluating selected activities of UNIDO, such as publications, the SIS programme and co-operation between UNIDO and selected countries, are being presented to the Board at its sixth session for its consideration. While these evaluation documents do not touch upon the entire activities of UNIDO, they provide an account of the accomplishments and problems encountered in the implementation of different programmes by UNIDO.

50. The programme of work of UNIDO in 1973 is based on the increasing co-operation of Governments, intergovernmental organizations, specialized agencies, regional economic commissions and UNESOB, international technical organizations etc., for through this co-operation UNIDO's base of operations can be extended. The resources available to UNIDO have been directed to bringing interested parties together, particularly from the business sector. The correspondents' scheme recently initiated by UNIDO has served to extend the knowledge of UNIDO's activities and, at the same time, has permitted a feedback from the interested parties, thus improving UNIDO's programme of work. Programmes have been developed to emphasize the promotion of contacts through a series of mechanisms such as the use of industrial fairs and professional meetings. UNIDO proposes to strengthen its intermediary role through the implementation of the 1973 programme of work to develop co-operation between important national organizations in such fields as information, industrial productivity and investment. UNIDO will continue to give particular attention to co-operation with the industrialized countries in preparing joint projects and in utilizing their experience and institutions with a view to realizing the objectives of the organization through a variety of activities including those already initiated such as the in-plant training programmes, interregional projects, technological centres and investment promotion activities.

51. Continuous attention will be given to the improvement of the organizational structure and functioning of headquarters and field staff through the use of suitable management techniques and instruments of evaluation. In 1971, the management information system for project implementation (MISPI) was initiated. The information on implementation of projects has been computerized and is made available periodically to supervisory and project staff to enable them to better control and provide the necessary follow-up to the operational programmes. It is hoped that the design and regular functioning of the MISPI system will be further refined in 1972 as more experience is obtained on its use as a management tool. In 1973, efforts will be made to introduce further techniques to improve the management information system, including the forward planning of implementation and a continuous reporting system which will assist in improving the over-all programming of operations and the better utilization of available resources.

52. The work programme of 1973 in the field of planning for industrialization reflects priorities in the following areas: formulation of a system of assessment and monitoring of industrial progress under the Second United Nations Development Decade; promotional programmes in financing for industry; implementation of a generalized system of preferences; and international subcontracting. In the field of industrial technology, priorities will be given to

the follow-up activities related to the Green Revolution including the extension of work on edible protein, the development of agro-industries and the production of fertilizers, and to industries based on the utilization of natural resources. Attention is also being given to the problems of product development and design to improve product quality and to adapt processes to suit special requirements.

53. In the field of institutions and services for industrial development, priority is given to upgrading of skills and training of technical personnel for industrial development. Priority has been given to developing a co-operative programme of work with private industry within the framework of national manufacturing associations and chambers of commerce. Management clinics will be further expanded and assistance will be provided to Governments in establishing management and consultancy services to serve industry. The programme in small-scale industry gives higher priority to the least developed countries and will implement the recommendations of the group of experts convened by UNIDO in 1971. The industrial information services will be further strengthened, and attention will be given to developing national industrial information centres.

54. Details of these programmes are contained both in the respective introductions to the three substantive divisions, as well as in the detailed programme of work for 1973, which is being submitted to the Board for its approval.

BROAD OUTLINES OF THE PROGRAMME OF WORK FOR 1974

55. The agenda of the sixth session of the Industrial Development Board contains an item dealing with UNIDO's 1974 work programme. In view of the number of uncertainties facing UNIDO and of the forthcoming meetings of the high-level committee of experts on long-range strategy and the ad hoc committee on co-operation between UNIDO and UNDP, mentioned in the previous paragraphs, it has not been considered practical to present at this time a comprehensive outline of the 1974 programme.

56. Generally speaking, UNIDO's programme of work in 1974 will be concerned with the assessment and monitoring of industrial progress during the Second United Nations Development Decade, and UNIDO proposes to work directly in this connexion with the developing countries and the appropriate secretariat bodies entrusted with this work by the General Assembly and ECOSOC for the over-all appraisal and review of progress in development. The 1974 work programme will also be concerned with the follow-up of the decisions and recommendations adopted by the major international meetings such as UNCTAD III, the United Nations Conference on Human Environment and meetings of ministers of industry in Africa and in Arab countries. Depending on the decision of the General Assembly, the programme of work for 1974 would be the starting point of the long-term programme of work, following the recommendations of the high-level committee of experts on long-range strategy of UNIDO's activities and subsequent recommendations of the Industrial Development Board on the subject. The programme of 1974 will also have to take into account the fact that the Second Special International Conference of UNIDO may be held in 1974 or 1975.

STATISTICAL APPENDIX

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INTRODUCTION

57. In keeping with last year's practice, additional data are given in this appendix to provide an over-all statistical picture of both the headquarters and field operations of UNIDO. A few explanatory notes are given below.
58. Programme delivery, measured in terms of expenditures incurred, continued to expand in 1971 at a rapid pace. Total expenditures for technical co-operation programmes amounted in the year to \$17 million, an increase of approximately \$4.7 million, or 34 per cent, over the corresponding figure for 1970. Nevertheless, programme delivery fell slightly short of the estimated \$17.5 million that had been anticipated, as indicated to the Industrial Development Board at its fifth session (document ID/B/80, para.127). Expenditures under the regular budget amounted to \$10.6 million, exceeding by approximately \$2 million the estimated expenditures indicated to the Board last year in document ID/B/80. The excess is attributable to the readjustment of the dollar value of expenditures as a result of the realignment of currency exchange rates that took place in 1971. Expenditures financed from overhead funds amounted, however, to \$1.1 million, i.e. \$0.1 million less than had been originally anticipated.
59. For planning purposes, the estimated delivery of operational programmes in 1972 has been maintained at the level of \$22 million, as was communicated to the Board at its fifth session (ID/B/80, para.127). This level, however, will represent a lesser number of units of assistance owing to the readjustment of currency rates that has been reflected in the value of salaries and other costs paid in currencies other than dollars. This observation applies also to the resources provided in the regular budget. Although the appropriations approved by the General Assembly for the regular budget correspond closely to the estimates provided to the Board in document ID/B/84, actual resources available in terms of staff and other provisions are less than the anticipated requirements. The decrease will be only partially compensated for by the slight increase of 1 per cent in the rate of overhead reimbursement that has been approved by the Governing Council of UNDP to take effect in 1972, pending the completion of the study that is currently underway on the methods and rates of reimbursement of overheads. Additionally, savings achieved in overheads utilization in previous years have been rephased for utilization in 1972 and future years, thus increasing the availability of resources under this heading.
60. Projection of resources for 1973, as given in table 1 below, corresponds to an estimated delivery of technical co-operation programmes of the level of \$31 million. The estimates of resources and of programme delivery were made before the first group of country programmes was completed and therefore do not reflect the much more rapid growth of technical co-operation activities in the field of industry that the first sample of country programmes would seem to indicate.

Table I

61. This table provides a global statistical picture of all the activities of the organization for the period 1971 to 1973. The data in this table are given by three categories:

(a) Expenditures (given for the reporting year only, i.e. 1971)

- Figures for regular budget and regular programme of technical assistance show disbursements and amounts obligated which, in conformity with the applicable financial rules, are chargeable to the financial year under report;
- Figures for all other sources of funds show cost of services performed or equipment and supplies delivered during the year reported on;

(b) Requirements

- Figures under this heading show the financial resources required for technical assistance on the basis of the needs expressed by the countries. These figures have been estimated on the basis of contacts with government representatives, communications from UNDP field offices and the reports of industrial development field advisers and of experts in the field;

(c) Resources

- These data were estimated by taking into consideration the characteristics and financial features for each programme;

Regular programme

- Planning levels previously recommended by the Board;

UNDP

- For 1971, the value of approved projects as of 30 September 1971, scheduled for implementation in the same year and the value of new requests likely to be approved by UNDP for implementation in that year;
- For 1972 and 1973, the estimated value of projects likely to be approved for implementation in the respective years were included; account was taken of the carry-over of projects not implemented in the previous year;

SIS programme

- Total estimated value of outstanding projects approved under the UNDP revolving fund, and uncommitted balance of SIS Trust Fund;

UNIDO General Trust Fund

- The figures under this heading show the anticipated value of voluntary contributions paid and available for utilization in the year under report.

62. "Overhead funds" are funds that UNIDO, as participating and executing agency for technical co-operation programmes, receives from UNDP for managing field projects. These funds are made available directly to UNIDO for UNDP, SIS and Funds-in-Trust projects.

Table 2

63. This table gives a breakdown of expenditures in 1971 and estimated resources in 1972 and 1973 by sources of funds and types of expenditure. The latter are classified in four groups: operational activities; substantive support activities; managerial and administrative support to operational activities; and general management and administrative expenses. Expenditures and estimated resources classified under "Managerial and administrative support to operational activities" comprise the cost of headquarters activities that are directly related to the implementation of the field programmes. Those that appear under "General management and administrative expenses" comprise all other expenditures related to the administration and management of the secretariat and not directly connected to operational activities.

Table 3

64. This is a breakdown of expenditures in 1971 and of estimated resources for 1972 and 1973. Expenditures and resources under the heading "Managerial and administrative support to operational activities" have been distributed proportionally among the groups of activities to the total of either operational expenditures in 1971 or resources for 1972 and 1973. Expenditures and resources under the heading "General management and administrative expenses" have been distributed among the groups in proportion to the sum of the expenditures and estimated resources for operational and supporting activities.

Tables 4, 5 and 6

65. These tables provide a three-way breakdown of the figures given in the preceding tables under the heading of "Technical co-operation activities": (a) by sources of funds and groups of activities; (b) by programmes and geographical areas; and (c) by components (experts, fellowships and other expenditures) of each individual programme.

Table 7

66. This table provides information on the activities of the three substantive divisions of the UNIDO secretariat financed from the regular budget of UNIDO and overhead funds in terms of man/months of professional staff and expenditures on meetings, consultants and publications.

Table 1
Estimated financial requirements and resources of UNIDO, 1971 to 1973
(in millions of US dollars)

	1971		1972		1973	
	<u>Expenditure</u>	<u>Resources</u>	<u>Requirements</u>	<u>Resources</u>	<u>Requirements</u>	<u>Resources</u>
<u>Technical co-operative programmes</u>	17.0	27.5	51.2	33.4	62.0	42.0
Regular programme	1.5	1.5	2.7	1.5	3.0	1.5
UNDP/TA ^{a/}	3.0	4.5	}	22.9	41.0	30.0
UNDP/SF ^{a/}	6.7	12.5		10.0	6.0	11.0
SIS programme	4.4	6.0	5.0	2.5	6.5	3.0
UNIDO General Trust Fund	0.8	2.5	0.5	0.5	0.5	0.5
Funds-in-Trust	0.6	0.5				
<u>Overhead funds</u>	1.1	1.1		2.4		3.1
<u>Regular budget</u>	10.6	10.7		12.3		13.9
Budget gross	12.3	12.5		14.3		16.1
Staff assessment	(1.7)	(1.8)		(2.0)		(2.2)

a/ Merged programmes effective 1 January 1972.

Table 2
Expenditures in 1971 and estimated resources for 1972 and 1973 by sources of funds
(in thousands of US dollars)

	Regular budget	Regular programme	UNDP/TA ^a	UNDP/SF ^b	SIS	UNIDO General Trust Fund	Funds-in-Trust	Total	Per cent
1971 (Expenditures)									
Operational activities	-	1,500.0	3,043.1	6,671.3	4,434.9	781.7	540.0	16,971.0	59.2
Substantive support activities	4,008.5	-	-	116.7	77.5	-	-	4,202.7	14.7
Managerial and administrative support to operational activities	1,559.2	-	-	520.7	345.7	9.0	-	2,434.6	8.5
General management and administrative expenses	5,066.1	-	-	-	-	-	-	5,066.1	17.6
Add: staff assessment	10,633.8	1,500.0	3,043.1	7,308.7	4,858.1	790.7	540.0	28,674.4	100.0
Total gross	12,313.9								
1972 (Estimated resources)									
Operational activities	-	1,500.0	22,900.0		6,000.0	2,500.0	500.0	33,400.0	69.3
Substantive support activities	5,335.7	-	200.9		133.0	-	-	5,669.6	11.8
Managerial and administrative support to operational activities	1,318.6	-	1,230.1		816.0	9.3	30.0	3,404.0	7.1
General management and administrative expenses	5,693.8	-						5,693.8	11.8
Add: staff assessment	12,348.1	1,500.0	24,331.0		6,949.0	2,509.3	530.0	48,167.4	100.0
Total gross	14,332.1								
1973 (Estimated resources)									
Operational activities	-	1,500.0	30,000.0		7,000.0	3,000.0	500.0	42,000.0	71.2
Substantive support activities	5,354.0	-	304.5		202.0	-	-	6,360.5	10.8
Managerial and administrative support to operational activities	1,788.1	-	1,536.5		1,020.0	11.0	50.0	4,405.6	7.5
General management and administrative expenses	8,241.4	-						8,241.4	10.5
Add: staff assessment	13,853.5	1,500.0	31,841.0		8,222.0	3,011.0	550.0	59,007.5	100.0
Total gross	16,086.5								

Nettel Programmes effective 1 January 1972.

Table 4
Breakdown of technical co-operation activities of UNIDO by sources of funds and groups of activities, 1971 to 1973
(in thousands of US dollars)

Divison	1971 - expenditure						Total
	Regular programme	UNDP/TA	UNDP/SF	SIS	Funds-in-Trust	UNIDO General Trust Fund	
Industrial Technology							
Group 1	107.3	280.0	871.0	524.0	30.0	57.7	1,870.0
Group 2	83.3	235.0	326.6	551.8	37.0	57.6	1,291.3
Group 3	25.3	91.0	158.0	237.5	14.0	-	525.8
Group 4	86.9	131.8	-	438.5	42.5	1.5	701.2
Group 5	125.2	115.4	769.7	258.1	50.0	80.4	1,398.8
Group 6	241.6	225.8	327.4	858.6	35.0	6.5	1,694.9
Group 17	12.0	-	212.6	71.2	-	-	295.8
Sub-total	<u>681.6</u>	<u>1,079.0</u>	<u>2,665.3</u>	<u>2,939.7</u>	<u>208.5</u>	<u>203.7</u>	<u>7,777.8</u>
Industrial Services and Institutions							
Group 7	3.6	-	-	10.0	-	-	13.6
Group 8	32.9	203.8	1,003.4	156.0	116.5	107.4	1,620.0
Group 9	7.0	26.0	-	21.5	40.0	137.0	231.5
Group 10	94.9	209.4	627.2	380.4	-	3.3	1,315.2
Group 11	48.2	396.6	1,044.1	205.0	64.0	4.5	1,762.4
Group 16	252.0	167.0	67.0	1.0	-	308.5	795.5
Sub-total	<u>438.6</u>	<u>1,002.8</u>	<u>2,741.7</u>	<u>773.9</u>	<u>220.5</u>	<u>560.7</u>	<u>5,738.2</u>
Industrial Policies and Programming							
Group 12	264.5	587.2	997.4	248.3	82.3	15.6	2,195.3
Group 13	18.8	156.6	75.1	97.6	20.0	2.5	370.6
Group 14	55.7	145.5	-	242.1	8.7	-	452.0
Group 15	6.0	72.0	191.8	133.3	-	(0.3)	402.3
Sub-total	<u>345.0</u>	<u>961.3</u>	<u>1,264.3</u>	<u>721.3</u>	<u>111.0</u>	<u>17.3</u>	<u>3,420.2</u>
Long-range programming	<u>34.8</u>	-	-	-	-	-	<u>34.8</u>
TOTAL	<u>1,500.0</u>	<u>3,043.1</u>	<u>6,671.3</u>	<u>4,434.9</u>	<u>540.0</u>	<u>781.7</u>	<u>16,271.0</u>

Table 4 (cont'd)

1972

Division	Regular programme approved projects	UNDP/TA - UNDP/SF approved projects	UNDP/TA - UNDP/SF forecast of new projects	Total	SIS approved projects	Funds-in-Trust approved projects	UNIDO General Trust Fund approved projects
Industrial Technology							
Group 1	138.2	2,457.9	1,627.8	4,085.7	886.0	4.0	417.1
Group 2	139.6	965.6	1,307.6	2,273.2	462.3	33.7	116.6
Group 3	40.4	219.2	636.1	855.3	212.8	12.0	-
Group 4	152.0	102.6	1,182.9	1,285.5	479.4	-	-
Group 5	108.6	1,172.4	1,179.7	2,352.1	354.7	62.0	-
Group 6	206.6	1,994.3	3,835.9	5,830.2	910.1	-	20.0
Group 17	5.8	399.4	86.6	486.0	74.2	-	-
Sub-total	791.2	7,311.4	9,856.6	17,168.0	3,379.5	111.7	553.7
Industrial Services and Institutions							
Group 7	20.6	-	159.0	159.0	8.0	-	-
Group 8	68.2	2,538.9	711.4	3,250.3	195.5	200.9	30.0
Group 9	24.8	40.3	135.7	176.0	18.0	50.0	35.0
Group 10	32.4	1,136.2	1,004.8	2,141.0	242.3	-	-
Group 11	118.4	2,425.9	486.0	2,911.9	308.5	56.0	-
Group 16	36.0	719.9	585.6	1,305.5	24.0	-	223.8
Sub-total	300.4	6,861.2	3,082.5	9,943.7	796.3	306.9	288.8
Industrial Policies and Programming							
Group 12	201.0	2,208.1	910.9	3,119.0	324.0	42.0	-
Group 13	54.0	435.2	1,087.3	1,522.5	110.1	28.4	30.0
Group 14	42.2	138.4	558.6	697.0	484.7	20.0	-
Group 15	21.2	587.7	79.1	666.8	74.4	-	-
Sub-total	318.4	3,369.4	2,635.9	6,005.3	993.2	90.4	30.0
Long-range programming	90.0	-	-	-	-	-	-
TOTAL	1,500.0	17,542.0	15,575.0	33,117.0	5,169.0	509.0	872.5

Table 4 (cont'd)

1973

<u>Division</u>	<u>Regular programme proposed</u>	<u>approved projects</u>	<u>UNDP/TA - UNDP/SF forecast of new projects</u>	<u>Total</u>
<u>Industrial Technology</u>				
Group 1	120.0	1,353.0	4,027.0	5,380.0
Group 2	110.0	765.3	4,099.0	4,864.3
Group 3	35.0	-	1,261.0	1,261.0
Group 4	120.0	-	1,923.0	1,923.0
Group 5	120.0	787.7	4,233.0	5,020.7
Group 6	230.0	1,345.9	5,995.0	7,340.9
Group 17	10.0	30.0	1,716.0	1,746.0
Sub-total	<u>745.0</u>	<u>4,281.9</u>	<u>23,254.0</u>	<u>27,535.9</u>
<u>Industrial Services and Institutions</u>				
Group 7	15.0	-	580.0	580.0
Group 8	50.0	1,488.5	3,315.0	4,803.5
Group 9	15.0	-	815.0	815.0
Group 10	65.0	824.5	2,705.0	3,529.5
Group 11	80.0	966.9	3,790.0	4,756.9
Group 16	140.0	526.6	1,938.0	2,464.6
Sub-total	<u>365.0</u>	<u>3,806.5</u>	<u>13,143.0</u>	<u>16,949.5</u>
<u>Industrial Policies and Programming</u>				
Group 12	200.0	650.8	4,251.0	4,901.8
Group 13	40.0	219.8	2,447.0	2,666.8
Group 14	45.0	42.0	2,115.0	2,157.0
Group 15	15.0	115.3	1,205.0	1,320.3
Sub-total	<u>300.0</u>	<u>1,027.9</u>	<u>10,018.0</u>	<u>11,045.9</u>
Long-range programming	<u>90.0</u>	-	-	-
TOTAL	<u>1,500.0</u>	<u>9,116.3</u>	<u>46,415.0</u>	<u>55,531.3</u>

Table 5

Breakdown of technical co-operation activities by programmes and geographical regions, 1971 to 1973
(in thousands of US dollars)

Regions and projects	UNDP/TA		UNDP/SF		UNDP/TA - UNDP/SF		1973	
	1971		1971		1972		1973	
	expenditure	expenditure	approved projects	forecast of new projects	approved projects	forecast of new projects	approved projects	forecast of new projects
<u>AFRICA</u>								
country	640.6	2,783.6	5,811.0	4,113.2	9,924.2	2,804.9	15,830.0	18,631.9
regional	124.9	138.9	490.7	357.0	847.7	352.4	820.0	1,173.4
Sub-total	<u>765.5</u>	<u>2,922.5</u>	<u>6,301.7</u>	<u>4,470.2</u>	<u>10,771.9</u>	<u>3,157.3</u>	<u>16,650.0</u>	<u>19,807.3</u>
<u>THE AMERICAS</u>								
country	592.6	1,141.4	2,593.8	4,016.1	6,609.9	1,002.4	10,790.0	11,792.4
regional	95.3	-	-	186.0	186.0	-	630.0	630.0
Sub-total	<u>687.9</u>	<u>1,141.4</u>	<u>2,593.8</u>	<u>4,202.1</u>	<u>6,795.9</u>	<u>1,002.4</u>	<u>11,420.0</u>	<u>12,422.4</u>
<u>ASIA/FAR EAST</u>								
country	648.4	1,546.0	4,704.1	4,272.1	8,976.2	2,913.4	11,020.0	13,933.4
regional	85.2	-	72.1	22.9	95.0	33.3	875.0	908.3
Sub-total	<u>733.6</u>	<u>1,546.0</u>	<u>4,776.2</u>	<u>4,295.0</u>	<u>9,071.2</u>	<u>2,946.7</u>	<u>11,895.0</u>	<u>14,841.7</u>
<u>EUROPE/MIDDLE EAST</u>								
country	409.1	1,003.6	3,146.4	1,804.6	4,951.0	1,621.3	5,620.0	7,241.3
regional	22.7	21.5	-	12.0	12.0	-	95.0	95.0
Sub-total	<u>431.8</u>	<u>1,025.1</u>	<u>3,146.4</u>	<u>1,816.6</u>	<u>4,963.0</u>	<u>1,621.3</u>	<u>5,715.0</u>	<u>7,336.3</u>
<u>INTERREGIONAL</u>								
	424.3	36.3	723.9	791.1	1,515.0	388.6	735.0	1,123.6
TOTAL	<u>3,043.1</u>	<u>6,671.3</u>	<u>17,542.0</u>	<u>15,575.0</u>	<u>33,117.0</u>	<u>9,116.3</u>	<u>46,415.0</u>	<u>55,531.3</u>

Table 5 (cont'd)

Regions and projects	Regular programme		SIS		Funds-in-Trust		UNIDO General Trust Fund	
	1971	1972	1971	1972	1971	1972	1971	1972
	expenditure	resources	expenditure	approved projects	expenditure	approved projects	expenditure	approved projects
AFRICA								
country	269.0	343.4	1,288.5	1,673.9	241.3	236.4	132.6	467.1
regional	71.7	135.0	126.7	17.4	-	-	4.4	-
sub-total	<u>340.7</u>	<u>478.4</u>	<u>1,415.2</u>	<u>1,691.3</u>	<u>241.3</u>	<u>236.4</u>	<u>137.0</u>	<u>467.1</u>
THE AMERICAS								
country	121.3	190.4	1,035.7	958.0	71.7	26.0	-	-
regional	111.7	135.0	30.5	58.0	-	-	-	-
sub-total	<u>233.0</u>	<u>325.4</u>	<u>1,066.2</u>	<u>1,016.0</u>	<u>71.7</u>	<u>26.0</u>	-	-
ASIA/FAR EAST								
country	201.0	247.8	803.8	1,085.5	75.0	18.0	(58.6) ^a	13.5
regional	79.7	135.0	9.9	9.1	-	-	-	-
sub-total	<u>280.7</u>	<u>382.8</u>	<u>813.7</u>	<u>1,094.6</u>	<u>75.0</u>	<u>18.0</u>	<u>(58.6)^a</u>	<u>13.5</u>
EUROPE/MIDDLE EAST								
country	180.2	124.4	1,058.4	1,224.1	109.5	228.6	1.7	-
regional	14.3	27.0	2.2	-	-	-	-	-
sub-total	<u>194.5</u>	<u>151.4</u>	<u>1,060.6</u>	<u>1,224.1</u>	<u>109.5</u>	<u>228.6</u>	<u>1.7</u>	-
INTERREGIONAL								
	451.1	162.0	79.2	143.0	42.5	-	-	-
TOTAL	<u>1,500.0</u>	<u>1,500.0</u>	<u>4,444.9</u>	<u>5,169.0</u>	<u>540.0</u>	<u>500.0</u>	<u>(58.6)^a</u>	<u>13.5</u>

^a Adjustment in respect of prior years.

Table 6
Estimated breakdown of technical co-operation activities by sources and components, 1971 to 1973
(in thousands of US dollars)

Sources of financing	Experts				Fellowships				Subcontracts, equipment and other expenses				Total							
	1971		1972		1972		1973		1971		1972		1973		1971		1972		1973	
	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$
Regular programme	55	694.1	60	700.0	60	700.0	310	800.3	230	750.0	230	750.0	5.6	50.0	50.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
UNDP/TA ^{a/}	242	2,106.1					631	722.9					214.0			3,043.1				
UNDP/CA ^{b/}	198	3,498.7					107	221.8					2,950.8			6,071.5				
SIS	422	2,477.5	500	3,400.0	600	4,200.0	28	61.0	30	100.0	30	100.0	1,894.4	2,500.0	2,700.0	4,434.9	6,000.0	6,000.0	6,000.0	6,000.0
UNIDO General Trust Fund	140	107.0	200	200.0	250	300.0	323	283.3	400	700.0	500	900.0	397.4	1,600.0	1,800.0	731.7	2,500.0	2,500.0	2,500.0	2,500.0
Funds-in-Trust	23	279.9	20	300.0	20	300.0	14	42.5	15	50.0	15	50.0	217.6	150.0	150.0	540.0	500.0	500.0	500.0	500.0
TOTAL	1,080	2,161.3	1,830	20,000.0	2,180	24,500.0	1,413	2,131.8	1,525	4,100.0	2,175	6,100.0	5,677.9	9,300.0	11,400.0	16,971.0	33,400.0	33,400.0	42,000.0	42,000.0

^{a/} Merged programmes effective 1 January 1972.

Table 7

Regular budget and overhead funds: activities of the substantive divisions of the secretariat, 1971 to 1973
(in man/months and thousands of US dollars)

Group	1971						1972						1973							
	Staff time ^a		Consultants		Meetings		Printing		Total		Staff time ^a		Consultants		Meetings		Printing		Total	
	m/m	h/m	m/m	\$	\$	\$	\$	\$	\$	m/m	h/m	m/m	\$	\$	\$	\$	\$	\$	\$	\$
1	126	229.3	15	24.4	3.3	27.4	289.4	138	320.5	15	23.7	-	32.1	376.3	156	384.3	14	29.5	12.0	441.1
2	48	106.6	6	9.8	-	-	116.4	66	127.5	9	14.9	6.0	4.8	153.2	84	135.4	17	21.3	-	156.7
3	24	43.2	2	3.6	6.5	2.9	56.2	30	64.3	4	7.0	3.4	0.6	75.3	24	66.8	4	6.0	8.7	74.0
4	71	132.9	5	8.3	9.8	5.7	156.7	72	163.8	6	9.0	-	4.3	172.1	72	176.1	3	4.3	3.3	184.7
5	98	216.5	10	16.2	-	12.1	244.8	126	308.5	12	18.6	9.2	18.6	354.9	144	366.8	14	22.9	18.7	436.0
6	113	238.4	16	25.0	15.0	8.1	286.5	150	284.0	17	27.8	23.9	21.3	357.0	180	348.7	8	13.0	12.3	396.7
7	14	31.4	6	9.4	5.0	-	45.8	48	118.6	15	24.0	20.4	0.8	163.8	60	98.3	16	25.0	20.0	144.8
8	111	189.5	6	9.9	14.7	6.0	220.1	132	276.4	13	21.0	-	0.6	298.0	144	321.1	14	22.0	-	349.7
9	79	213.1	24	37.7	3.7	18.1	272.6	144	344.5	25	45.0	-	27.1	416.6	144	412.9	29	45.0	-	486.1
10	71	131.1	10	15.3	14.4	-	160.8	108	247.9	9	14.0	-	5.4	267.3	108	234.9	3	5.0	10.0	250.3
11	85	139.2	5	8.5	6.3	14.4	218.4	108	264.3	8	13.0	10.0	9.5	296.8	108	315.7	-	13.0	10.0	364.3
12	166	256.6	32	51.2	21.1	27.3	356.2	228	510.3	24	39.0	25.0	32.8	607.1	282	543.3	34	41.0	5.7	624.6
13	179	412.3	10	15.4	8.3	2.7	438.7	180	391.3	18	28.0	13.0	7.4	439.7	204	474.3	14	21.0	13.0	514.3
14	106	178.1	10	16.7	-	0.5	195.3	144	305.8	9	15.0	-	9.5	309.3	156	349.1	11	17.0	16.0	385.3
15	101	202.5	11	17.9	2.3	4.6	227.3	156	342.7	11	18.0	-	8.2	368.9	162	394.2	15	26.0	16.0	445.2
16	76	179.4	3	4.1	-	5.4	188.9	102	246.5	5	8.0	12.6	4.7	265.8	108	325.9	14	21.0	3.0	354.4
17	55	103.4	14	23.1	4.9	1.2	133.6	66	161.0	9	14.0	-	8.3	185.3	72	175.1	-	13.0	-	197.3
	1,823	5,283.5	155	296.5	120.3	136.8	3,807.1	2,004	4,477.9	212	340.0	123.5	195.0	5,137.4	2,184	5,122.0	225	360.0	130.0	7,115.0
Add: staff assessment							570.6		820.4					820.4		820.4				820.4
	1,823	5,283.5	155	296.5	120.3	136.8	4,177.1	2,004	5,299.1	212	340.0	123.5	195.0	5,957.8	2,184	6,020.2	225	360.0	150.0	7,935.4

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

b) Salaries calculated on a net basis.

c) To the extent that internal printing facilities may be used, expenditures may be reduced by \$40,000.

d) To the extent that internal printing facilities may be used, expenditures may be reduced by \$30,000.

ANNEX

1972 WORK PROGRAMME EMERGENCY PLAN FOR THE FINANCING OF HIGH PRIORITY PROJECTS FOR WHICH NO RESOURCES HAVE BEEN OBTAINED FROM UNDP

INTRODUCTION

1. The work programme of UNIDO has consistently relied on UNDP financing for an important segment of its regional and interregional activities. In most cases, UNDP financing was supplemented by a variety of additional resources drawn from the UNIDO General Trust Fund, the UNIDO regular programme of technical assistance and resources in kind contributed directly in the form of facilities offered by Governments or institutions hosting certain projects. Substantive and administrative support was provided to those activities by staff, consultants and meeting funds financed from UNIDO's regular budget. Thus, UNDP financing has contributed the essential resources for the operational core of the projects and has constituted the corner-stone for project building and mobilization of supplementary and associated resources.^{1/}

2. The work programme of UNIDO for 1972, which was approved by the Industrial Development Board at its fifth session, included a number of regional, interregional and global projects for which UNDP financing of \$1,492,000 would be required, consisting of:

- (a) Seminars, workshops and training courses (other than in-plant training projects) \$1,045,000
- (b) In-plant training projects \$ 477,000

The projects included in the updated work programme for 1972, for which UNDP financing is requested, appear in List One of this annex.

LACK OF UNDP FINANCING FOR REGIONAL AND INTERREGIONAL PROJECTS

3. The updating and preliminary steps towards the implementation of the 1972 programme (as well as the formulation of the 1973 programme) were in an advanced stage at the end of 1971 when it became known that, contrary to expectation, UNDP would not be in a position to approve additional funds for inter-country projects beyond the approvals previously given for the financing of certain continuing projects of the former UNDP/SF type.

4. This unexpected stoppage, at short notice, of the flow of new UNDP resources could seriously effect the implementation of UNIDO's programme of activities both in the short and long term. The planning and implementation of the work programme constitute a continuous process that is extended, in most instances, over a period of several years; it begins with the

^{1/} Expenditures by UNIDO for regional and interregional projects financed from the former UNDP/TA component amounted to \$266,000 in 1969 and \$319,000 in 1970. It is estimated that expenditures under the same heading in 1971 will amount to approximately \$500,000.

exploration of new project ideas and informal contacts with interested parties, donors and recipients, and progresses gradually through several stages of maturation and reformulation. Moreover, planning and implementation are phases of project execution that often run concurrently and that cannot always be clearly distinguished one from the other; elements of implementation are frequently found during the planning phase and, conversely, elements of planning are to be found throughout the implementation phase. The drastic cuts in financing indicated by UNDP will have a serious impact, therefore, not only on planning but also on the actual implementation that had been started in the anticipation that financing would be obtained from UNDP. In the long term, these disruptive consequences could alter the continuity of the programme as well as its growth pattern.

5. UNIDO could not remain indifferent to the damaging results of such programme curtailment. Strong representations were repeatedly made to UNDP during December 1971 and January 1972 to demonstrate the imperative need to reconsider the financing requirements of UNIDO's regional and interregional programmes.

EMERGENCY PLAN FOR 1972 PROGRAMME OF WORK

6. Recognizing the fact that total financing was not likely to be obtained, UNIDO evolved a reduced programme, which contained projects of the highest priority, for submission to UNDP in the hope that a compromise could be reached on the basis of the limited programme. The selection of projects to be included in the limited programme was made on the basis of the following points, considered separately or in combination:

- (a) Strength of recommendation and support of the Industrial Development Board;
- (b) Endorsements received from participating countries and interest and support received from the regional economic commissions and other regional and subregional bodies in the project or in the particular subject matter;
- (c) Impact of the project on training of personnel or transfer of technology, an impact that could not be achieved by other modes of assistance; assistance;
- (d) Stage of preparation, especially with regard to co-operation with intergovernmental and non-governmental organizations;
- (e) Continuing or recurrent project;
- (f) Determination whether the project involved major issues of industrial development strategy of interest to a number of the developing countries and calling for concerted action;
- (g) Previous experience of UNIDO and demonstrated effectiveness in the area of activity or industrial branch concerned.

7. In some instances, the amount of funds requested was reduced to reflect a retrenchment in the scope of the projects in view of the scarcity of resources.

8. List Two contains the projects that were selected for inclusion in the highest priority category as well as the adjusted value of funds requested from UNDP, amounting to a total of \$618,000. (This amount reflects a downward revision of requirements for these projects of \$182,000, as compared to the requirements included under List One.)

9. Approval was subsequently received from UNDP for the financing of several projects, which are identified with an asterisk in List Two, amounting to \$223,000.
10. In view of the apparent impossibility of obtaining a favourable decision from UNDP on the financing of the remaining projects amounting to \$395,000, an emergency reallocation of other resources available to UNIDO was made so as not to impair the execution of the vital elements of the programme that were affected by the curtailment of UNDP funds. The emergency plan involved the revision of: requirements and the reallocation of resources of the regular programme of technical assistance to cover the costs of travel and subsistence of participants; the consultants funds in the regular budget to cover the costs of technical personnel; and travel funds in the regular budget to cover the cost of staff travel required in connexion with the implementation of the projects, a cost that would normally have been covered by the UNDP allocation. The emergency plan also called for the allocation of funds from the UNIDO General Trust Fund to cover miscellaneous items of expenditure for which provision could not be made from other sources. The breakdown by component of expenditure for the projects in question, which provided the basis for the reallocation of resources, is given in List Three, from which it will be observed that requirements were further scaled down to \$368,800 from the original requirements of \$395,000.
11. In order to provide the required funds for the reallocation of resources, it has been necessary to make the following adjustments in the programme originally intended to be financed from the regular programme of technical assistance and the regular budget:

Regular programme of technical assistance

Suspension of recruitment for the following regional adviser posts:

Africa	-	36 man/months	}	\$216,000
Asia	-	30 man/months		
Latin America	-	30 man/months		

Postponement of recruitment of one interregional adviser post for six months	\$ 14,000
	<u>\$230,000</u>

Regular budget - consultants

Cancellations of projects and reductions in allocations as detailed in List Four	\$ 80,900
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Regular budget - travel on official business

Reductions to be achieved through the limitation and cancellation of other travel requirements	\$ 31,800
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UNIDO General Trust Fund

Allocations of funds to finance the project components for miscellaneous items of expenditure	\$ 25,400
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12. The reallocation of funds in the regular programme of technical assistance and the regular budget to meet the emergency needs of projects initially intended for financing by UNDP will undoubtedly have serious detrimental effects on many parts of UNIDO's programme for the year. The preparatory and planning phase of many projects will necessarily suffer, and the diversion of staff resources to areas that should have been covered by consultant services will necessarily reduce time available for the backstopping of operational activities at the country level.

Similarly, curtailment of travel will undoubtedly affect UNIDO's efforts towards effective country programming co-ordination of field activities and the development of the programme of work for the future.

13. List Five contains those projects in the work programme that were not included in the highest priority list of projects for which financing was requested from UNDP. Despite the fact that they were not included in the highest priority list, these projects are important elements of a balanced work programme, and a considerable investment in planning and pre-implementation action has been made on them. As their cancellation should be prevented if at all possible, efforts have continued, and will be continued, to obtain further allocations of UNDP funds or to arrange alternative financing for them, particularly through the mobilization of bilateral assistance resources, either directly or through the medium of contributions to the UNIDO General Trust Fund. Similar negotiations are being conducted for the financing of projects in the highest priority list, which, if successfully concluded, would permit new reallocation of funds leading to the implementation of projects that are now threatened. For example, it is expected that with the co-operation and additional support of the Government of France and through the partial utilization of the French contribution to the UNIDO General Trust Fund, it will be possible to carry out the meeting for the promotion and transfer of technology and know-how through subcontracting and licensing agreements. This would allow the funds currently assigned to the project to be utilized for the implementation of another priority project.
14. The emergency plan outlined above does not include projects that are fully financed from bilateral and other sources and that therefore do not require UNDP financing. Projects of this type are the seminar on UNIDO operations and the in-plant training programme on the application of dyes and chemicals to textiles, financed by Switzerland; the in-plant training programmes on pulp and paper and on management of maintenance systems, financed by Sweden; the in-plant training programme on management of maintenance and repair services, financed by Italy; and the in-plant training programme on iron and steel in the Union of Soviet Socialist Republics, financed from UNIDO's regular programme of technical assistance.

List one

Projects included in the 1972 updated work programme
requiring UNDP financing
(in thousands of US dollars)

<u>Project No.</u>	<u>Designation</u>	<u>Resources requested from UNDP</u>
<u>Seminars, workshops and training courses</u>		
1.04.01 (LAT/70/1)	Regional seminar on machine tools	30.0
3.01.01 (INT/70/5)	Interregional seminar on the manufacture of cement	30.0
3.04.01 (LAT/71/2)	Regional workshop on clay building materials industries	40.0
5.01.02 (EUR/71/3)	Regional meeting on the development of the fertilizer and pesticide industries	15.0
5.04.05 (LAT/70/7)	Symposium on the development of the plastic fabrication industry	45.0
6.03.03 (INT/71/6)	Regional seminar on furniture and joinery	35.0
6.03.04 (INT/71/5)	Seminar on the selection of woodworking machinery	15.0
6.04.02 (AFR/71/4)	Regional seminar on the development of the footwear manufacturing and the leather goods manufacturing industries	45.0
17.03.02 (LAT/71/56)	Seminar on the production and use of tin plate containers in the developing countries	25.0
17.03.03 (LAT/71/57)	Training programme in packaging	35.0
7.01.01 (AFR/71/7)	Training workshop for public industrial administrators in Africa	30.0
7.03.01 (AFR/71/8)	Training workshop for senior personnel of patent offices in Asian countries	25.0
8.01.02 (INT/71/9)	Regional workshop to stimulate industrial research activities (Asia)	35.0
8.02.01 (AFR/71/10)	Subregional training workshop on standardization and metrology for French-speaking African countries	20.0
8.02.03 (INT/71/11)	Regional training workshop on quality control in Asia	32.0
8.03.02 (AFR/71/12)	Regional workshop on industrial co-operatives in Africa	25.0
8.03.03 (LAT/71/13)	Regional workshop for managerial staff of chambers of commerce and industry in Latin America	20.0

Projects included in the 1972 updated work programme
requiring UNDP financing (cont'd)
(in thousands of US dollars)

<u>Project No.</u>	<u>Designation</u>	<u>Resources requested from UNDP</u>
	<u>Seminars, workshops and training courses</u> (cont'd)	
8.04.02 (LAT/71/14)	Joint consultations for effective fair administration in developing countries	20.0
9.01.03 (INT/71/48)	Training course for the upgrading of industrial information personnel	23.0
9.01.04 (AFR/71/15)	Regional seminar for industrial information officers	35.0
11.01.01 (AFR/71/16A; LAT/71/16B)	Group training programmes for industrial extension officers	20.0
11.03.05 (AFE/70/46)	Roving seminar on low-cost automation	70.0
12.01.02 (LAT/71/18)	Seminar on plans and policies for the development of electrical engineering industries in Latin American countries	30.0
12.06.03 (INT/70/34)	Regional workshops on tariff and other protection policies for industrial development	40.0
12.07.01 (INT/71/17)	Interregional seminar on operation of industrial planning systems	20.0
13.06.01 (LAT/71/22)	Training workshop in financial planning and analysis techniques for industrial projects	25.0
13.06.03 (AFR/71/20)	Training workshop in industrial banking techniques	30.0
13.07.02 (AFE/71/21)	Training workshop on joint venture agreements	30.0
13.08.02 (AFR/71/19)	Training programmes in techniques of investment promotion	45.0
14.01.02 (INT/71/58)	Promotional meeting for the transfer of technology and know-how through subcontracting and licensing agreements	40.0
14.02.02 (INT/71/25)	Export development orientation meeting (consultation conference on product development for exports)	40.0
14.05.01 (INT/70/38)	Training programme in manufacturing for exports	40.0
15.03.01 (LAT/70/40)	Training workshop in methods of industrial surveys	35.0
	Sub-total	1,045.0

Projects included in the 1972 updated work programme
requiring UNDP financing (cont'd)
(in thousands of US dollars)

<u>Project No.</u>	<u>Designation</u>	<u>Resources requested from UNDP</u>
<u>In-plant training projects</u>		
INT/70/24	Fertilizer industry	15.0
INT/70/26	Food processing	23.0
INT/71/28	Plastics technology	36.0
INT/71/30	Cement industry	25.0
INT/71/32	Basic chemicals	18.0
INT/71/33	Mechanical industries	18.0
INT/71/34	Cotton textile industry	23.0
INT/71/35	Food processing	35.0
INT/71/37	Metalworking industry	23.0
INT/71/38	Electric welding	23.0
INT/71/39	Value analysis/engineering	23.0
INT/71/40	Systems analysis	23.0
INT/71/41	Financial management	28.0
INT/71/42	Industrial consultancy	23.0
INT/71/43	Maintenance and repair	25.0
INT/71/44	Ship repair and maintenance	23.0
INT/71/45	Materials handling	35.0
INT/71/47	Standardization	28.0
	Sub-total	447.0
	Grand total	<u>1,492.0</u>

List two

Highest priority projects selected for re-submission to UNDP
(in thousands of US dollars)

<u>Project No.</u>	<u>Designation</u>	<u>Resources requested from UNDP</u>
1.04.01 (LAT/70/1)	Regional seminar on machine tools	22.5
3.01.01 (INT/70/5)	Interregional seminar on the manufacture of cement	24.0*
3.04.01 (LAT/71/2)	Regional workshop on clay building materials industries	20.0
5.01.02 (EUR/71/3)	Regional meeting on the development of the fertilizer and pesticide industries	15.0*
5.04.05 (LAT/70/7)	Symposium on the development of the plastic fabrication industry	45.5
6.03.03 (INT/71/6)	Regional seminar on furniture and joinery	35.0*
6.04.02 (AFE/71/4)	Regional seminar on the development of the footwear manufacturing and the leather goods manufacturing industries	45.0
17.03.02 (LAT/71/56)	Seminar on the production and use of tin plate containers in the developing countries	20.0
17.03.03 (LAT/71/57)	Training programme in packaging	19.0
7.01.01 (AFR/71/7)	Training workshop for public industrial administrators in Africa	25.0
8.02.01 (AFR/71/10)	Subregional training workshop on standardization and metrology for French-speaking African countries	15.0
8.03.02 (AFR/71/12)	Regional workshop on industrial co-operatives in Africa	15.0
8.03.03 (LAT/71/13)	Regional workshop for managerial staff of chambers of commerce and industry in Latin America	15.0
9.01.04 (AFR/71/15)	Regional seminar for industrial information officers	13.0
11.01.01 (AFR/71/16A)	Group training programme for industrial extension officers	10.0
11.01.01 (LAT/71/16B)	Group training programme for industrial extension officers	10.0
13.07.02 (AFE/71/21)	Training workshop on joint venture agreements	20.0

* Financing subsequently approved by UNDP.

Highest priority projects selected for re-submission to UNDP (cont'd)
(in thousands of US dollars)

<u>Project No.</u>	<u>Designation</u>	<u>Amount requested from UNDP</u>
14.01.02 (INT/71/58)	Promotional meeting for the transfer of technology and know-how through subcontracting and licensing agreements	30.0
14.02.02 (INT/71/25)	Export development orientation meeting (consultation conference on product development for exports)	45.0*
14.05.01 (INT/70/38)	Training programme in manufacturing for exports	35.0
15.03.01 (LAT/70/40)	Training workshop in methods of industrial surveys	30.0
	Sub-total	<u>515.0</u>
	<u>In-plant training projects</u>	
INT/71/28	Plastics technology	20.0*
INT/71/33	Mechanical industries	18.0*
INT/71/35	Food processing	22.0*
INT/71/37	Metalworking industry	14.0*
INT/71/43	Maintenance and repair	15.0*
INT/71/47	Standardization	14.0*
	Sub-total	<u>103.0</u>
	Grand total	<u><u>618.0</u></u>

* Financing subsequently approved by UNDP.

List three

**Plan for emergency financing for the highest priority projects
for which no resources were obtained from UNDP**
(in thousands of US dollars)

Project No.	Designation	Resources requested from UNDP	Breakdown of revised requirements			
			Travel and subsistence of participants (a)	Experts/consultants (including travel and subsistence) (b)	Staff travel (c)	Miscellaneous (d)
<u>Industrial Technology Division</u>						
1.04.01 (LAT/70/1)	Regional seminar on machine tools	22.5	8.0	8.0	4.0	..
3.04.01 (LAT/71/2)	Regional workshop on clay building materials industries	20.0	14.4	5.0	2.6	..
5.04.05 (LAT/70/7)	Symposium on the development of the plastic fabrication industry	45.5	19.1	10.3	5.0	..
6.04.02 (AFE/71/4)	Regional seminar on the development of the footwear manufacturing and the leather goods manufacturing industries	45.0	23.6	12.4	2.1	..
17.03.02 (LAT/71/56)	Seminar on the production and use of tin plate containers in the developing countries	20.0	5.3	4.7	1.0	..
17.03.03 (INT/71/57)	Training programme in packaging	19.0	18.0
	Total (ITD)	172.0	88.4	60.4	15.3	..

To be financed:

- (a) From the regular programme of technical assistance;
- (b) By transfer from the consultants funds in the regular budget;
- (c) By utilization of travel funds in the regular budget;
- (d) From UNDP's General Trust Fund (voluntary contributions).

Plan for emergency financing for the highest priority projects
for which no resources were obtained from UNDP (cont'd)
(in thousands of US dollars)

Project No.	Designation	Resources requested from UNDP	Breakdown of revised requirements*				Total
			Travel and subsistence of participants (a)	Experts/consultants (including travel and subsistence) (b)	Staff travel (c)	Miscellaneous (d)	
<u>Industrial Services and Institutions Division</u>							
7.01.01 (AFR/71/7)	Training workshop for public industrial administrators in Africa	25.0	17.5	5.9	1.2	0.4	25.0
8.02.01 (AFR/71/10)	Subregional training workshop on standardization and metrology for French-speaking African countries	15.0	8.3	5.6	0.8	0.3	15.0
8.03.02 (AFR/71/12)	Regional workshop on industrial cooperatives in Africa	15.0	10.6	3.2	1.0	0.2	15.0
8.03.03 (LAT/71/13)	Regional workshop for managerial staff of chambers of commerce and industry in Latin America	15.0	6.5	6.5	1.3	0.7	15.0
9.01.04 (AFR/71/15)	Regional seminar for industrial information officers	18.0	14.6	1.2	1.8	0.4	18.0
11.01.01 (AFR/71/16A)	Group training programme for industrial extension officers	10.0	10.7	-	-	1.3	12.0
11.01.01 (LAT/71/16B)	Group training programme for industrial extension officers	10.0	7.2	-	-	0.8	8.0
Total (ISI)		108.0	75.4	22.4	6.1	4.1	108.0

*/ To be financed:

- (a) From the regular programme of technical assistance;
- (b) By transfer from the consultants funds in the regular budget;
- (c) By utilization of travel funds in the regular budget;
- (d) From UNIDO's General Trust (voluntary contributions).

Plan for emergency financing for the highest priority projects
for which no resources were obtained from UNDP (cont'd)
(in thousands of US dollars)

Project No.	Designation	Resources requested from UNDP	Breakdown of revised requirements ^{*/}				Total
			Travel and subsistence of participants (a)	Experts/consultants (including travel and subsistence) (b)	Staff travel (c)	Miscellaneous (d)	
13.07.02 (AFE/71/21)	<u>Industrial Policies and Programming Division</u> Training workshop on joint venture agreements	20.0	6.6	9.1	3.0	1.3	20.0
14.01.02 (INT/71/58)	Promotional meeting for the transfer of technology and know-how through subcontracting and licensing agreements	30.0	16.0	6.0	2.4	5.6	30.0
14.05.01 (INT/70/38)	Training programme in manufacturing for exports	35.0	21.3	-	0.3	-	21.6
15.03.01 (LAT/70/40)	Training workshop in methods of industrial surveys	<u>30.0</u>	<u>23.0</u>	<u>3.0</u>	<u>3.7</u>	<u>0.2</u>	<u>20.0</u>
	Total (IPP)	115.0	66.9	18.1	9.4	7.2	111.6

^{*/} To be financed:

- (a) From the regular programme of technical assistance;
- (b) By transfer from the consultants funds in the regular budget;
- (c) By utilization of travel funds in the regular budget;
- (d) From UNIDO's General Trust Fund (voluntary contributions).

Plans for emergency financing for the highest priority projects
for which no resources were obtained from UNDP (cont'd)
(in thousands of US dollars)

Summary	Resources requested from UNDP	Breakdown of revised requirements ^{*/}				Total
		Travel and subsistence of participants (a)	Experts/consultants (including travel and subsistence) (b)	Staff travel (c)	Miscella- neous (d)	
Industrial Technology Division	172.0	88.4	40.4	16.3	14.1	159.2
Industrial Services and Institutions Division	108.0	75.4	22.4	6.1	4.1	108.0
Industrial Policies and Programming Division	115.0	66.9	18.1	9.4	7.2	101.6
Grand total	395.0	230.7	80.9	31.8	25.4	368.8

*/ To be financed:

- (a) From the regular programme of technical assistance;
- (b) By transfer from the consultants funds in the regular budget;
- (c) By utilization of travel funds in the regular budget;
- (d) From UNIDO's General Trust Fund (voluntary contributions)

List four

Regular budget - consultants
Detail of adjustments required for emergency financing of highest priority projects
(in thousands of US dollars)

Project No.		Reductions		Available for transfer
		from	to	
<u>Industrial Technology Division</u>				
1.01.08	Design and manufacture of wet-land (rice) harvesting and threshing machinery in the developing countries			
	- Study to be reduced in scope	9.5	7.0	2.5
1.05.03	Utilization of idle shipbuilding and repair facilities			
	- Study to be postponed	3.0	-	3.0
2.03.06	Third interregional iron and steel symposium			
	- Preparatory studies to be curtailed	4.7	3.0	1.7
2.05.02	Promotion of metallurgical technology transfer to the metals transforming industries of developing countries			
	- Preparatory work to be curtailed	7.0	5.0	2.0
4.04.02	Demonstration team - extraction of essential oils from indigenous plants			
	- Activity to be postponed	4.5	-	4.5
5.01.01	Prospects of fertilizer development possibilities			
	- Survey of the ECE region to be postponed	2.7	-	2.7
5.01.09	Transfer of know-how in production and use of catalysts			
	- Study to be cancelled if it cannot be obtained from host country	3.5	-	3.5
6.02.10	Prospects for industrial meat processing in developing countries			
	- Preparation of part of background documentation to be postponed	6.0	3.0	3.0
6.03.04	Seminar on the selection of woodworking machinery			
	- Activity to be postponed	5.8	-	5.8
17.04.01	Study on industrial development and human environment			
	- Paper to be submitted to the United Nations Conference on the Human Environment to be reduced in scope or cancelled	2.2	-	2.2
				<u>30.9</u>

Regular budget - consultants

Detail of adjustments required for emergency financing of highest priority projects (cont'd)
(in thousands of US dollars)

<u>Project No.</u>		<u>Reductions</u>		<u>Available for transfer</u>
		<u>from</u>	<u>to</u>	
	<u>Industrial Services and Institutions Division</u>			
7.01.03	Manuals on industrial administration			
	- Series of manuals to be reduced	7.0	5.0	2.0
7.01.04	International centre for international administration			
	- Planning studies for the establishment of the centre to be reduced in scope	2.0	1.0	1.0
8.03.02	Regional workshop on industrial co-operatives in Africa			
	- Workshop to be cancelled, unless alternative sources of finance are mobilized	4.0	-	4.0
9.01.07	Selection and use of computers in processing industrial information			
	- Scope of study to be reduced	5.0	3.0	2.0
9.03	Industrial inquiry and advisory services			
	- Volume of inquiries handled and services provided to be reduced	24.8	14.8	10.0
10.05.01	Particular planning needs and requirements of business enterprises in selected developing countries			
	- Scope of study to be reduced possibly by limiting number of field investigations	5.0	4.0	1.0
10.06.01	Industry-university linkages for management and consulting services			
	- Scope of preparatory investigation to be reduced or part of it to be postponed	5.0	4.0	1.0
11.07.01	Partnerships (co-operation between small enterprises)			
	- Utilization of consultants' services to assist in the implementation of this activity to be discontinued	4.0	-	4.0
				<u>25.0</u>
	<u>Industrial Policies and Programming Division</u>			
12.01.02	Problems and techniques related to the selection of industrial development priorities			
	- Case studies on jobs to be performed in arriving at criteria for the selection of industrial priorities, to be carried out for selected African countries, especially those belonging to the group of the least developed countries. The preparation to be partly postponed, partly restructured	5.0	-	5.0

Regular budget - consultants

Detail of adjustments required for emergency financing of highest priority areas (cont'd)
(in thousands of US dollars)

<u>Project No.</u>		<u>Reductions</u>		<u>Available for transfer</u>
		<u>from</u>	<u>to</u>	
	<u>Industrial Policies and Programming Division (cont'd)</u>			
12.02.01	Stages of project development			
	- Studies concerned with the follow-up of the United Nations Conference on the Human Environment. Studies to be cancelled	2.0	-	2.0
12.02.03	Profiles of industrial establishments			
	- Compilation of Volume V of the Profiles (export-oriented and similar industries) to be postponed	3.0	-	3.0
12.04.03	Model contracts			
	- Practical guidelines for field work in tendering and contracting procedure. Activity to be postponed	2.0	-	2.0
12.05	Regional industrial co-operation			
	- Analysis of existing and new approaches to sharing benefits of multinational industries (regional industrial co-operation). Activity to be postponed and partly re-structured	1.5	-	1.5
12.06.01	Case studies of industrialization policy			
	- Case studies as a basis for an in-depth appraisal of the industrial sector's performance during the Second Development Decade. Studies to be carried out in a limited scope	2.5	1.0	1.5
13.06.05	Orientation programme for the financing of industrial projects			
	- Preparations for the programme to be slowed down	1.5	-	1.5
13.06.06	Advisory missions on project evaluation and financing			
	- Headquarters support for the project to be limited to that that can be provided by the regular staff	1.5	-	1.5
13.08.02	Training programmes in techniques of investment promotion			
	- Programmes to be postponed or cancelled	2.0	-	2.0
14.01.01	International subcontracting (promotion of international subcontracting exchange)			
	- The analysis of information collected on materialized business contracts to be decreased substantially	4.0	1.0	3.0
14.04.01	Supply and demand of export-promising manufactures and semi-manufactures			
	- The major part of the analytical work planned to be cancelled	2.0	-	2.0
				<u>25.0</u>

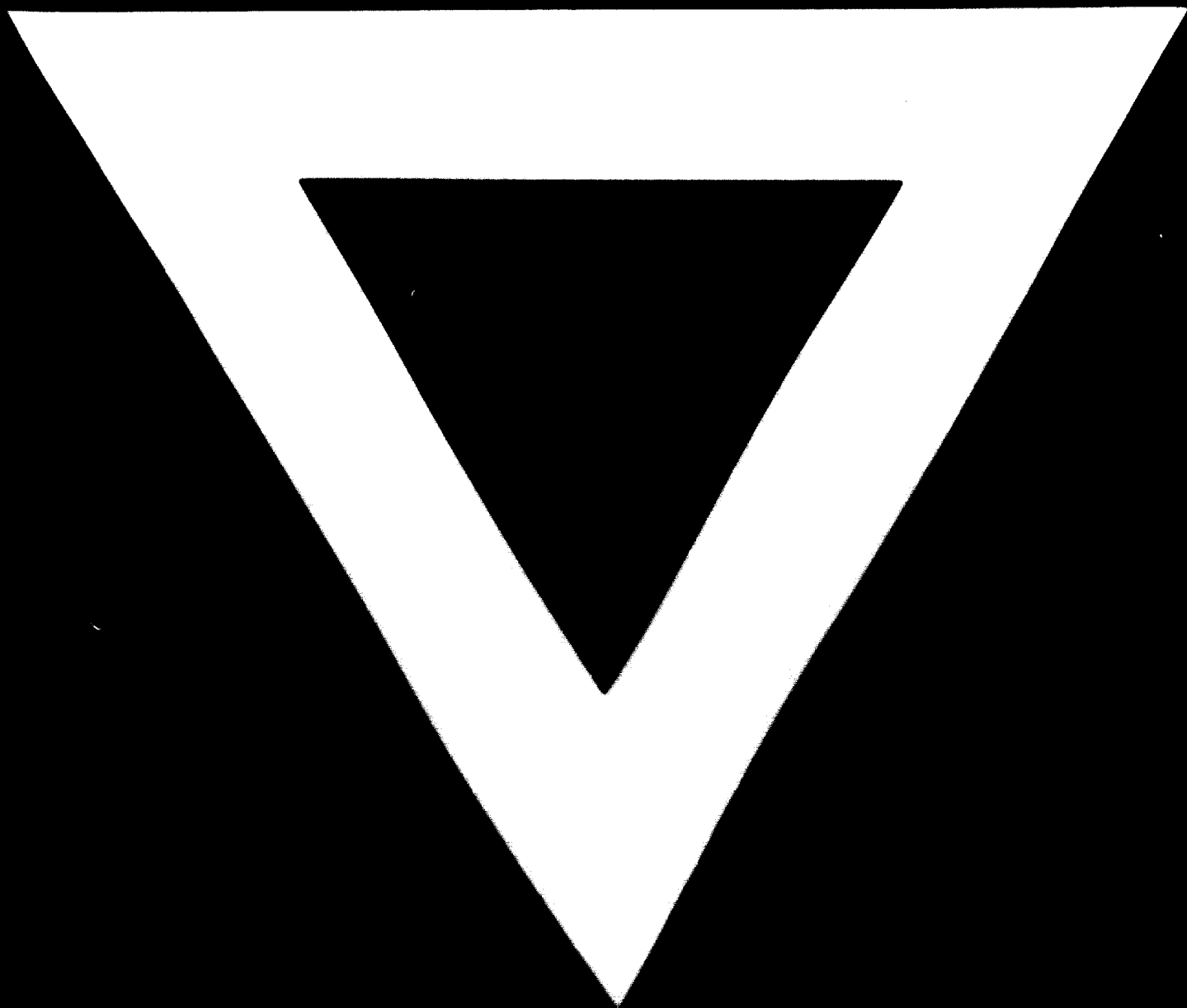
List five

**Projects contained in the work programme
but not included in the list of highest priority projects
(in thousands of US dollars)**

<u>Project No.</u>	<u>Designation</u>	<u>Resources required</u>
<u>Seminars, workshops and training courses</u>		
6.03.04 (INT/71/5)	Seminar on the selection of woodworking machinery	15.0
7.03.01 (AFR/71/8)	Training workshop for senior personnel of patent offices in Asian countries	25.0
8.01.02 (INT/71/9)	Regional workshop to stimulate industrial research activities (Asia)	35.0
8.02.03 (INT/71/11)	Regional workshop on quality control in Asia	32.0
8.04.02 (LAT/71/14)	Joint consultations for effective fair administration in developing countries	20.0
9.01.03 (INT/71/48)	Training course for the upgrading of industrial information personnel	23.0
11.03.05 (AFE/70/46)	Roving seminar on low-cost automation	70.0
12.01.02 (LAT/71/18)	Seminar on plans and policies for the development of electrical engineering industries in Latin American countries	30.0
12.06.03 (INT/70/34)	Regional workshops on tariff and other protection policies for industrial development	40.0
12.07.01 (INT/71/17)	Interregional seminar on operation of industrial planning systems	20.0
13.06.01 (LAT/71/22)	Training workshop in financial planning and analysis techniques for industrial projects	25.0
13.06.03 (AFR/71/20)	Training workshop in industrial banking techniques	30.0
13.08.02 (AFR/71/19)	Training programmes in techniques of investment promotion	45.0
	Sub-total	<u>410.0</u>
<u>In-plant training projects</u>		
INT/70/24	Fertilizer industry	15.0
INT/70/26	Food processing	23.0
INT/71/30	Cement industry	25.0
INT/71/32	Basic chemicals	18.0

Projects contained in the work programme
but not included in the list of highest priority projects (cont'd)
(in thousands of US dollars)

<u>Project No.</u>	<u>Designation</u>	<u>Resources required</u>
<u>In-plant training projects (cont'd)</u>		
INT/71/34	Cotton textile industry	23.0
INT/71/38	Electric welding	23.0
INT/71/39	Value analysis/engineering	23.0
INT/71/40	Systems analysis	23.0
INT/71/41	Financial management	28.0
INT/71/42	Industrial consultancy	23.0
INT/71/44	Ship repair and maintenance	23.0
INT/71/45	Materials handling	35.0
	Sub-total	282.0
	Grand total	<u>692.0</u>



22.7.74