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Industrial Development Board

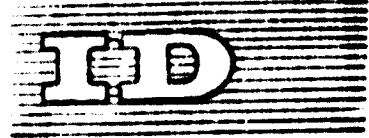
Sixth Session

Vienna, 23 May - 2 June 1972

REPORT OF THE WORKING GROUP ON PROGRAMME AND
CO-ORDINATION ON THE WORK OF ITS FOURTH SESSION
TO THE INDUSTRIAL DEVELOPMENT BOARD

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United Nations Industrial Development Organization

Industrial Development Board

Sixth Session

Vienna, 20 May - 2 June 1972

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CO-ORDINATION OF THE WORK OF ITS FOURTH SESSION
TO THE INDUSTRIAL DEVELOPMENT BOARD

Corrigendum

Page 23, between paragraphs 66 and 69

Insert the following heading: "Group 6: Light Industries"

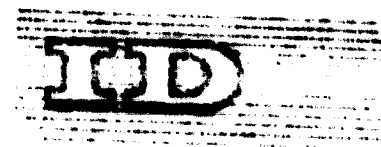


United Nations Industrial Development Organization

Industrial Development Board

Sixth Session

Vienna, 23 May - 2 June 1972



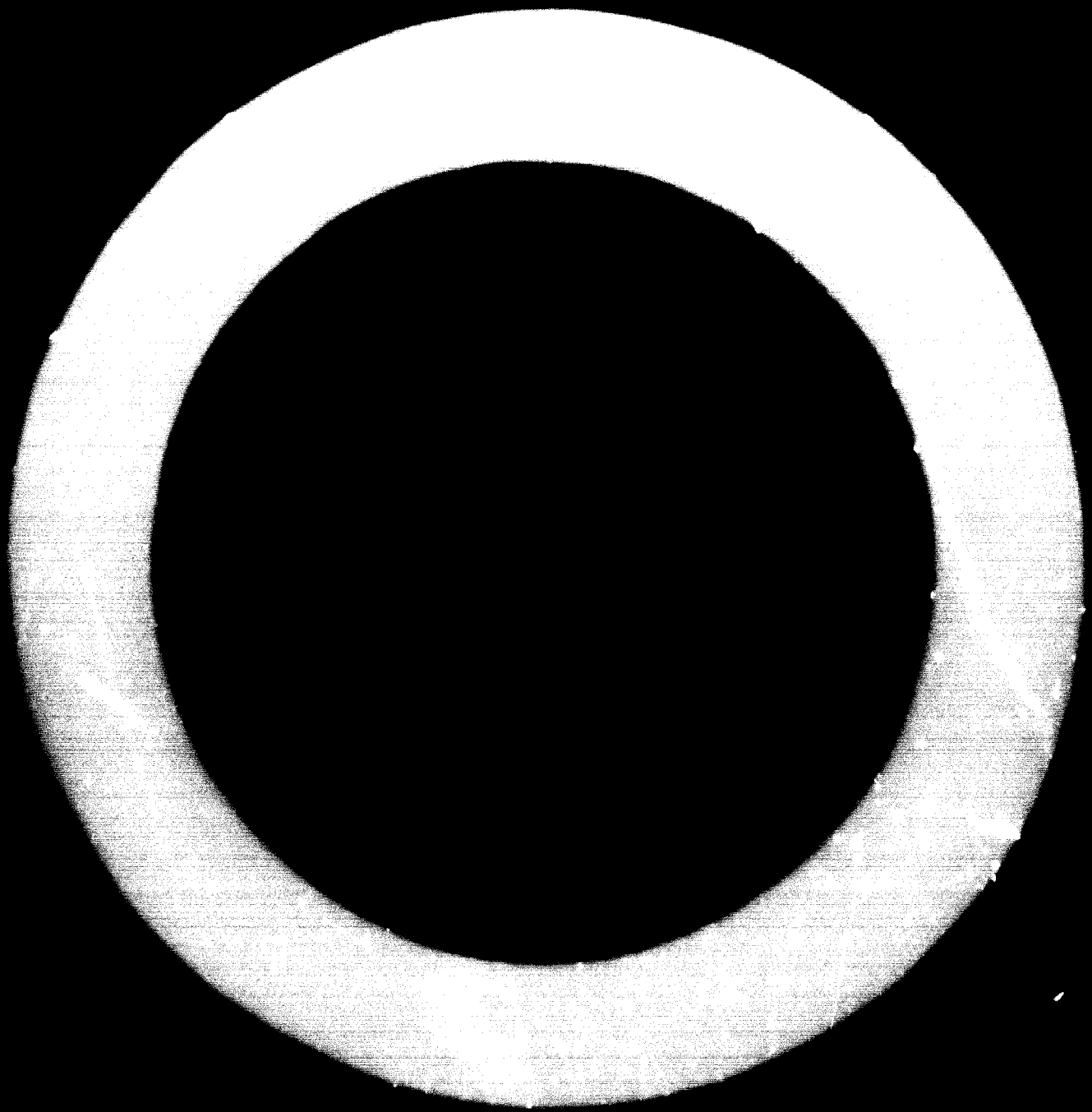
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Corrigendum 2

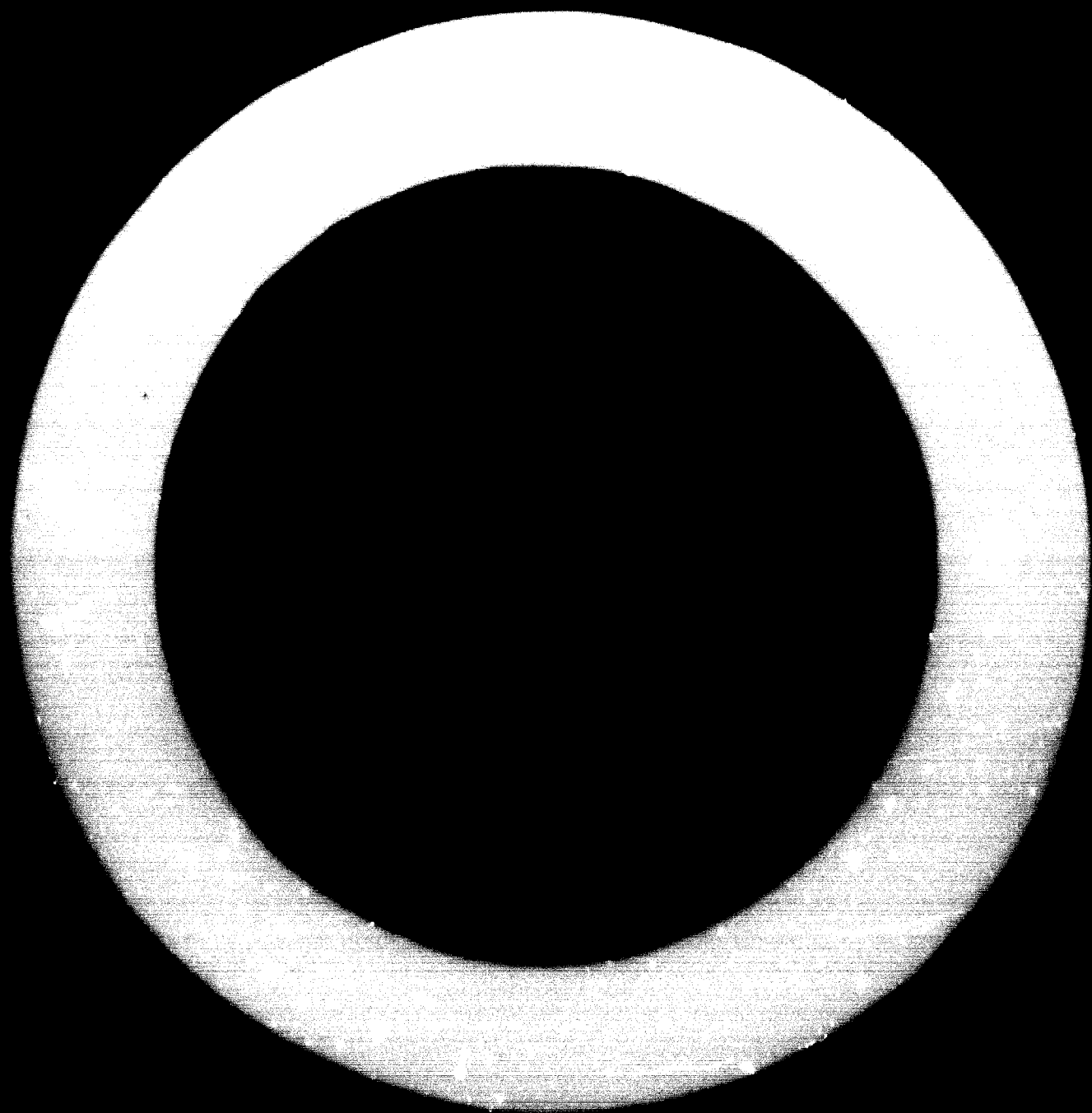
Page 54, paragraph 223, line 3

Change the phrase: "between UNCTAD and the UNCTAD/GATT ..." to read
as follows: "between UNIDO and the UNCTAD/GATT ..."



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INTRODUCTION

1. At its second session, the Industrial Development Board adopted resolution 3 (II) and 12 (II) establishing a Working Group on Programme and Co-ordination as a subsidiary organ of the Board.
2. The Working Group on Programme and Co-ordination held its fourth session at the Neue Hofburg, Vienna, Austria, from 11 to 25 May 1972. The present report was adopted by the Working Group at its 76th meeting on 25 May 1972.
3. The proceedings of the Working Group took place in conformity with the procedure established by rule 62, paragraph 3, of the rules of procedure of the Industrial Development Board.
4. The report of the fourth session of the Working Group on Programme and Co-ordination is herewith submitted to the Industrial Development Board in accordance with resolution 3 (II).

ORGANIZATION OF THE SESSION

5. The fourth session of the Working Group on Programme and Co-ordination was opened by Mr. V.C. Trivedi, Vice-President of the fifth session of the Board.
6. The Working Group held fifteen plenary meetings.

Participation

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

8. The following States sent observers to the session: Australia, Canada, Colombia, Finland, Gabon, Gambia, Niger, Poland, Romania, Somalia, Sudan, Tunisia and Yugoslavia.

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

10. The following specialized agencies sent representatives: the International Labour Organisation and the Food and Agriculture Organization of the United Nations.

11. Observers from three intergovernmental organizations, namely the Council for Mutual Economic Assistance (CMEA), the Industrial Development Centre for Arab States (IDCAS) and the World Intellectual Property Organization (WIPO), and from one non-governmental organization, the International Organization of Consumers Union (IOCU), attended the session.

Election of officers

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

<u>Chairman</u>	Mr. Hortencio J. Brillantes, Philippines (unanimously)
<u>Vice-Chairman</u>	Mr. Werner Ungerer, Federal Republic of Germany (unanimously)
	Mr. German D. Barreiro, Uruguay (with one abstention)
	Mr. Metody Popov, Bulgaria (unanimously)
<u>Rapporteur</u>	Mr. Munir Hawisa, Libyan Arab Republic (unanimously)

13. After the elections, one delegation speaking on behalf of IDE member States of Group D, supported by a delegation from another group, stressed the abnormal situation when the German Democratic Republic, a highly industrialized country whose experience could be of great benefit to developing countries, was excluded from the present meeting. The hope was expressed that the time was not far off when the representatives of the German Democratic Republic would participate in the activities of UNIDO as well as in its constituent bodies.

14. A delegation from Group B, supported by two other delegations, pointed out that the participation in the work of UNIDO was open only to members of the United Nations, the specialized agencies and the International Atomic Energy Agency and that the German Democratic Republic was not among these categories.

Credentials

15. In accordance with rule 17, paragraph 2, of the rules of procedure of the Board, the officers of the Working Group examined the credentials submitted by delegations and found them in order. The officers so reported to the Working Group at its 69th meeting, and the Working Group approved the report.

Agenda

16. At its 62nd meeting, the Working Group decided that when examining the report on the evaluation of the publications programme of UNIDO (ID/B/98/Add.5), the Working Group should also consider the comments on the report of the Joint Inspection Unit on the programme of recurrent publications of the United Nations (A/8362) contained in document ID/B/108. The Working Group then unanimously adopted the following agenda:

1. Opening of the meeting
2. Election of officers
3. Adoption of the agenda
4. Activities of UNIDO:
 - (a) Report on the activities of UNIDO in 1971;
 - (b) Updating of the programme of work for 1972;
 - (c) Proposed work programme for 1973 and future programmes;
 - (d) Evaluation of the programme activities of UNIDO.
5. Co-ordination questions pertaining to projects within the work programme.
6. Adoption of the report of the Working Group on Programme and Co-ordination, including draft recommendations to the Board.

Organization of work

17. The Chairman read a letter from the Executive Director in which he communicated a message from the United Nations Secretary-General to the presiding officers of all United Nations organs, reminding them of the critical financial situation of the organizations and urging efforts to exercise restraint in committing its resources.

18. A number of delegations raised the question of the documentation prepared by the secretariat. While commending in general the secretariat for the quality of the documentation, these delegations expressed concern at the quantity of the documentation and deplored its late distribution. One delegation pointed out that, in past years, repeated requests had been made to include more information in the documents and that it was therefore necessary to agree on the instructions to the secretariat. Suggestions were also made on the content of the reports; some representatives advocating more emphasis on general trends, others on evaluation, still others on present problems and future prospects.

19. The Executive Director, after having expressed regret at the late distribution of documentation, which was partly due to the difficulties expressed in the Secretary-General's message, indicated that the structure of the documentation was based on previous recommendations of the Working Group. He would be grateful to the Working Group if it would give the secretariat specific guidelines on the question.

20. The Working Group then agreed to set up an informal ad hoc sub-group composed of two representatives from each geographical grouping to discuss and advise the Working Group on the subject. This ad hoc sub-group would be assisted by the secretariat.

21. At the invitation of the Chairman, the Working Group at its 63rd meeting observed a minute of silence in tribute to the memory of Mr. Samuel Lurif, Senior Adviser to the Executive Director, recently deceased.

CONSIDERATION OF THE PROGRAMME OF WORK FOR 1972,
REPORT OF ACTIVITIES IN 1971 AND UPDATING OF 1970 PROGRAMME

Industrial Technology Division

Group 1: Engineering Industries

22. Many delegations expressed satisfaction with the work being carried out in the field of engineering industries, particularly in view of the crucial role which these industries play in industrialization. The priorities as presently accorded to agricultural machinery and implements, maintenance and repair, metalworking industries, machine tools and instrument industries, electrical and electronic industries and transportation equipment were generally commended.
23. Several delegations requested that in the future programmes of work, the Industrial Technology Division undertake field and supporting activities in plant design and construction as well as in the specialized area of plant management.
24. While the work on the development of indigenous design capabilities and other activities relating to the use of appropriate technologies were welcomed, concern was expressed at the rather slow progress that had been recorded in this important field. Another delegation suggested that, in promoting the engineering industries in developing countries, UNIDO should develop not only capital intensive industries but should also promote labour intensive techniques to assist in solving the unemployment problems in most of the developing countries. One delegation observed that UNIDO should try to avoid duplication with regard to work on fundamental design, which had already been carried out in the developed countries.
25. One delegation recommended that implemented projects should be evaluated not on the basis of project expenditures, but on the basis of the results obtained, i.e. volume of increased productivity, efficiency of assistance rendered, etc. It stressed the need for UNIDO and member States to give due consideration to this matter.

26. On the subject of transfer of technology, some delegations expressed the view that efforts should be concentrated on creating an industrial climate conducive to the stimulation of indigenous technology. The opinion was also expressed that transfer of obsolete technology and equipment should be avoided. In this connexion, it was emphasized that the transfer and adaptation of modern technology in developing countries obviously accelerated their industrial development. One delegation pointed to the distinctive role of UNIDO in the field of technology and stated that, in its view, UNIDO should become a centre of international technological knowledge.

27. There was general agreement that high priority should be given to the area of agricultural machinery and implements, particularly in view of its importance to the least developed of the developing countries.

28. General support was expressed for the preparation of studies on agricultural machinery and implements, especially those concerning storage and transport, but there were differing views on the proposals for the development of low-cost tractors. However, several delegations referred to the close relationship of this programme with the vital agricultural programmes in developing countries and, in particular, to its contribution towards making possible the participation of small farmers in the benefits of such programmes.

29. Some delegations expressed the opinion that regional analyses of national surveys would be of interest in identifying types of equipment suitable for manufacture in a given region.

30. One delegation emphasized the need for work on the manufacture of electric power distribution equipment, electro-technical consumer goods and telecommunication equipment. The same delegation believed that differentiation should be made between electronic components involving a high degree of technical and managerial expertise or which were capital intensive and those involving mainly assembly, which would be more appropriate to conditions in developing countries. Another delegation commended UNIDO for continuing work on low-cost radio receivers but suggested that the establishment of such enterprises in developing countries should depend on the level of technological skills in the countries concerned.

31. Other delegations doubted the validity of this contention and emphasized the responsibility of UNIDO to develop skills and expertise in the developing countries which would enable them to absorb newer and more sophisticated technologies. They

also pointed out that such skills were already available in several developing countries, in several other developing countries there were institutional facilities through which such skills could be quickly developed. They felt that in any case, existing levels of technological skills should not be the sole consideration on which the implementation of projects involving the introduction of new technologies in developing countries depended; otherwise the process of industrial development in the developing countries would stagnate inevitably.

32. One delegation stressed the importance of establishing engineering instrument industries and offered to co-operate with UNIDO in providing assistance. In this connexion, the same delegation drew attention to the current in-plant training course in maintenance and repair of engineering instruments being held in its country.

33. Maintenance and repair of industrial equipment were recognized as playing a vital role in the process of industrialization and the activities of UNIDO in this area were highly commended by many delegations.

34. Further efforts should be directed towards the provision of mobile and stationary workshops and towards promotion of the awareness of the need for proper maintenance services.

35. General support was expressed for the series of regional machine tool seminars, the first of which was held in 1971. One delegation favourably considered the UNIDO request to convene in its country in 1973 a seminar on machine tools for participants from the ECAFE region, to be financed from its voluntary contributions.

36. The establishment of design centres, metal industries development centres, pilot workshops and tool centres was welcomed, and it was felt that these activities should continue to receive high priority.

37. One delegation expressed reservations as to the advisability of emphasizing the transportation industry, particularly with regard to heavier equipment. Several other delegations emphasized the need to concentrate on the promotion of automotive ancillary industries.

38. One delegation expressed the opinion that work on reinforced fibre-plastic bodies for automobiles should receive higher priority.

39. One delegation expressed doubts as to the advisability of promoting the construction of boats utilizing ferre-cement techniques because it felt that not enough experience had been gained in this technology. Another delegation, on the contrary, demanded that UNIDO give greater attention to this activity, stating that sufficient experience was readily available as was evidenced by the existence of scores of ocean-fishing boats of this type in its country and the fact that many other such boats were presently under construction. The same delegation also stated that several enterprises, with internationally recognized technical capacity, were using this technology in shipbuilding to the complete satisfaction of the users.

Group 2: Metallurgical Industries

40. General support was expressed for the programme of work of UNIDO in the field of metallurgical industries and for the priorities accorded to its various projects and components. A large number of delegations agreed to the need for holding a third interregional iron and steel symposium in view of the importance of steel as a basic industrial material.

41. One delegation repeated its Government's official invitation to host the third interregional iron and steel symposium in Brazil. If the offer were accepted, the local cost of the Symposium would be borne by the Government. This offer was generally welcomed.

42. Some delegations requested further details on the programme of the symposium and on the results of the Preparatory Expert Group Meeting held earlier in 1972. One delegation suggested that the agenda of the symposium should also include an item on the changing needs of the manufacturing industries. Other delegations pointed out the need to secure the close co-operation of organizations and experts of developed countries. The issues to be discussed at the symposium were recognized as important and they should not be considered separately in view of their inter-relationships.

43. Reference was made to the previous symposia organized by UNIDO and to the need to review and update information on the problems of the world iron and steel industry from time to time.

44. Some delegations pointed out that caution should be exercised in establishing primary non-ferrous metal production facilities, owing to the present excess capacity in the world. They referred to the need for market studies as a basis for the establishment of new industrial units, particularly for aluminium and copper. However, other delegations suggested that UNIDO's programme of assistance for heavy non-ferrous metals production should be expanded and strengthened in view of the importance of such projects for certain developing countries. They referred to the need to process raw materials locally, in order to increase their value. Therefore, they would wish to be assured that in evaluating the feasibility of such projects, which involved the processing of ores and other raw materials produced in the respective developing countries, the critical factors that would be considered by UNIDO would be: the increased value of such exports resulting from the implementation of the projects; their contribution to import substitution or satisfaction of latent or increasing domestic demands; and more advantageous supply to neighbouring developing countries.

45. Several delegations indicated the importance of metal forming industries owing to their labour-intensive nature and suggested that even more importance should be attached to work in this area, especially as regards the establishment of foundries or assistance to the foundry industry in developing countries. It was suggested that the establishment of foundries and machine shops could, in certain cases, well be combined as UNIDO had already done in Malaysia, Senegal and the Sudan.

46. Several delegations stressed the need for developing local expertise in metallurgical technologies and know-how in order to ensure the success of any industrial project. It was stated that the mere creation of production facilities was not sufficient and that the developing countries, or at least the more advanced ones, had to be in a position to develop their own capability for plant design, process development, equipment construction and operation of metallurgical plants. One delegation referred to the resolutions of the **Special International Conference of UNIDO** regarding the creation of technological capabilities in developing countries, stressing the need for full development of this capability apart from the establishment of plants. Attention was drawn to the consensus resolution of the Special International Conference of UNIDO, especially to those clauses in the preamble and its operative portions that dealt with the need for UNIDO to play an active role in promoting the technological capabilities of developing countries. It was pointed out that, with the adoption of this resolution by the General Assembly, the philosophy for the activities of UNIDO as well as its basic guidelines and objectives was clearly set out. These guidelines and objectives explicitly emphasized those activities which would accelerate technological development in these countries. It was therefore felt that programmes for the introduction of increasingly sophisticated technologies should be taken up in the developing countries. In any event, technology was sophisticated only in a relative sense and the problem of its introduction ultimately reduced itself to a time dimension. Therefore, where industrial projects that were otherwise feasible for implementation in developing countries involved more sophisticated technologies, efforts should be made to take up these projects as soon as possible.

47. The establishment of metallurgical technology centres was considered by several delegations to be an effective form of assistance for the development of the metallurgical industries.

48. Several delegations expressed the readiness of their Governments to place at the disposal of the developing countries, through UNIDO, specialized expertise.
49. Interest was expressed by some delegations for details on the results of the 1971 workshop held by UNIDO in India on the creation and transfer of metallurgical know-how. The subject of the workshop was considered to be of great importance to developing countries. This type of supporting activity was considered to be particularly worthwhile; it helped to define projects that would assist the developing countries in acquiring their own expertise in planning, design and operation of metallurgical plants.
50. Particular reference was made by some delegations to the pilot projects for pig-iron production by the unconventional direct reduction process using non-coking coal, the ferrovanadium project, sponge iron production, and the creation of metallurgical centres and laboratories. Projects of such a nature were considered useful as they helped to promote the acquisition in the developing countries of indigenous expertise in planning and the development of locally-suited designs and processes in the metallurgical field. The hope was expressed that such activities would be taken up increasingly in the future.
51. Although the programme of work of UNIDO in the field of metallurgical industries received wide support, some delegations expressed the view that the programme should be further expanded. The goals and priorities of the programme were accepted by several delegations as reflecting the actual needs of developing countries. Some other delegations indicated their interest in certain projects in which they would be ready to co-operate.
52. The group of projects now being implemented by UNIDO for industrialization of "black sands" was considered by some delegations to be a good example of the type of promotional activities that UNIDO should carry out in certain developing countries.
53. The co-operation of UNIDO and ESCAPE in the development of metallurgical industries in Southeast Asia was commended by some delegations.
54. One delegation called attention to the present tripartite co-operation for implementation of one large-scale project in Chile which could be considered as a particularly useful manner of providing technical assistance.

55. A few delegations referred to the relatively small number of professional staff dealing with activities related to the metallurgical industries and to the sizable programme of technical assistance.

56. One delegation pointed out that there seemed to be some duplication of effort within the United Nations in the provision of assistance for the establishment of metallurgical industries; for example, the programme of the Division of Transportation and Natural Resources of the Office of Technical Co-operation (OTC) included projects and items involving the establishment of metallurgical industries, even though these activities fell strictly within the scope of UNIDO. In this connexion, the necessity was stressed of eliminating this duplication of work within the United Nations system and of concentrating the activities carried out within the United Nations system in the field of metallurgy mainly on UNIDO which was primarily responsible for the industrialization of the developing countries.

57. Another delegation emphasized the importance of strengthening the processing capacity of developing countries so that they could exercise their sovereignty over their natural resources. The problems of industrial utilization of natural resources were therefore to be dealt within the context of this objective.

58. The secretariat, in reply to several questions raised by delegations, mentioned various supporting and operational projects related to the production of primary non-ferrous metals; it stated that the present situation of the international market for aluminium and copper should not stop developing countries from taking action in projects which would take a long time to mature and to reach the production stage. When providing the corresponding technical assistance, UNIDO was aware of the need to study economic, financial and market conditions.

Group 3: Construction and Building Materials Industries

59. The continued emphasis on the use of locally available raw materials in the field of construction and building materials industries was noted with satisfaction by several delegations. Some delegations indicated that the programme of UNIDO in this field had become too diversified. It was suggested that the components which had been deleted from the 1973 work programme owing to lack of resources should be replaced by other activities and that this group of activities should be strengthened so that it could carry out its growing tasks. A suggestion was made that the work programme of this group should be concentrated in the main fields of cement, concrete, clay and wood products. Several delegations mentioned the importance of wood products for use in the housing construction industry.

60. The activities of UNIDO in the construction industry were generally supported by the delegations. Some delegations asked for clarification regarding co-operation in this field between UNIDO and the United Nations Centre for Housing, Building and Planning (UNCHBP). It was pointed out by the secretariat that UNCHBP normally participated in UNIDO meetings, discussions and programmes covering joint areas of interest; however, there were many areas of the construction industry outside of housing, which was the main field of interest of UNCHBP.

61. Several delegations noted the importance of studying closely the real needs of the individual developing countries in the area of industrialized housing. It was especially important, they said, to preserve a sound balance between the use of capital and labour. It was also important to develop extremely simple systems of building that would permit a low-cost product to be obtained from local materials which could easily be erected by unskilled labour. For this reason, it was suggested to hold an international building competition in order to ascertain the most suitable building and prefabrication methods based on an actual knowledge of planning, materials and construction technologies used or offered by organizations experienced in low-cost housing and building. One delegation put forward the development of a system based on gypsum products which would be of special interest to the many developing countries that possessed this raw material.

62. UNIDO's activities related to the cement industry in developing countries were favourably commented upon by several delegations. It was suggested by one delegation that UNIDO should investigate the potential use of low strength cement, where it could be produced locally, for certain simple types of building work. Concern was expressed at the possibility of over-production of Portland cement. The secretariat pointed out that the rapid rate of expansion of up to 10 per cent per annum in many countries would normally take care of this problem. It was agreed that the rate of expansion should be taken into account in planning new or expanded production facilities.

63. Interest was expressed by several delegations in the proposed workshop on production of refractories, to be held in 1973, and it was noted by the secretariat that if raw materials were available, developing countries would be able to produce locally much of their basic needs for the simple refractory products.

64. One delegation, while expressing its support for the work programme of Group 3, drew the attention of the secretariat to the long delays between the implementation of supporting activities and the publication of the ensuing reports. It expressed doubt as to the usefulness of such reports and stressed the need for drastic measures to speed up the publication of such documentation.

Group 4: Chemical, Pharmaceutical and Pulp and Paper Industries

65. The activities of UNIDO in the field of basic chemicals, pharmaceuticals and pulp and paper, as presented in the work program for 1972 and 1973, met with general approval. Particular interest was expressed by a number of delegations in the emphasis being placed by UNIDO on the use of locally available raw material resources as a starting point for production in this field of activity.
66. One delegation noted with satisfaction that increased attention was being given to the economical and commercial aspects of the chemical and pharmaceutical industries as well as to the possibilities of marketing the products of these industries on regional markets.
67. One delegation stressed the importance of establishing pharmaceutical industries in developing countries so that these countries could provide adequate medical treatment to their population. The approach to the production of pharmaceuticals should take into consideration the economic level of the individual countries; UNIDO, however, should render the necessary assistance in close co-operation with WHO. The country of this delegation was participating actively in this work.
68. Several delegations drew attention to the problem of insufficient markets for excess production, a problem that might occur where undue emphasis had been placed on economies of scale when planning expansion of manufacturing facilities.
69. A number of delegations indicated interest in UNIDO's activities in the pulp and paper industry, and noted with satisfaction that the proposed workshop on pulp and paper, scheduled for 1973, had been accorded a high programme priority.
70. The manufacture of paper, especially newsprint, from bagasse, currently the subject of a pilot plant study by UNIDO, was of special interest to, and supported by, several delegations. Appreciation was expressed for the offer, which was made by the Government of the country where this project was being carried out, to make available to the interested developing countries, free of charge, the experience acquired, the studies carried out and the results obtained from this project.
71. One delegation suggested that UNIDO should not overlook the problem of designing small plants. Such plants, although not initially of sufficient size to be economically viable, fulfilled a national need and would eventually find adequate markets for the proper establishment of the industry.

72. A number of delegations expressed interest in the proposal of UNIDO to the establishment of secondary chemicals manufacture in developing countries. It was suggested by one delegation that, in view of the wide range of such chemicals, the proposed meeting in 1973 should consider specific material sectors only.
73. Other delegations supported the selection, for study, of textile and pulp and paper auxiliary chemicals. The secretariat explained that since the establishment of the outline of the work programme for 1973, it had been decided to concentrate on the possibilities of manufacturing chemicals used in certain sectors of industry.
74. Reference was also made by one delegation to the experience of developing countries in securing transfer of technology in the pharmaceutical and the basic or heavy and light chemicals fields, in which the terms of transfer were found to be particularly harsh on the licensees. It was hoped that UNIDO would be able to take some steps to relieve this situation. This subject could be discussed at the forthcoming Paris conference which would deal with subcontracting and licensing.
75. While one delegation praised the activities of UNIDO in the production and distribution of contraceptives as a means of population control, the opinion was also expressed that the problem may be approached from another angle, that of raising the standard of living, education and culture. Another delegation, while welcoming UNIDO's contribution in this field, cautioned against it becoming involved in problems of distribution.

Group 5: Fertilizer, Pesticide and Petrochemical Industries

76. There was general support for the activities of UNIDO in the field of fertilizers and pesticides. Many delegations supported the continued growth of activities in this field because of their effect on the Green Revolution in developing countries. Some delegations, however, stated that the work programme on petrochemicals should be carried out cautiously in view of the sophisticated technologies involved and the economies of scale which were necessary to make projects viable. Other delegations, however, pointed out that such caution and caveats might not be necessary and stated that there was no need to be unduly pessimistic about the capacity of developing countries to absorb sophisticated technologies in this field.
77. Several delegations noted with satisfaction the results of the Second Inter-regional Fertilizer Symposium which was conducted in Kiev and New Delhi in September and October 1971. In connexion with the UNIDO/FAO/World Bank projects for further investment in fertilizers, one delegation advised caution in view of the present depressed situation in the fertilizer market. One delegation expressed reservations about the relations of UNIDO with the World Bank.
78. Several delegations showed interest in the expert group meeting on the transfer of know-how in the production and use of catalysts. It was noted that the technology of production and use of catalysts was a closely guarded secret and that the transfer of know-how at such a meeting might therefore be difficult. The secretariat pointed out that there were several countries interested in the production and use of catalysts and that some developed countries had offered to assist in transferring know-how in this area.
79. Support was expressed for the study to be carried out on the reduction of fertilizer costs which would be of great benefit to farmers in developing countries.
80. The expert group meeting on pesticides received the approval of several delegations who urged that UNIDO should conduct this meeting during 1973. These delegations added that they would be interested in having a systematic survey made of the pesticides production situation in their countries in order to establish requirements for the types of pesticides to be manufactured in the future.

81. Some delegations expressed concern with the environmental pollution caused by pesticides. They recommended that UNIDO, in co-operation with FAO, should actively assist developing countries in solving such problems. One delegation drew attention to regulations in certain importing countries as to the maximum permissible residual content of agricultural and other products. This would present difficulties for developing countries wishing to export agricultural products to the countries having limiting regulations. The secretariat agreed, subject to the availability of resources, to the suggestion to compile such regulations and publicize them in order that exporting developing countries could be forewarned about the problems involved.

82. Attention was drawn by one delegation to the ban that had been imposed by many developed countries on pesticides based on chlorinated aromatic hydrocarbons. Clarification would be desirable as to whether the survey of excess chlorine existing in various developing countries would have such production in view. It was explained by the secretariat that WHO had expressed concern over the shortage of supplies of formulated DDT to fight malaria in some African countries. UNIDO had received requests from seven African countries for a survey of the situation and for advice as to possible courses of action. The delegations were assured that UNIDO would move cautiously in this area, in co-operation with FAO and WHO.

83. Several delegations questioned the usefulness of the expert group meeting on future trends in, and competition between, natural and synthetic rubber and wondered whether this meeting had not overlapped the work of UNCTAD and FAO. It was explained by the secretariat that the meeting had been convened following extensive consultations with UNCTAD, FAO and the International Rubber Study Group. The report of this meeting, which was already available, contained interesting conclusions concerning projections for demand for natural and synthetic rubber up to 1980. The price of natural and synthetic rubber up to 1980 was also discussed. The gaps in existing data were noted, and UNIDO was requested to assist the International Rubber Study Group in filling the data gaps. In reply to questions regarding the expert group meeting on synthetic rubber to be held in Bucharest in 1973, the secretariat explained that the meeting would be purely technical and would concentrate on the discussion of the processes and technologies of different synthetic rubbers, their production techniques, raw materials, economics of scales of production and end uses. Some delegations expressed apprehension that synthetic rubber might directly compete against natural rubber and consequently affect the economy of natural rubber producing countries. The secretariat observed that the proposed meeting was not to advocate the increased production of synthetic rubber which might upset the balance between natural and synthetic rubber production and use.

84. The training programme in plastic fabrication and utilization, the emphasis on the development of the plastic fabrication industry, and the proposed 1973 seminar in London on application of plastics were generally supported.
85. There was considerable difference of opinion regarding the work of UNIDO on proteins from hydrocarbons (petro-protein). Although this project received support, it was also pointed out that appropriate sources of vegetable and animal proteins should be given higher priority. The secretariat explained that several developing countries had actually requested assistance in the petro-protein field. In one country, UNIDO was organizing an expert group meeting in 1972, and the work in this field would be carried out in consultations with FAO, WHO and UNESCO.
86. There was general approval of the proposed work programme for 1973 in the field of fertilizer, pesticide and petrochemical industries. Many delegations recommended that UNIDO give attention to environmental problems resulting from the use of pesticides and fertilizers.
87. Several delegations expressed interest in regional co-operation, calling for study of market situations and assistance in the establishment of regional plants as well as in marketing. The secretariat said that these objectives were being pursued in connexion with several assistance programmes.
88. One delegation pointed out that if the fertilizer project in Togo could be carried out, it would be an outstanding example of UNIDO assistance. The secretariat described the satisfactory progress of the pyrethrum pilot plant in Rwanda which would be going into production in May 1972.
89. The activities of UNIDO for 1972 and 1973 in the fields of textiles, food processing, wood processing, leather and leather products, rubber products and printing industries met with general approval. It was felt that the emphasis placed on this sector was fully justified as the industries it included helped to combat unemployment and to encourage the use of local raw materials. The speed at which industries in this sector could be established was another special feature: it had an immediate impact upon standards of living and opened up opportunities for earning foreign exchange through exports.

90. One delegation drew attention to the risks inherent in automation, arising from increasing the capital intensity of originally labour-intensive industries.
91. It was generally agreed that the operational and supporting activities in this group of activities were well balanced, and several delegations felt that, in view of the greater number of projects being handled by this group, both financial resources and the number of staff of this group should be increased accordingly.
92. With regard to the textile industry, many delegations commented favourably upon co-operation with the International Institute for Cotton (IIC), the International Wool Secretariat (IWS) and other international bodies. The secretariat explained that, whereas earlier more ambitious plans related to cotton research and development work in co-operation with IIC could not be realized owing to lack of funds, UNIDO was now actively participating in a comprehensive multi-agency preparatory cotton survey financed and organized by UNDP. This undertaking was expected to result in a number of technical assistance, industrial research and development projects in the cotton industry.
93. Several delegations expressed approval of the study on the restructuring of the textile industry in developing countries proposed for 1973, while one delegation suggested that any conclusions derived from such a comprehensive study might be too general. The secretariat explained that care would be taken to avoid that when preparing the terms of reference for the study.
94. The Mongolian cashmere and camel hair processing project was favourably commented upon by several delegations as a good illustration of UNIDO's approach towards the utilization of indigenous raw materials.
95. One delegation pointed out that, when dealing with textile problems in developing countries, due account should be taken of the fact that the textile industry was no longer so labour intensive.
96. Several delegations underscored the emphasis accorded to activities in the food industry sector. It was agreed that the integrated approach offered by agro-industrial complexes was a sound concept, and two delegations pointed out that co-operatives provided a structural basis for a system that ensured the participation of the farmer in multiple benefits and guaranteed him a market. Agro-industry also offered a unique opportunity for planned agricultural production on a large scale which would require contributions by FAO and consultations with UNCTAD on questions relating to the marketing of the final products.

97. One delegation requested that the secretariat should increase its activities with regard to the storage and distribution of products of the oil-seed industry.
98. Several delegations welcomed the attention being paid to cassava and its utilization for food and food purposes; in particular to protein enrichment. One delegation struck a cautionary note and reported that its country, which had previously been a major producer and exporter of cassava, was now facing difficulties due to an over-supply situation. The secretariat was requested to provide assistance in the identification of new uses of cassava. One delegation mentioned the new method developed in its country for processing cassava and other new methods of obtaining protein from available cheap material. Another delegation warned against developing protein-enriched foods that were not in keeping with traditional tastes.
99. Several delegations inquired why the projected seminar on the selection of food-processing equipment had been postponed for three consecutive years. The secretariat explained that the primary reason was lack of funds and that no firm offer or host facilities had yet been received, although several Governments had been approached.
100. A number of delegations expressed full support for the proposed seminar on the modernization and diversification of the cane sugar industry in developing countries. They emphasized that the seminar, although of a regional character, would be of interest to certain countries in regions other than Latin America.
101. The proposed survey of the prospects for industrial meat processing in developing countries also met with the approval of several delegations.
102. In the area of fish-protein concentrate, one delegation drew attention to a new technical process developed by a European country through which a concentrate suitable for human consumption could be produced. Detailed information was requested on this process for distribution to interested developing countries. With respect to the activities in the area of protein enriched foods generally, one delegation supported the secretariat's criteria of industrial profitability to determine the practicability of a proposed project.
103. Two delegations supported the expert group meeting on pre-investment considerations and technical and economic production criteria in the oil-seed processing industry and expressed their countries' interest in participating in the meeting.

104. One delegation stressed the importance of developing the coconut industry as it played a leading role in the economics of many developing countries. The symposium on engineering aspects of up-to-date coconut processing was thus considered by this delegation to be a valuable supporting activity.
105. There was appreciable support for UNIDO's activities in the wood processing sector, and several delegations commented favourably on the priority given to these industries. The market-oriented approach was generally appreciated.
106. A number of delegations noted with interest UNIDO's recent work in the utilization of wood in low-cost housing and stressed the need for UNIDO's initiative in coordinating the work of other agencies in this area. One delegation mentioned the need for increasing research on secondary wood species and wished to see UNIDO take the lead in investigating the possibility of utilizing such woods.
107. One delegation urged that high priority be given to the workshop on the manufacture of adhesives for the wood processing industries since the cost of adhesives was often an impediment to the establishment of panel industries in developing countries. Several delegations supported UNIDO's work in the development of these industries which were based on agricultural residues. Favourable comment was also made on UNIDO's work in the furniture industries.
108. It was agreed that UNIDO's activities in the leather and leather products industry sector were of considerable importance. A number of delegations stressed the significance of marketing and promoting the export of finished leather, footwear and other leather products instead of raw materials. It was suggested that a regional approach might offer better opportunities for development. It was also agreed that high priority be given to the quality control of leather and leather products, which was felt to be an essential factor in marketing and export activities.
109. Differing views were expressed on the form of some supporting activities such as seminars and workshops. It was felt, however, that the supporting activities in this sector were well balanced and contributed towards the effective development of the leather and leather products industries in developing countries.

110. In the printing and graphics industry sector, one delegation endorsed UNIDO's expert group meeting on the development of the graphics industry proposed for 1978 and wished to have it upgraded to priority A. One delegation stressed the need for increasing the aid offered in this area to countries carrying out effective campaigns against illiteracy.

111. Several delegations noted with satisfaction UNIDO's new work in the graphics industry, and stressed the need for developing printing methods for non-Roman alphabets, which would contribute towards the raising of literacy standards by facilitating increased production of educational publications.

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Group 17: Industrial Branch Reports and Across-the-Board Techniques

112. General support was expressed for the multi-faceted activities of Group 17, which dealt with such projects as perspective studies on industries, industrial design, human environment and packaging. However, several delegations expressed reservations concerning the priority given to various activities.

113. Many delegations stressed the necessity for the implementation of the industrial branch reports. At the same time, they maintained that these reports might be included in the work of the various sections of the Industrial Technology Division. One delegation stressed the need to discuss these reports periodically at conferences with a broader participation.

114. A number of delegations thought that in order to better utilize UNIDO's funds, respective studies of a broad nature could be included in the work of Group 15 (Industrial Surveys and Studies).

115. The importance of the problem of industrial pollution of human environment was generally recognized. Several delegations felt that the primary responsibility in this field was that of the United Nations Conference on Human Environment (UNCHE) and that it would be necessary to await the outcome of the forthcoming Stockholm Conference on the Human Environment before decisions could be taken on programmes and projects to control pollution. Several delegations felt that UNIDO should give attention, as appropriate, to the problems of environmental pollution and should keep in touch with the work of other organizations in this field. The view was expressed that the problem of pollution was generally a consequence of heavy industrial concentration. The same delegation felt that since UNIDO's primary responsibility was industrial development in developing countries, and the extent of pollution in these countries had not generally reached the serious level it had in developed countries, UNIDO need not divert its scarce resources for this work which was expected to be done quite adequately by other organizations.

116. One delegation felt that it was necessary that UNIDO start to study, in co-operation with other United Nations organs, the consequences on developing economies of the application by the developed countries of policies to prevent pollution. The same delegation added that the main environmental problems in developing countries were essentially a consequence of under-development itself.

117. Several delegations stated that UNIDO should strive to develop guidelines dealing with the problem of control of industrial pollutants; this would spare the developing countries the expenses and the problems involved in combating pollution that might result from industrialization. It was recognized that pollution was a complex and pervasive problem and that UNIDO should co-ordinate its activities in this field with those of other international organizations.
118. Several delegations stated that the activities of UNIDO relating to environmental pollution should not be the responsibility of one section in the Industrial Technology Division; rather, each section should give proper weight to this problem in conjunction with its specific responsibilities; such activities must, however, be co-ordinated.
119. One delegation suggested two ways of dealing with the problem of pollution: first, by the transfer of know-how in battling pollution by the developed countries to the developing countries; and second, by dispersing heavy industrial centres in the developed countries by transferring industrial plants to the developing countries. Another delegation proposed that UNIDO should formulate recommendations for the respective Governments on the most suitable locations for industries that tended to pollute.
120. Another delegation suggested that advice and measurements of pollution prevention be an integral part of UNIDO's assistance to the developing countries in order to avoid tomorrow today's problems of the developed countries.
121. Two delegations stated that careful thought should be given to the high costs to the developing countries in evolving and carrying out an environmental policy which could affect the pace of their industrialization efforts.
122. With regard to the question of pollution, the secretariat pointed out that developing countries should heed the warning signs already apparent. UNIDO's responsibility was to assist those countries that sought its advice to prevent future pollution and the high costs involved in fighting it.
123. Many delegations expressed the opinion that packaging was of great importance to developing countries, especially to their export-oriented products. UNIDO's activities in this area should not be based on aesthetic considerations but should be directed towards finding techno-economic solutions for packaging problems in order to assist the developing countries to put their products on the world markets.

124. A number of delegations emphasized that packaging activities of UNIDO should not overlap the activities of other international organizations in this area.
125. On the question of packaging, the secretariat pointed out that UNIDO's plan was to stress the establishment of industrial and research centres which could evolve capabilities for developing packaging industries suited to the needs of the developing countries.
126. Several delegations proposed the restoration in UNIDO's 1973 work programme of the study on agricultural machinery industry which had been dropped from the 1972 programme due to lack of funds.
127. Industrial design received favourable recognition from a number of delegations for its maximum use of natural resources; although there was agreement that appearance was significant for the marketability of products, it was maintained that the utilization of raw materials was of greater importance. One delegation expressed its doubts as regards UNIDO's programme on process control techniques, since radioisotopes and radiation had only relatively limited applications in the field of process control and to industrial development as a whole.

Industrial Services and Institutions Division

Group 7: Industrial Administration

128. During the discussions of the general work programme of Group 7, several delegations urged UNIDO to expand its operational activities in the field of industrial administration and voiced their concern about the present low rate of actual expenditures on operational projects. Many delegations requested that emphasis should be placed on direct assistance to developing countries at the national level. One delegation suggested that UNIDO should clarify the difference between Industrial Administration (Group 7) and Industrial Institutions (Group 8) and should study the possibility of returning to the previous presentation as submitted to the earlier session of the Industrial Development Board.

129. The general activities of UNIDO in public industrial administration received the support of a number of delegations. While several delegations supported the establishment of an international centre for industrial administration, others expressed their opposition to it. In the opinion of the latter delegations UNIDO should place emphasis on field operations at a national level, especially those directed towards the strengthening of national centres. Many delegations requested the secretariat to explore carefully the financial implications of this project and requested more information on it.

130. Two delegations stressed the need for UNIDO to take into account the experience of the Socialist countries in this field of activities.

131. One delegation stated that UNIDO should not undertake activities such as personnel matters and office management that fell within the competence of other organizations. Another delegation suggested that UNIDO's role in this area should be that of the co-ordinator rather than that of the implementor.

132. While several delegations expressed their misgivings about the manuals of industrial administration, some other delegations supported this activity.

133. The training of industrial administrators received wide support and many delegations requested that such training should be carried out at the national or regional level.

134. The industrial legislation reviews were considered by one delegation as being essential for future operations. The secretariat stated that UNIDO was planning to establish a clearing-house for industrial legislation where expert advice could be given on studies, surveys and draft laws. Another delegation remarked that industrial legislation covering topics such as taxes, investment promotion and protection of intellectual property would improve the climate for potential investors. UNIDO could assist developing countries to reach agreements on patents and licensing under the most favourable conditions, thus accelerating the flow of technical know-how.

135. The network of correspondents was supported by several delegations, some of which asked for further information about its operation.

136. In the field of patents and licensing, the need for full collaboration with other organizations engaged in similar activities was stressed by a number of delegations. One delegation encouraged UNIDO to recommend to developing countries that they adhere to the Patent Co-operation Treaty and the Paris Convention on Protection of Industrial Property, and suggested that UNIDO should also recommend adherence to the Strasbourg agreement concerning international classification of patents.

137. Reference was made by several delegations to the work of the World Intellectual Property Organization (WIPO). The WIPO representative made a statement summarizing the operations of that organization concerned with industrial property legislation, industrial property administration, licensing and major projects on patent documentation services. He stated that during 1971 co-operation had developed between WIPO and UNIDO mainly with regard to licensing and related fields. In response to an inquiry, the secretariat replied that a special UNIDO/UNCTAD committee met regularly either in Vienna or Geneva to discuss problems related to individual projects of mutual interest and that close working conditions had been established between the staff of the two organizations responsible for the transfer of technology. One delegation expressed the view that collaboration between UNIDO and UNCTAD in this field should also cover restrictive business practices.

138. The promotion of patent information with a view to assisting industrializing countries in the creation and improvement of national information centres in the field of patents and licensing was endorsed by a number of delegations.

139. The manual on licensing practices was supported by many delegations. One delegation suggested that voluntary contributions could be used to translate the manual on licensing into languages other than the official languages of the United Nations.
140. Support was given by two delegations to the studies on licensing practices. The similarity between the manual and the studies on licensing practices was noted by some delegations which proposed that the two components be combined.
141. A number of delegations endorsed the consultation on licensing in Latin America.
142. Some delegations commented on the Joint UNIDO-LES Symposium on Licensing held in New York in May 1972; official invitations had not been received by all interested delegations. The secretariat pointed out that UNIDO was not responsible for issuing such invitations.

Group 8: Industrial Institutions

143. There was general approval and encouragement of the work programme of Group 8, and satisfaction was expressed that the operational activities for the years 1971-1973 had developed in line with the supporting activities. The importance of the activities, particularly in industrial research, of this group, both with regard to UNIDO's contribution to developing countries as well as to the industrial development of such countries was also stressed by the delegations.
144. The majority of the delegations supported UNIDO's approach to the activities in industrial research as well as to the definition of the purposefulness of its plans. Several delegations, particularly those of developing countries, underlined the important role of the national industrial research institutes in the adaptation of transferred technology to local conditions. It was pointed out that these national research institutes were essential for the creation of an indigenous technology which would take into account the specific economic factors prevailing in the developing countries. Some delegations deplored the high cost of the transfer of technology and the restrictive practices of the developed countries, particularly in the field of pharmaceuticals, and suggested that UNIDO should intervene to obtain better and more lenient terms for the developing countries. A few delegations commended the secretariat for its joint activities with the United Nations Advisory Committee on the Application of Science and Technology to Development (UNACAST) and underlined the close relationship between these activities and those related to projects on industrial research. Delegations expressed varying opinions on the performance of NAITRO; while some underlined its importance and role, others expressed reservations about its accomplishments.
145. Several delegations stressed the importance of product adaptation, a problem that has to be considered by UNIDO, and the role which research, standardization and quality control have to play. Many delegations supported the activities of UNIDO in the stimulation of industrial research in the developing countries and its efforts to direct such research towards practical aims closely related to the needs of the developing countries in the field of industry. In-plant training in this area was particularly supported, although one delegation mentioned the difficulties involved in designing a suitable syllabus for such countries.

146. One delegation emphasized the necessity for UNDP to review its procedures for dealing with major projects on the establishment of national industrial research centres in developing countries; it suggested that procedures governing such projects should be made more flexible so as to allow for the earmarking of certain amounts in UNDP contributions for future needs which could arise during the life of the projects. Furthermore, opportunity should be given to the recipient countries to participate in the evaluation and interview of United Nations experts.
147. Both the supporting and field activities relating to standardization, quality control and metrology were endorsed. Several delegations strongly supported the need for further training in the form of workshops, meetings and publications, and requested the secretariat to expand its activities in this area.
148. There was general support for what was considered to be a well-designed activity in the area of chambers, federations of industry and co-operatives. One delegation stressed that emphasis should be placed on the role of industrial co-operatives and referred to a training programme in this area, to be held in Poland in 1973. Several delegations requested that special efforts be made to expand operational activities in this area. One delegation suggested that the experience of FAO in establishing agricultural co-operatives should be utilized. Another delegation said that it would perhaps be more appropriate for the developing countries to put more emphasis on the development of industrial rather than agricultural co-operatives.
149. A large number of delegations expressed approval of the approach and activities of the secretariat related to international fairs and exhibitions. They considered the benefits derived from these activities worthwhile and commensurate with the financial as well as human inputs. Some delegations underlined the particular tie between the projects on non-governmental organizations for industrialization and on co-operation with fairs and exhibitions and suggested that the ties be strengthened within Group B for more action-oriented programmes. While expressing appreciation for the effort of the secretariat in evaluating engagements at fairs (LD/B/97 (Part II, Add.1), paras. 132-135), two delegations requested that these be made in a more explicit manner, highlighting more concretely the practical benefits accrued to participants in promotional activities at fairs. One delegation referred to its country's experience in the display of samples from developing countries, one of the features of the promotional activities

at fairs. In the opinion of this delegation certain prerequisites should be established for the display of such samples. One delegation recalled the Milano Fair held last April where fifteen fair directors from developing countries met for joint consultations on, and exchanges of experience in, the role of fairs and exhibitions in industrial development.

150. Several delegations expressed support for the training of various echelons of fair officials and requested the secretariat to expand its activities in fellowships and in the organization of meetings, workshops and the preparation and distribution of training materials.

151. With regard to joint activities with UNACAST, two delegations commended the secretariat on its activities in this area. While underlining the close relationship between UNIDO and UNACAST in the transfer of technology, they stressed the great challenge to UNIDO and, in fact, to the United Nations system as a whole, in this area.

Group 9: Industrial Information

152. There was general agreement about the growing importance of industrial information. One delegation provided figures showing that increased production must be backed by a much higher input in information.

153. Several delegations expressed their concern with regard to the low number of regional operational projects in industrial information. Many delegations stressed that the first priority of the work of UNIDO in this field should be placed on direct assistance to countries in establishing and strengthening local capabilities and facilities at the national level. Several delegations expressed their opinion that the inquiry service at UNIDO headquarters should work through local industrial inquiry services instead of directly contacting users at the enterprise level. The local inquiry services should be encouraged and strengthened. Other delegations suggested that regional facilities should also be encouraged. One delegation suggested that the World Association of Industrial and Technological Research Organizations (WAIIRO), which was developed by UNIDO, could be used as a guide to establish links between various inquiry services. In general, not only the institutions themselves, but also the machinery for identifying sources and access to sources of information should be considered.

154. One delegation, recalling the information explosion in industrialized countries, urged that national facilities in developing countries be used as an instrument for selecting information suited to local needs, as in many cases poor investments were due to the lack of information.

155. One delegation suggested that in its future work programmes, UNIDO should include the development of various information media.

156. While several delegations gave full support to the idea of UNIDO acting as an international clearing-house for industrial information, others expressed concern that the organization might become involved in storing information beyond its capacity. One delegation remarked that UNIDO should not act as a data bank, but as a link between the available sources of information and the interested inquirers. Two delegations recommended the establishment of more direct contacts between network correspondents and inquirers.

157. Many delegations welcomed the assistance of UNIDO to the developing countries in the selection of equipment. Several delegations urged that emphasis be placed on assistance to the developing countries on a case by case basis, taking into consideration the variable factors other than published information. Some delegations expressed interest in the pilot project for the supply of alternatives for the choice of industrial equipment. Two delegations expressed some concern regarding a service that might add to the flood of catalogues and price lists already distributed. The secretariat recalled that the pilot project had been initiated on the basis of repeated requests by other United Nations bodies, including the Economic and Social Council and the General Assembly, which had asked for advisory services. At the preliminary stage, the project would be limited to specifying precisely feasible methods that could be adopted to fulfil these requests. One delegation noted that all interested countries should be invited to participate in this project on an equal basis.
158. One delegation expressed the view that, given the extremely limited resources available, UNIDO should concentrate mainly on developing the existing activities that had already proved themselves and were benefiting the developing countries, such as the Industrial Inquiry Service (IIS) and the Advisory Service for the Supply of Industrial Equipment (ASSIE), rather than establishing cumbersome new components.
159. The training programme for industrial information officers was generally commended. One delegation expressed its regrets that the seminar in Addis Ababa, planned for April 1972, had not taken place. The secretariat explained that, owing to the lack of regional and interregional funds from UNDP, the seminar had been postponed to September or October 1972. The secretariat also said that the training courses in Moscow would be continued along their traditional lines. Instead of seminars, one delegation expressed its preference for in-plant training of industrial information officers within existing technical information services.
160. Two delegations recommended an early extension of the Selective Dissemination of Information (SDI) service, which deserved high priority.
161. As to the Roster of Industrial Consultants, two delegations suggested that more background information should be provided on the professional qualifications of the consultants included in the Roster. Another delegation wondered whether the Roster of Consultants kept in the Industrial Information Section could not be merged with

the Roster of the Technical Equipment Procurement and Contracting Office (TEPCO). The secretariat replied that such a merger was under consideration, but that no decision had yet been made owing to the quite different objectives of the two rosters.

162. Referring to the publication programme of UNIDO in this field, many delegations urged the strengthening and improvement of the existing periodicals such as the Industrial Research and Development News (IRDN) and the UNIDO Newsletter rather than the creation of a new periodical. Accordingly, they opposed the publication of Industry International. While two delegations commented favourably on the pilot issue and the concept of Industry International, they raised questions of finance. One delegation suggested that UNIDO publications should become self-sustaining.

163. One delegation suggested that a formal resolution should be initiated by the Industrial Development Board, recommending more autonomy for UNIDO in the field of publications, as suggested by the General Assembly in operative paragraph 6 of resolution 2823 (XXVI) of 16 December 1971.

164. Several delegations welcomed the publication of the Industrial Development Abstracts and of the directories to sources of information on specialized industrial branches. The programme of training manuals should be followed up more carefully in order to avoid delays in their publication. One delegation underlined the importance of the planned study on selection and use of computers in processing industrial information. Another delegation questioned the necessity of a second edition of the "Guide to Industrial Directories". One delegation suggested that if a second edition were to be issued, it should include a more complete list of available directories. One delegation doubted the usefulness of a second edition of the UNIDO monograph series.

165. Some delegations expressed regret about the reduction of funds for the activities of Group 9. One delegation made a strong plea for increased funds for industrial information activities, and another appealed to other member States to make voluntary contributions in order to strengthen the work of UNIDO in this field.

166. Some delegations welcomed UNIDO's first steps towards including audio-visual media in the field of activities of industrial information. The compilation of a register of industrial films was an encouraging start, and it was recommended by one delegation that the supply of more advanced audio-visual material for use in the field should also receive priority A.

Group 10: Industrial Management and Consulting Services

167. There was general support for the programme of the work in the field of industrial management and consulting services. Several delegations recognized the importance of management as a crucial factor in the transfer of technology. One delegation expressed concern about the gap between the level of modern imported technologies and the level of managerial skills existing in the developing countries. Appreciation was expressed by another delegation for the increase in operational activities and of the proposed evaluation of the supporting activities. Several delegations placed emphasis on the expansion of field activities, while another delegation suggested expansion of the supporting activities in this area. The importance of scientific application of modern management techniques to the developing countries was recognized, and one delegation spoke about the potential of this group to contribute significantly in the transfer of technology to large as well as to small industrial enterprises. One delegation wished to see UNIDO increase its activities relating to the least developed countries. The secretariat replied that this policy was already being pursued.

168. The activities related to consulting services received support from many delegations. One delegation noted the importance of the implementation of the findings of the 1971 Expert Group Meeting on the Development of Management Consultancy held in Santiago, Chile. Another delegation requested that consulting services utilizing local consultants should also be extended to other areas of the world. The secretariat referred to the plans in 1973 for collaborative project work with the Asian Association of Management Organizations of the International Council for Scientific Management (CIOS) that, it was hoped, would lead to a joint consultation meeting in 1974.

169. With regard to organization analysis, one delegation inquired about the cancellation of the proposed expert group meeting and expressed reservations about the development of the new activity, enterprise organization developments. The secretariat replied that this general area of activity had been streamlined and that its operational aspects were ahead of schedule; the expert group meeting was therefore no longer deemed necessary. Furthermore, the results of the field investigations had been completed and would constitute the beginning of a new management monograph series.

170. Several delegations expressed interest in, and general support for, the activities relating to management information systems. Particular attention should be devoted, however, to the quality of experts recruited for developing countries. The number of

operational projects already underway in this area were noted with particular satisfaction. One delegation attached considerable importance to the use of computers to increase management productivity, especially in the area of managerial decision-making, which this delegation regarded as a critical element for industrial development. Another delegation stated that its country was prepared to assist UNIDO, from its voluntary contribution, in carrying out in 1974 training programmes in its country in the field of management information systems, with particular emphasis on computer-based management techniques and data processing. The offer was welcomed by another delegation.

171. The corporate planning activities were given general support and approval. One delegation questioned the use and application of this technique in certain developing countries. Another delegation requested information about the cancellation of the proposed expert group meeting on the introduction and use of corporate planning and control techniques and about the over-all development of the project. The secretariat pointed out that several delegations had already expressed keen interest in the further application of modern management techniques such as corporate planning to the developing countries. Moreover, the application of corporate planning lends itself to various degrees of sophistication, depending upon the special needs of each country. The cancellation of the proposed expert group meeting did not affect the qualitative aspects of the project inasmuch as it had become operational ahead of schedule. Moreover, the case studies related to that subject had been completed and would be used as publication material and teaching media.

172. Several delegations supported the extension of UNIDO's work in the area of industry-university co-operation for management development. Some delegations offered to share their experience in this area with the secretariat.

Group 11: Small-Scale Industry and Related Activities

173. Many delegations expressed their satisfaction with the activities of UNIDO relating to small-scale industry. They felt that these activities were of benefit to developing countries at different levels of development, especially to the least developed among the developing countries. Several delegations commended the secretariat for undertaking a series of projects on the promotion of small-scale industries in the least developed countries. Reference was made, in particular, to projects dealing with industrial extension services, industrial estates, appropriate technology and partnerships.

174. Many delegations referred to the partnerships project aimed at fostering co-operation between industries and certain institutions in the industrial countries and small-scale and medium-sized industries in African countries south of the Sahara. Most of these delegations expressed interest in the project but requested more information on its organization and prospects of success. The secretariat explained that the purpose of the scheme was to promote co-operative arrangements such as: sale of machinery and equipment at liberal conditions, including, if need be, the provision of technicians; secondment of managerial personnel by the foreign company concerned; training of personnel from the African enterprise; subcontracting; assistance in marketing the products of the African enterprise; licensing and franchising agreements; and joint ventures with equity participation and co-management on the part of the non-African industry. UNIDO was requested to place special emphasis on utilizing skills and know-how available in developing countries for its small-scale industry programme.

175. The proposal to evaluate experience in industrial estate development was supported by several delegations. Another delegation suggested that the evaluation should take into account not only the views of project managers and national authorities but also those of firms established in the estates and those that chose to remain outside. One delegation expressed the view that, in general, the work programme of UNIDO should contain more projects aimed at evaluating experience in various areas of industrial development, for this would provide guidance for operational activities and would assist the Board in assessing the work programme of UNIDO.

176. Several delegations commended the co-operation of UNIDO with international, regional and subregional financial institutions in the areas of small-scale industry, industrial estates and common service facilities. Some delegations supported the project relating to the financing of small-scale industry including the regional and subregional training programmes in methods of credit investigation and supervised credit that might be associated with training in industrial extension services. One delegation suggested that the studies on financing of small-scale industry should also take into account the systems of taxation.

177. Some delegations emphasized the particular significance of adaptation of technology in the small-scale industry sector and of easy access to information about available technologies. They felt that UNIDO should give adequate attention to this aspect in its small-scale industry programme, and to this end, there should be close co-ordination between Group 11 and Groups 7, 8 and 9. Interest was also expressed in projects relating to subcontracting and to domestic marketing, which was becoming a major problem of small-scale industry in certain countries. A number of delegations expressed interest in, and support for, the activity concerning the groupings of small enterprises and other forms of self help. In this connexion, one delegation expressed the view that small-scale industry would benefit more from co-operatives, especially for marketing their products, than from mergers.

178. The importance of the project on the role of small-scale industry in the less developed regions of relatively advanced countries was recognized by several delegations. One delegation stressed the need to approach this problem from a cost-benefit standpoint; another delegation expressed the hope that the project, which had a low priority, would materialize in 1973.

179. One delegation stressed the need for inter-secretariat co-operation in the field of small-scale industry, between UNIDO and other United Nations organizations, especially ILO. Such co-operation should also be established with various bilateral programmes in this field.

Group 16: Industrial Training:

180. Many delegations expressed support of the training activities of UNIDO, as reflected in the work programme of Group 16 and satisfaction with the training programme already carried out. It was noted that the in-plant training programmes were the most effective way to meet the increased need for higher qualified industrial personnel.

181. Some of the delegations, representing countries that had started in-plant group training programmes, expressed their willingness to repeat and expand these programmes. These delegations stressed the importance of having the programmes planned on a long-term basis giving a proper place to national and regional training activity. The need was also stressed for a high degree of flexibility in order to make the execution more effective. At present, there was a considerable time lapse between the announcement of programmes and the selection of candidates, and this gap should be reduced.

182. Several delegations felt that, in spite of financial constraints, it should be possible for UNDP to finance all training programmes contained in the work programme.

183. Some delegations expressed their satisfaction with UNIDO efforts to find new ways and means for placement of individual fellows. One delegation indicated that the experience of the responsible body in its country was that collective placements had been no easier to secure than individual placements. A possible solution might lie in greater selectivity and in seeking more training places in developing countries. Several delegations indicated that more training should be carried out in the developing countries themselves and only where no adequate training facilities existed in the developing countries should key personnel be trained abroad. This would diminish the possibility of brain drain.

184. A number of delegations stressed the importance and usefulness of the seminars on UNIDO operations. The delegation of the country that had hosted the first seminar on UNIDO operations on a national basis expressed its satisfaction with regard to that seminar; another delegation requested that a similar seminar be conducted in its country. However, the programming of these seminars could be considerably improved.

185. Stressing the importance of the question of training within the developing countries, several delegations indicated the need for further assistance by UNIDO to national training institutions and to the creation of an autonomous national capacity

- mitted to their needs in this field. In this connection, one delegation indicated the need for closer co-operation with UNESCO. The secretariat pointed out that requests for assistance in this field had increased, and it was expected that under the new country programming procedures additional requests for assistance would reach UNIDO.
186. One delegation stressed the importance of appointing regional advisers in order to provide Governments with more information on UNIDO activities and to assist in making a better selection of candidates for training abroad. Some delegations pointed out the need for national training advisers to assist Governments in determining training needs and in planning training programmes to meet these needs.
187. One delegation expressed doubts about the continuation of the study on training methods and techniques.
188. Referring to the meeting of in-plant group training directors held in Vienna in February 1972, some delegations pointed out the significance of such a meeting; they maintained that the positive recommendations made during that meeting would contribute to the improvement of the in-plant group training programmes.
189. Several delegations stressed the importance of evaluation and follow-up activities and recommended that these activities be continued and expanded in order to assess and improve the effectiveness of the training organized by UNIDO.
190. Some delegations stressed the importance of a proper selection of candidates for training abroad. The need for preparing comprehensive studies as a means of assessing the occupational and skill requirements in the developing countries was stated by some delegations; one delegation suggested that the pilot study on the determination of training needs should be given high priority.
191. Some delegations questioned the continuation of the supporting activities, particularly the convening of the expert group meeting on achievement motivation training; one delegation suggested that this activity should be cancelled if response from the developing countries did not increase. The secretariat stated that from the two missions undertaken by UNIDO in two geographical regions, positive interest had been demonstrated in this type of training by several countries and that one request for an operational project had already been received by UNIDO.

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Industrial Policies and Programming Division

Group 12: Industrial Programming, Project Planning and Policies

192. Many delegations stressed the importance of UNIDO's capability to assist the developing countries in planning and policy matters related to their industrial development and expressed general approval of the structure and orientation of the work programme in this field. Special importance was attached to the technical studies and advisory activities related to the selection of industrial development priorities and the assistance to specific regional groupings in identifying and evaluating industrial co-operation possibilities. Two delegations pointed to the distinction which should exist between the role of Group 12 and that of Group 15 (Industrial Surveys and Studies). Although the two groups would often be complementary, the activities of Group 15 should logically come first to provide the data for the activities of Group 12. The need was expressed for UNIDO to study and derive the maximum benefit from the substantial experience and expertise in this field in the developing countries. Several delegations, speaking of the primary tasks of UNIDO in the area of planning and programming, said that the guiding principle of UNIDO should be to contribute to the progressive solution of questions relating to industrialization in the developing countries by, first of all, assisting the developing countries in the preparation of scientifically and economically sound plans and programmes for industrial development, taking into account the special features of the national economies of particular countries, with a view to eliminating the consequences of colonialism in the economies of those countries and to achieving their economic independence. Further UNIDO should contribute to the development of the state sector industry; to the firm establishment of the principles of economic planning in those countries; to the development and broad application of methods of exerting state influence on the private sector in order to achieve the balanced development of all branches; and to establish priorities in their development.

193. Several delegations expressed their appreciation of the summaries of national industrial development plans; they felt that work should continue on this project. One delegation stressed in particular the need for disseminating information on countries' experiences in industrial planning, in the formulation of industrial policies and in relations between private and public sectors.

194. Considerable appreciation was expressed by several delegations of the work on the studies on the problems and techniques related to the selection of industrial development priorities. It was stated that strategies and priorities must be established in accordance with the specific needs of the country concerned. One delegation stated that the broad basis for UNIDO's work in this field should be long-term country and country group programmes for promoting industrialization. The programmes should cover periods of five or more years and should be designed to help solve such problems of industrialization as: the expansion of the role of industry in the economic development of the developing countries; the achievement of steady rates of industrial development, together with a rational combination of small and large-scale production; the transfer and introduction of advanced techniques and technology; the rational location of industry in the light of the geographical distribution of the country's natural resources and of transport and power factors; strengthening the planning and regulating role of the State in relation to the private sector; and assistance to the developing countries in developing their own natural resources in the interests of their economic and industrial development.

195. Several delegations emphasized the importance of maintenance, planning and of modernization of industrial facilities. In view of the complex nature of the maintenance problem, it was recognized that there was need for close co-operation with other groups of activities within UNIDO. The co-operation with Group 1 (Engineering Industries), as mentioned in the work programme (ID/B/IV (Part II, Annex), para. 46) was a reflection of that need.

196. Some delegations underlined their interest in activities related to industrial project planning, and the suggestion was made that, resources permitting, UNIDO should undertake the writing of guidelines for project preparation.

197. Many delegations expressed appreciation of the importance and direct relevance to the developing countries of the work being undertaken in the area of project evaluation. Some delegations particularly stressed the significance of the recently published "Guidelines for project evaluation" as a tool for inter-linking national industrial planning and project selection. Some delegations, however, suggested that advantage should be taken of the experience gained in the application of project evaluation in the Socialist economies. In this context, one delegation offered the assistance of its Government in organizing a forum for respective discussions and for an exchange of experience. The offer was welcomed by the secretariat.

198. In reply to a question, the secretariat pointed out that the guidelines were not quite new and had not yet been widely applied in a complete form. Specific instruction manuals, including national parameters for individual countries, would be developed over the next few years.

199. In the area of industrial project implementation, many delegations, while expressing satisfaction with the general coverage of these activities, considered that the project machinery for industrial planning, implementation and follow-up deserved increased attention.

200. There was general support for the proposed activities of UNIDO in regional industrial co-operation. It was stressed that this area warranted increased attention by both UNIDO and other United Nations agencies. Delegations from member States of the Association of South-East Asian Nations (ASEAN) stressed, in particular, the need for continued UNIDO assistance in achieving greater industrial complementarity in the development of industrial co-operation on a regional and subregional basis.

201. The initiation of an exchange of experience between secretariats of different subregional groups at the expert group meeting held in Vienna in 1971 was strongly supported by many delegations. One delegation stressed the need for the development of basic principles for regional co-operation and recommended that the extensive experience of the Socialist countries in this area be utilized. Some delegations suggested that particular attention should be paid to the choice of industries suitable for co-operation. Some delegations stressed the importance of taking into account the needs of the less developed areas of a given region.

202. There was general support for the activities of UNIDO in formulating policies to implement industrial development programmes in combination with broad advice on the planning for future industrial development. Support was expressed for UNIDO's training programmes on the design of industrial policy measures. The same delegations suggested that UNIDO should prepare guidelines for industrial policy formulation. Several delegations supported the work done on the revision of the "Directory of industrial investment incentives" and stated that this work should be continued and that the Directory should be updated in the future. One delegation commended the secretariat's efforts to obtain commercial publication of the Directory.

203. With reference to General Assembly resolution 2801 (XXVI), several delegations showed strong interest in the project envisaged by UNIDO to assist developing countries in the appraisal of performance of the industrial sector. The secretariat pointed out that the implementation of this project was subject to availability of funds from UNDP.
204. One delegation drew attention to the significance of the interregional seminar on the operation of industrial planning systems as a means of facilitating the exchange of experience among countries having different social systems. The same delegation announced that the plan for convening this seminar, which had been postponed due to certain financial problems, would be reinstated by funds from the voluntary contributions with its country offering the necessary host facilities.
205. There was general appreciation of the value of the contents of the Industrialization and Productivity Bulletin in disseminating information to the developing countries. The Bulletin was felt to be a useful link between research and operational activities. However, it was also felt that the publication should appear at more regular intervals and should include articles written by a wider variety of authors from different geographical regions.

Group 13: Industries Financing and Investment Promotion

206. Many delegations expressed support for the activities of UNIDO in the field of industrial financing as it covered mobilization of resources for industrial development and the utilization of the facilities and services provided by industrial financing institutions. In this connexion, however, some delegations stressed that they could not agree with activities of UNIDO to promote direct contacts between representatives of international financial circles and industry in the developing countries, which involved a danger of penetration of private foreign capital into those countries' economies and their subordination to foreign investors.

207. It was generally agreed that mobilization of domestic resources was a basic prerequisite for industrial development, which could be supplemented by external resources, and the work of UNIDO in this area was commended. On institutional aspects, several delegations expressed support for the meeting on co-operation among industrial development financing institutions of both developed and developing countries and felt that the exchange and dissemination of information were essential, particularly for the developing countries. One delegation questioned the necessity of holding this meeting on an annual basis. Another delegation expressed concern about the role being assigned in this programme to the International Bank for Reconstruction and Development (IBRD) and other financial monopolistic institutions. Another delegation supported the participation in this activity of the IBRD and regional development banks.

208. There was general support for the establishment of financial institutions and the training of their personnel. One delegation suggested that the role of industrial development banks should be geared to public and not to private investment activities, and that in the development of this programme the experience of the Socialist countries in banking techniques as well as in joint venture agreements should be fully utilized.

209. In the field of investment promotion, there was general support for the activities of UNIDO as developed to date. The closer co-ordination of activities in this area under Group 13 with other groups of activities within UNIDO was generally commended, especially as regards sectoral investment promotion meetings organized jointly with seminars, or expert group meetings dealing with related technological topics. The investment promotion meetings organized for large groups of sectors were preferred by some delegations to sectoral meetings. The important function that these meetings

served in acquainting potential investors from developed countries with the environment in which the project would run was stressed. For this reason, it was felt that the practice of holding these meetings in the regions should continue.

210. Concrete suggestions were made by several delegations to improve the preparation and organization of the investment promotion meetings. Three to four months were suggested as a minimum interval to be allowed between the dissemination of information on the meetings and their actual organization, in order to give the potential investors sufficient time to study carefully the projects presented and to secure the highest possible level of participation. The recommendation was made that such meetings should be organized on a sectoral and national basis. It was pointed out that the utility of these meetings would be considerably enhanced if they were held at regular intervals of not more than six months in each region. This would give continuity to the work and avoid a tendency to include projects even if they came in only a few weeks before the meetings. The failure to secure participation at these meetings at decision-making levels was highlighted and UNIDO was requested to ascertain how this serious deficiency could be eliminated. The inherent difficulty in securing statistics of successfully concluded negotiations was pointed out, and, for this reason, UNIDO was requested to qualify evaluation studies of these meetings until a better system for securing such information was devised. The need to continue contacts with the negotiating parties with a view to following up the promotion meetings was emphasized.

211. Several delegations, however, expressed their concern about the adverse effects of the penetration of foreign private investments on the industrial development, economic independence and national sovereignty of developing countries. While foreign resources may sometimes be useful, they should be obtained without any political strings, without by-passing the policy decisions of the recipient Governments, and on more favourable terms or conditions for developing countries. These considerations should be fully taken into account in UNIDO's investment promotion activities. The same delegations noted with satisfaction the increasing number of contacts that were arranged in 1971 under the various UNIDO sponsored investment promotion meetings between developing countries and with Socialist economies. UNIDO was requested to facilitate contacts between the developing countries and those developed countries that were capable of providing not only financial resources, but also know-how, technology and other industrial inputs.

212. Several delegations expressed satisfaction with the team of interregional promotion advisers stationed at UNIDO headquarters and commented on the need for continuing and strengthening the team. One delegation questioned the exclusion of experts from the Socialist countries from the team. Some delegations indicated support for the regional meetings and suggested their continuation at regular intervals.

213. Many delegations expressed their support for the portfolio of industrial projects. One delegation indicated that while this activity might appear attractive, it might not always prove useful in practice; it suggested some adjustment in the emphasis, including a careful process of screening projects and the actual promotion of individual projects from the portfolio by UNIDO's interregional investment advisers and the submitting country.

214. The establishment and operation of national investment promotion agencies were widely supported. It was felt that UNIDO's assistance in this area was necessary to enable the developing countries to operate their own machinery for project identification, preparation and promotion through the facilities established by UNIDO.

215. The secretariat pointed out that the investment promotion activities of UNIDO were not aimed at promoting investment of foreign capital from developed countries; rather, the organization made efforts to assist the developing countries in securing the foreign resources they needed under conditions and terms which they considered acceptable and consistent with the basic aims of their development strategies and policies. On the mobilization and channelling of domestic resources, the secretariat stated that UNIDO's role was not limited to financial aspects; it also provided services to all institutions on technical matters essential to their effective operations. The secretariat further explained that the purpose of the scheme for the exchange of banking information was not to establish basic relations but to offer an opportunity for the exchange of experience and information on specific industrial projects financed by industrial development financing institutions.

216. Interest was expressed with regard to the branch co-operation agreement recently initiated in the area of petrochemicals. One delegation announced the willingness of its country to enter into similar co-operation with regard to instruments and telecommunications industries.

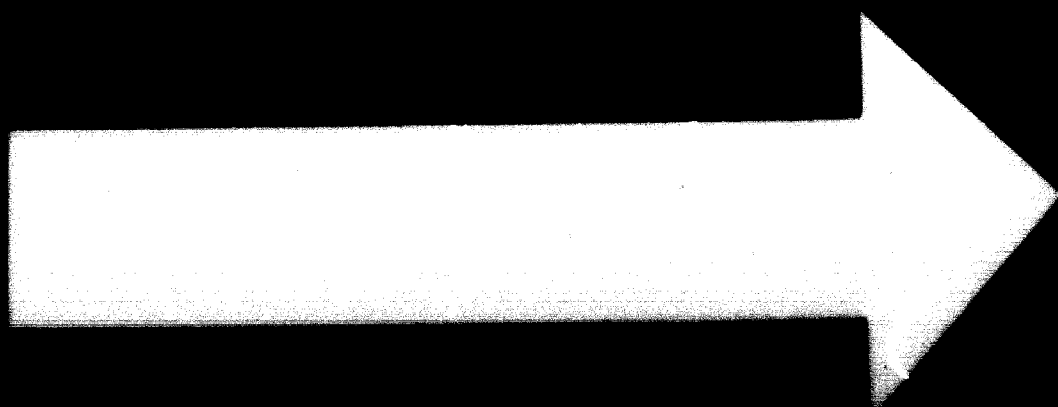
Group 14: Promotion of Export-Oriented Industries

217. The majority of delegations stressed the importance of the programme of UNIDO in the promotion of export-oriented industries, and one delegation considered it as reflecting the over-all progress achieved by the organization. Several delegations commented favourably on the concentration of activities on specific projects of a promotional character as well as on the integrated nature of the programme.

218. Most delegations supported UNIDO's activities in promoting international subcontracting as a practical means to increase exports from developing countries. Some delegations pointed out that international subcontracting was a part of the general process for securing a greater international division of labour. This would include problems of shifting of industries from developed to developing countries and new licences for transfer of technology, specifically to feed industries in developed countries. UNIDO's activities in this field should cover all these aspects. One delegation inquired about the progress achieved through this programme and expressed the view that the future plans for this programme should be guided by the outcome of the forthcoming promotional meeting on the transfer of technology and know-how through subcontracting and licensing agreements. The close relationship between the selection of technology and licensing and patents was pointed out, and it was suggested that this subject be covered in the forthcoming Paris Conference, or in some other forum as soon as possible.

219. While one delegation emphasized the key role of international subcontracting in the transfer of technology, another delegation felt that it was beneficial as long as it did not affect the ownership of companies in the developing countries. However, one delegation pointed out that international subcontracting was not a final solution; developing countries would eventually need to market their own products to avoid being unduly dependent on producers in developed countries.

220. Several delegations pointed out that the compilation of proper information of available capacities in developing countries on the one hand, and of possible opportunities in developed countries on the other, was the key to a successful programme in subcontracting. UNIDO should play a far more active role in quickly building up and disseminating such information to proper parties in the developing countries.



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Another key factor was the confidence of the potential contractor in the capacity of the potential manufacturer in the developing country with whom the subcontracting would be effected. It was therefore felt that the compilation of this information would be most effective if it were done by influential organizations of manufacturers in the developed countries, or by their Governments or other professional agencies acting on their behalf. The example of the Federal Republic of Germany, which had recently completed such a study, was cited, and UNIDO was urged to make greater efforts for similar studies with other developed countries.

221. A number of delegations drew attention to the extensive organizational machinery required to introduce an effective international subcontracting exchange, and one delegation pointed to the need for establishing criteria for the selection of partners from developed and developing countries. It was felt that UNIDO's programme in this area, at a more advanced stage, could benefit from co-operation with national subcontracting organizations.

222. Attention was drawn to the falling off in the response of developing countries to subcontracting inquiries emanating from UNIDO, a situation that was due largely to the long delays in communicating the final outcome of responses made to earlier inquiries. Even granting the time required for the inquiring organization to take a decision in confidence, it should be possible to quickly transmit rejection decisions to all tenderers except those which remained for final consideration by the inquiring organization. This would eliminate the commercially intolerable uncertainty to which tenderers were presently being subjected.

223. In considering the programme of product adaptation and development for export-oriented industries, the representative of UNCTAD referred to the discussions currently under way regarding the division of responsibility between UNCTAD and the UNCTAD/GATT International Trade Centre (ITC). Several delegations expressed the hope that an early and positive outcome would result from these discussions. One delegation felt that the question of technology and production was central to the whole process of product adaptation and development, whereas the market exploration was essentially a complementary activity, and for this reason the ITC should be utilized by UNIDO as the consultant, while UNIDO itself should deal basically with projects in this area.

24. One delegation stressed that the product adaptation and development programme, if it were to be effective, should be followed by technical assistance projects aimed at aiding manufacturers in developing countries. It was also felt that the product adaptation and development programme should take into particular account those products from which the developing countries benefited under the Generalized System of Preferences. One delegation stressed the importance of continuing product improvement once a market had been established.
25. The programme of industrial free zones as incentives to promote export-oriented industries was welcomed by most delegations. However, certain delegations cautioned UNIDO that it should be in a position to evaluate the benefits of the establishment of such zones in the light of over-all national economic objectives. It was also pointed out that the incentives included in such a programme were basically financial or fiscal and did not primarily involve technology. UNIDO might therefore rely on UNCTAD and ITC and supplement the activities of those organizations in this particular project.
26. Several delegations expressed doubts about the usefulness of establishing international associations of producers for specific branches, since such associations tended to be used for monopolistic practices; it was questionable whether the interests of new industries of developing countries could be secured within such organizations.
27. In discussing the identification and selection of manufacturing industries with export potential, several delegations spoke of the scope for further UNIDO activities in connexion with the introduction of the Generalized Scheme of Preferences. One delegation expressed its concern in this regard with the development of new trends of protectionism in developed countries affecting export-oriented industries in developing countries. One delegation urged that export industries be developed and selected on the basis of more careful and broader analyses of the international markets in order to maximize the benefits to the exporting country and increase the viability of the promoted industry. While welcoming UNIDO's initiative in organizing country missions, certain delegations stressed the importance of maintaining close co-operation with UNCTAD and UNCTAD/GATT/ITC in order to ensure that the developing countries derived maximum benefit from this scheme. One delegation drew attention to the recently concluded trade negotiations among developing countries (TNC) and suggested that UNIDO's future activities in the promotion of export-oriented industries should take into account the possibilities offered by this preferential arrangement among developing countries.
28. General support was expressed for the training programme in manufacturing for exports, and a number of delegations suggested that this programme should be enlarged. One delegation expressed the hope that Latin American would also benefit in the near future from a training course similar to those already held in English-speaking developing countries or proposed for French-speaking developing countries.

Group 15: Industrial Surveys and Studies

229. General support was expressed for country survey missions. One delegation expressed its appreciation for UNIDO's assistance to its country in sending a survey mission and in helping to prepare an industrial surveys and promotion centre. The same delegation stated that many projects identified by the mission had been implemented.
230. Several delegations expressed their support for the findings of the expert group meeting that examined the activities of Group 15 in the area of country survey missions and concluded that such missions should play an essential role in UNIDO's activities. One delegation, however, raised a number of questions as to the results of the work of such missions and the use made of those results, and queried whether such missions benefited the countries, particularly as regards facilitating their work in connexion with the planning of their industrial development and the UNDP country programming.
231. One delegation expressed its strong support for the activity relating to synoptic presentation of the survey mission reports. Another delegation emphasized its desire to increase even further the operational activities of this group, while other delegations expressed support for the already increased emphasis on operational activities.
232. As to the supporting activities, a number of delegations expressed their support for the Industrial Development Survey and one delegation proposed that the findings of the Survey be discussed by the Industrial Development Board. In making proposals to expand the statistical base used in the Survey, the same delegation suggested that a mandate should be given to UNIDO to participate more extensively in the work of the UN Statistical Office and to exert efforts for the improvement of industrial statistics needed for operational activities.
233. The special industrial studies were discussed by a number of delegations which voiced support, in particular, for the study on employment in the manufacturing sector and for the co-operation with ILO country missions within the framework of the World Employment Programme.
234. Support was expressed by a number of delegations with regard to the projections of industrial development as well as to the convening of an expert group meeting to examine and amplify the results of this exercise.

235. In answering queries by delegations, the secretariat emphasized the increasing role of the operational activities of Group 15, stating that they accounted for 70 to 80 per cent of the resources available to the group. It noted the support given to the country survey missions and underlined their role in the integrated assistance given by UNIDO. Such missions constituted a spearhead for many of the operational activities of other groups within UNIDO. As to the beneficiaries of the survey mission reports, the secretariat stated that the reports were restricted to the Governments concerned and that the countries which had so far received survey missions were already implementing many of the recommendations made by those missions.

236. With regard to the Industrial Development Survey published by UNIDO and the rest of the supporting activities, the secretariat emphasized the fact that the data used in the Survey were the most up-to-date data available from the UN Statistical Office. The secretariat welcomed the proposals that future annual surveys ought to place more emphasis on the special topics, and said this proposal would be implemented in the coming Survey.

237. Finally, the secretariat pointed out that the activities of Group 15 were related to monitoring and appraising the industrial development during the Second United Nations Development Decade. In addition, the group was paying more attention to the least developed countries and intended to dispatch survey missions to those countries as part of UNIDO's activities in this area. Emphasis was also placed on co-operation with other international bodies, notably the ILO, within the framework of the World Employment Programme and PAO in the preparation of a special chapter of the Industrial Development Survey devoted to the relationship between agriculture and industry in economic development.

CONSIDERATION OF THE PROGRAMME AS A WHOLE

238. The Working Group endorsed the programme as a whole as contained in documents ID/B/97, Parts I and II, subject to the comments and observations made on the work programmes of the seventeen groups of activities.

239. It was noted by several delegations that UNIDO has made steady progress in the implementation of its activities, both supporting and operational, and several observations were made to improve the formulation of the programme of work of the organisation.

240. Several delegations referred to the guidelines contained in the resolution of consensus, passed by the Special International Conference of UNIDO and adopted by the General Assembly, setting out the philosophy and the guidelines and objectives of UNIDO's work in the field of industrial development. They stated that the work programme could better reflect the new sense of direction and purpose in line with the said resolution and that the work programmes formulated henceforth should do so. They referred to the unambiguous emphasis in the resolution on technological development, covering such matters as: the transfer of technology; the adaptation of technology; development of indigenous technology; compilation of information to assist in the choice of appropriate technology; promotion of industrial research and development activities in the developing countries; and raising the technological skills and know-how in those countries. It was felt that the work programme did not reflect this emphasis adequately. The need to formulate a long-range programme of work in line with this strategy was emphasized by a number of delegations. They felt that in so doing, account could be taken, in part, of the results of the country programme exercise currently under way. Reference was made to the need for UNIDO to build a pool of professional and technical knowledge so as to enable it to assist more effectively the developing countries in their programmes of industrialisation. In building such a pool, the maximum utilization should be made of skills and expertise available in the developing countries. One delegation felt that not enough emphasis was being given by UNIDO to imaginative and innovative approaches to the problems of industrialization. It was also suggested by the same delegation that

UNIDO identify and match specific needs in developing countries with specific sources of assistance, information and capital available in the industrialized countries and help to develop policies and institutional arrangements designed to foster an attractive climate for investment, both domestic and foreign, in the developing countries.

241. A few delegations suggested that UNIDO should give priority to the problems of regional co-operation. Some delegations expressed the hope that UNIDO would increase its projects in the field of regional industrial co-operation in South-East Asia. A number of delegations expressed the view that those aspects of UNIDO's activities, should be developed which contributed to the progressive solution of questions relating to the industrialization of the developing countries. That meant, first and foremost, assistance in establishing and developing national industry in the developing countries, in strengthening the role of the State and of the state and co-operative sectors in the developing countries' industry, in mobilizing domestic resources for industrial development purposes, and in introducing and developing scientifically and economically valid principles for the planning of industrial and economic development. It also meant assistance in the transfer of technology and technical know-how and their adaptation to the specific conditions prevailing in developing countries and assistance in matters relating to the training of qualified national cadres for industry in the developing countries.

Specific programs areas

242. A number of delegations attached considerable importance to UNIDO's responsibility with regard to the transfer of technology and training of national technical personnel. A large number of delegations insisted on the importance of strengthening UNIDO's role in the transfer and adaptation of technology as well as in assisting developing countries in creating a technology suited to their special conditions. The need for strengthening and directing UNIDO's activities towards the establishment and development of a national autonomous capacity to solve, on the basis of local conditions, problems arising from the process of industrialization as a whole, and not merely solving ad hoc industrial problems, was strongly stressed.

243. The lack of financial resources for the development of such programmes was viewed with great concern by several delegations. It was also noted that UNIDO financing for interregional and regional projects has been drastically curtailed, a factor that was a serious obstacle to the development of those programmes. Several delegations expressed the hope that this situation would be changed. Some delegations while commending the secretariat's efforts to adjust to this situation, noted that the programmes would have to be adjusted to the resources available.

244. Several delegations stressed the importance of the promotional activities initiated by UNIDO, particularly with regard to investment promotion. In this connexion, one delegation suggested that the entire question of mobilization of financial resources for industrial development, both external and internal, could be dealt with effectively by UNIDO. A number of delegations stated that they supported that part of UNIDO's industrial promotion activities which related to the promotion of specific industrial projects. At the same time, they stressed that the activities of UNIDO that were designed to promote contacts between representatives of international financial circles and industry in the developing countries involved a danger of the penetration of private foreign capital into these countries' economies and their subordination to the interests of foreign monopolies. Reference was also made by several delegations to UNIDO's programmes in the fields of product adaptation, international subcontracting and promotion of export industries as requiring priority in UNIDO's work programme.

245. Some delegations gave particular support to in-plant training programmes and indicated that their Governments would be ready to give increasing support in the implementation of such programmes, through their voluntary contributions. One delegation believed that UNIDO should concentrate particularly on the development of national industries in the state and co-operative sectors and that it should also give increasing attention to the construction of pilot and demonstration plants in developing countries in order to promote the transfer and adaptation of technology and the training that could improve employment opportunities.

Operational activities

246. Although general satisfaction was expressed with the growth of the operational activities, many delegations also felt that UNIDO should place still more emphasis on its field operations. It was noted that the UNDP country programming exercise would provide an opportunity for further growth. In this connexion, one delegation suggested that UNIDO should give more attention to assisting the country programming exercise currently underway. Another delegation stated that the country programming was a new and important factor and that UNIDO should take a more positive position towards countries in making concrete proposals. It further suggested that UNIDO should take a more active position vis-à-vis the Governments in making concrete proposals, particularly in order to increase the number of pilot plants as important instruments for the promotion of transfer of technology and training.

247. Several delegations stated that assistance should not be granted to countries whose policies were not in keeping with the principles of the United Nations, such as Israel, and expressed their displeasure that the planned volume of UNIDO assistance to Israel in 1972 was two-and-a-half times larger than that in 1971, despite the fact that Israel had disregarded the resolutions of the Security Council.

Fellowship programme

248. One delegation was gratified with the attention given by UNIDO to the programme of fellowships and expressed regret that only 70 per cent of the fellowships established had been utilized. It was suggested that UNIDO should exert greater efforts in improving the fellowships programme.

Second United Nations Development Decade

249. With regard to the review and appraisal of the progress of the Second United Nations Development Decade, one delegation suggested that UNIDO should undertake industrial sectoral reviews in 1975. The same delegation proposed to place on the agenda of the seventh session of the Industrial Development Board the item on the preparation of a sectoral review. It was further indicated that this delegation was in agreement with the suggestion to include in the industrial survey an evaluation of the review of progress achieved in specific industry sectors. On the other hand, another delegation expressed the view that such an evaluation should be undertaken every two years.

Assistance to the least developed countries

250. A number of delegations referred to the special measures for assistance to be provided by UNIDO to the least developed countries and urged UNIDO to devote particular attention to the subject in line with the suggestions contained in document ID/B/97 (Part I), paragraph 46.

251. One delegation expressed concern that little had been done by UNIDO in accelerating assistance to the least developed countries. The same delegation expressed the hope that UNIDO would work out the long-term programme for the least developed countries rather than continue to provide assistance on an ad hoc basis.

252. Another delegation urged UNIDO to review continuously its activities for the least developed countries and to explore ways and means of improving and evaluating the assistance provided by UNIDO.

Environment

253. The protection of the environment was recognized as an important aspect of industrial activity. One delegation welcomed a study prepared by UNIDO in this field, and suggested that dissemination of information be undertaken by the organization in this vital area. On the other hand, other delegations questioned the need for UNIDO to give attention to the problems of environment, stating that developing countries had more pressing needs. UNIDO's concern should be to keep abreast of work in this field carried on by the competent United Nations organs, especially the United Nations Conference on Human Environment (UNCHE), to assist in the transfer of pollution control technology to developing countries and in the shifting of selected polluting industries from developed countries to developing countries that wished to accept them. They stated that the sovereign prerogative of Governments to decide the stages and parameters of pollution applicable to their own industries and the comparative advantages of developing countries with relatively pollution-free industry should be recognized. One delegation, supported by a number of other delegations, stated that one should not prejudge the results of the forthcoming United Nations Conference on Human Environment since it was not yet clear how that Conference would proceed and whether or not it would be truly international if it did not comply with the principle of universality and many countries failed to take part in it.

Role of UNIDO in co-ordination of United Nations activities in industrial development

254. Many delegations expressed disappointment over the inadequate extent to which UNIDO had been able to perform its important role as the principal co-ordinator of all industrial activity in the United Nations system. They felt that the very reason for creating the organization was to have a central organization that would be able to consider, in an integrated manner, the complex problems of industrial development in developing countries, to evolve a basic strategy and to set objectives for the purpose, so that the programmes of not only UNIDO but of all organizations in the United Nations system would lead to fulfilment, and that all industrial activities in the United Nations system would be in step. One delegation expressed satisfaction that there had been improvement in co-ordination at the project level, but other delegations pointed out the need for UNIDO to set out procedures which would enable it to discharge this function more effectively. They requested that information be obtained and provided on a continuous basis regarding all industrial activity in the United Nations system, so that the Industrial Development Board could inform itself adequately on this matter and be in a position to suggest measures for improving the pace and direction of the whole field of industrial activity on a global basis. Concern was expressed that UNIDO's share of UNDP funds in the field of industry was only about 16 per cent. The difficulties encountered by UNIDO with regard to co-ordination responsibilities, as outlined in paragraph 3 of document ID/B/97 (Part I), were pointed out as was the need to co-ordinate multilateral and bilateral aid. Agreement was expressed with paragraph 9 of the same document regarding the need for closer co-operation between UNDP and UNIDO. One delegation stated that since UNIDO, in the execution of its co-ordinating function, was hampered by the decisions of the UNDP, it would have to be established as a specialized agency if it were to discharge effectively its function in co-ordination.

255. One delegation noted the need to co-ordinate multilateral and bilateral aid at the country level. The same delegation agreed with the statement made in paragraph 9 of document ID/B/97 (Part I) that co-ordination could not be realized without close consultation between UNDP and UNIDO.

Evaluation of selected activities of UNIDO

256. Several delegations commended the reports prepared by UNIDO on evaluation, contained in documents ID/B/98 and Add.1-5, as the first step in this difficult field. One delegation, while welcoming the first efforts in this respect, stated that the quality of the reports was uneven, but this was not surprising in view of the difficulties involved. Some of the country reports were mainly descriptions of UNIDO's activities, although others contained a closer examination of problems of implementation and provided some insight into results achieved. Noting that these reports were examples of self-evaluation, it was recommended by several delegations that in the future a judicious mixture of internal and external evaluation should be adopted. A large amount of methodology existed inside and outside the United Nations family, and one delegation offered to make available to the secretariat the experience and assistance of the evaluation unit of its country's international development agency.

257. Another delegation commented that the country evaluations gave descriptions of the various stages and aspects of the different projects but this was only one step on the difficult road of programme appraisal; the reports still did not contain sufficient material that could be considered as evaluation in the proper sense. This delegation felt that the evaluation reports should contain more reference to the broader impact of the projects on the economy of the countries concerned.

Publications

258. One delegation commended the secretariat for its efforts to improve the management of its publications programme and suggested that it should give continuing attention to the substantive contents of the publication, potential usefulness and over-all presentation, with the assistance of out-of-house review by technical experts. The same delegation inquired to what extent the guidelines proposed in document ID/B/98/Add.5 for the control of publications were being put into effect. Another delegation stated that a large part of the publications were concerned with meetings held two years before the publication appeared and were, therefore, of limited interest. This delegation suggested that such publications should be issued in simpler form and distributed as soon as possible after the meetings. It would

also be useful if the secretariat could provide in the work programme a summary of the results of expert group meetings held during the year. The same delegation drew attention to the comments on UNIDO's publication programme contained in the report of the Joint Inspection Unit and suggested that the secretariat should formulate a policy on its publications programme.

Special Industrial Services programme

259. Many delegations referred to the SIS programme and emphasized their continued support for it as a dynamic and flexible instrument of assistance particularly suited for specific and unforeseen needs in the field of industry.

260. Several delegations stressed their concern regarding the uncertainty about the future of this programme, as indicated by the Executive Director in his statement of 16 May 1972 to the Working Group, despite recommendations made by the Ad Hoc Committee on Co-operation between UNDP and UNIDO, and despite the statement of the Chairman of this Committee on the positive attitude of co-operation that had prevailed during the meeting of the Committee. They expressed disappointment that after a clear consensus, reached in an intergovernmental committee at which the UNDP was fully represented, the guidelines drafted by the UNDP for the SIS programme did not vary from the UNDP circular of 30 December 1971 on the same subject, which they understood was definitely to be over-ruled. They pointed out that those guidelines for the SIS programme did not reflect the necessary flexibility which this Ad Hoc Committee, during its meeting in March 1972, considered so important and necessary if the SIS programme was to continue as an effective measure of assisting the developing countries in their industrial development. Reference was made to the effective reductions in the approval of SIS projects by the amount of \$200,000 per month, or by \$1,000,000 to date, as a consequence of the issuance of the memorandum of 30 December 1971 of the UNDP Administrator. This was considered a serious set-back to the whole thrust of industrial development. The immediate revocation of the memorandum was urged by several delegations, not only because of the demonstrated damage it had done to industrial development in developing countries, but also because it was issued without prior agreement from UNIDO. This procedure was considered particularly inappropriate by them as the circular was issued after the General Assembly resolution 2823 (XXVI), which had given a mandate for both UNDP and UNIDO to collaborate in the establishment of all guidelines concerning the utilization of SIS funds.

261. Several delegations stressed the need to increase the resources for SIS activities. Hope was expressed that the Governing Council of UNDP at its next session in June 1972, in line with IDB resolution 30 (V) which the Council had not yet taken into account, would substantially increase the resources allocated to the SIS programme. It was strongly felt by many delegations that the SIS resources should be entrusted to UNIDO directly and, particularly, that the availability of such resources for meeting urgent needs in the field of industrial development should not be diluted by altering the well-established situation of its central and effective administration by UNIDO under the financial supervision of UNDP. Emphasis was also placed on the need to apply simple procedures for the review, approval and implementation of SIS projects that were required by the nature of the programme. One delegation suggested that the approval of SIS projects be left entirely to UNIDO. Some delegations referred to the need for improving and strengthening the implementation procedures of the programme through subcontracting arrangements while others favoured individual experts.

262. While supporting the continuation of the SIS programme to enable flexible response to requirements for urgent assistance in the industrial sector, some delegations indicated that they would comment further on this subject during the forthcoming session of the Industrial Development Board.

Regular programme of technical assistance

263. Several delegations made brief reference to the UNIDO regular programme of technical assistance. Satisfaction was expressed at the full utilization of the resources of the programme, amounting to \$1.5 million, and at the increased use of these resources at the country level.

264. It was generally felt that the programme was most suited to assist developing countries in the transfer of technology in advanced industrial fields, particularly through training activities. It was also noted with appreciation by some delegations that resources which should be increased were devoted for consultation with Governments of developing countries for the programming of their technical assistance activities, a procedure that would prove most useful within the framework

of the Second United Nations Development Decade. Similarly, some delegations supported the allocation of resources for the development of new types of activities in the industrial field, in line with the recommendations of the Special International Conference of UNIDO.

UNIDO General Trust Fund

265. One delegation mentioned that 72.8 per cent of the UNIDO General Trust Fund resources had been committed; however, there had been undue concentration on certain regions and on certain groups of countries. It was noted by several delegations that, except for one country, no projects under the UNIDO General Trust Fund had been formulated for the region of Latin America or for the member countries of the Association of South East Asian Nations (ASEAN). The same delegations recommended a more equitable distribution of projects financed by UNIDO under the General Trust Fund among the various regions. Other delegations endorsed this statement. One delegation commented that the voluntary contributions were being effectively used to carry out training programmes, workshops, seminars, symposia, research, supply of equipment and workshops for maintenance and repair. Black sand projects were an example of UNIDO's activities in promotion.

Financial restraints

266. Several delegations regretted the constraints placed on the growth of UNIDO's activities by the inadequacy of resources, budgetary restraints and the uncertainty resulting from changes in the administration of the SIS programme. Particular concern was expressed at the adverse effect of the limitations resulting from UNDP's curtailment of allocations for intercountry projects, although one delegation noted that the UNDP action was presumably also motivated by a desire to maximize allocations to country programmes. Other delegations deplored the extent to which UNIDO was dependent for the financing of its operational activities on outside sources whose decisions were independent of those taken by the Industrial Development Board.

267. Several delegations expressed the view that the financial constraints were unjustified in the face of prevailing affluence in the developed world. Those delegations felt the inadequacy of resources was due to insufficient concern on

the part of some developed countries with the problems of industrial development in developing countries and their lack of will to contribute towards the objective recommended in paragraph 42 of the International Strategy for the Second United Nations Development Decade (General Assembly resolution 2026 (XXV)), namely that each developed country should contribute one per cent of its Gross National Product to development assistance. One delegation, supported by others, expressed concern regarding certain trends towards further reduction of contributions which would result in substantially decreasing the resources available to the United Nations system and consequently aggravate further the constraints of the financial resources available for industrial development. When discussing the report of the Working Group, one delegation supported by other delegations, recalled that the position of the Socialist countries on this matter was expounded when the General Assembly of the United Nations, at its twenty-fifth session, adopted the resolution on development strategy for the Second United Nations Development Decade.

268. Concern was also expressed by several delegations regarding the fact that part of the resources of UNIDO's regular budget was needed to backstop operational activities financed by UNDP. This was at the cost of a reduction of the staff time and resources devoted to supporting activities which, according to a number of delegations, was considered to be of particular importance in determining UNIDO's long-term impact on industrial development. In this connexion, however, one delegation expressed the view that, if UNIDO was faced with a choice between implementing field projects properly and expeditiously on the one hand, and supporting activities on the other hand, field projects should be given priority. One delegation deplored that, as a result of the prevailing currency situation, inflated costs at headquarters largely absorbed the small increases in the budget of the organization, leaving practically no resources for the expansion of UNIDO headquarters work. In connexion with the inclusion in the agenda of the item relating to the 1967 International Symposium on Industrial Development (document ID/B/107), one delegation stated that since the Symposium, which had been held five years before, an event had taken place which was more important in the life of UNIDO, namely, the Special International Conference of UNIDO; the

Conference had taken decisions which were very important for the future activities of the organization and which had been endorsed by the Economic and Social Council and by the General Assembly at its twenty-sixth session; UNIDO's main task was to take steps to implement those decisions rather than the superseded decisions of the Symposium.

Summary review of UNIDO activities in 1971

269. At its 16th meeting, the Working Group noted the summary review of UNIDO activities in 1971 (document ID/B/L.109/Add.1) which was prepared in accordance with General Assembly resolution 2407 (XXIII) and was to be submitted for the consideration of the Board together with the report of the Working Group.

Ad hoc sub-group on documentation

270. At the same meeting the Working Group decided that the conclusions adopted by the ad hoc sub-group on documentation (document ID/B/L.111) would be submitted to the Board for its consideration.



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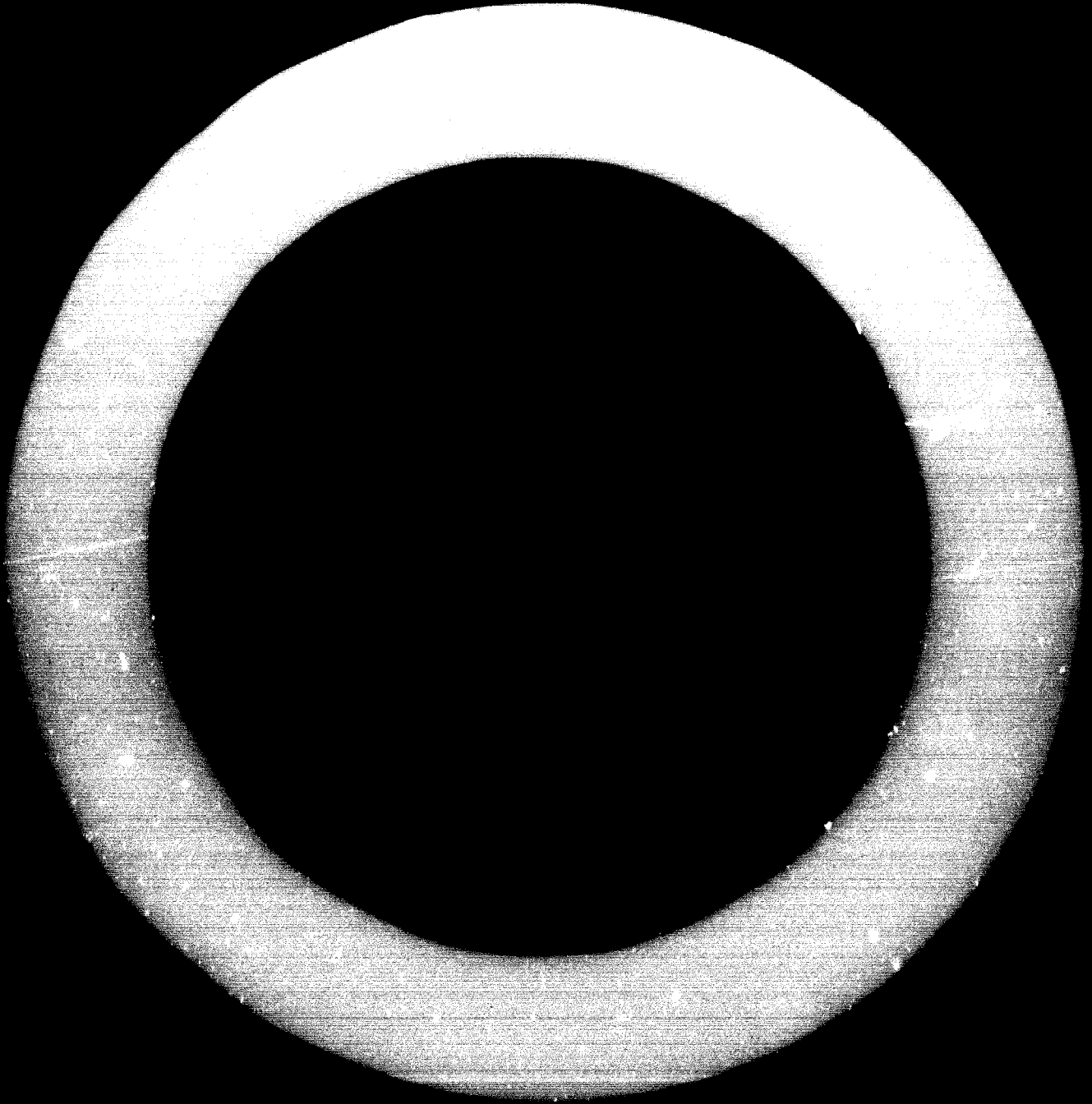
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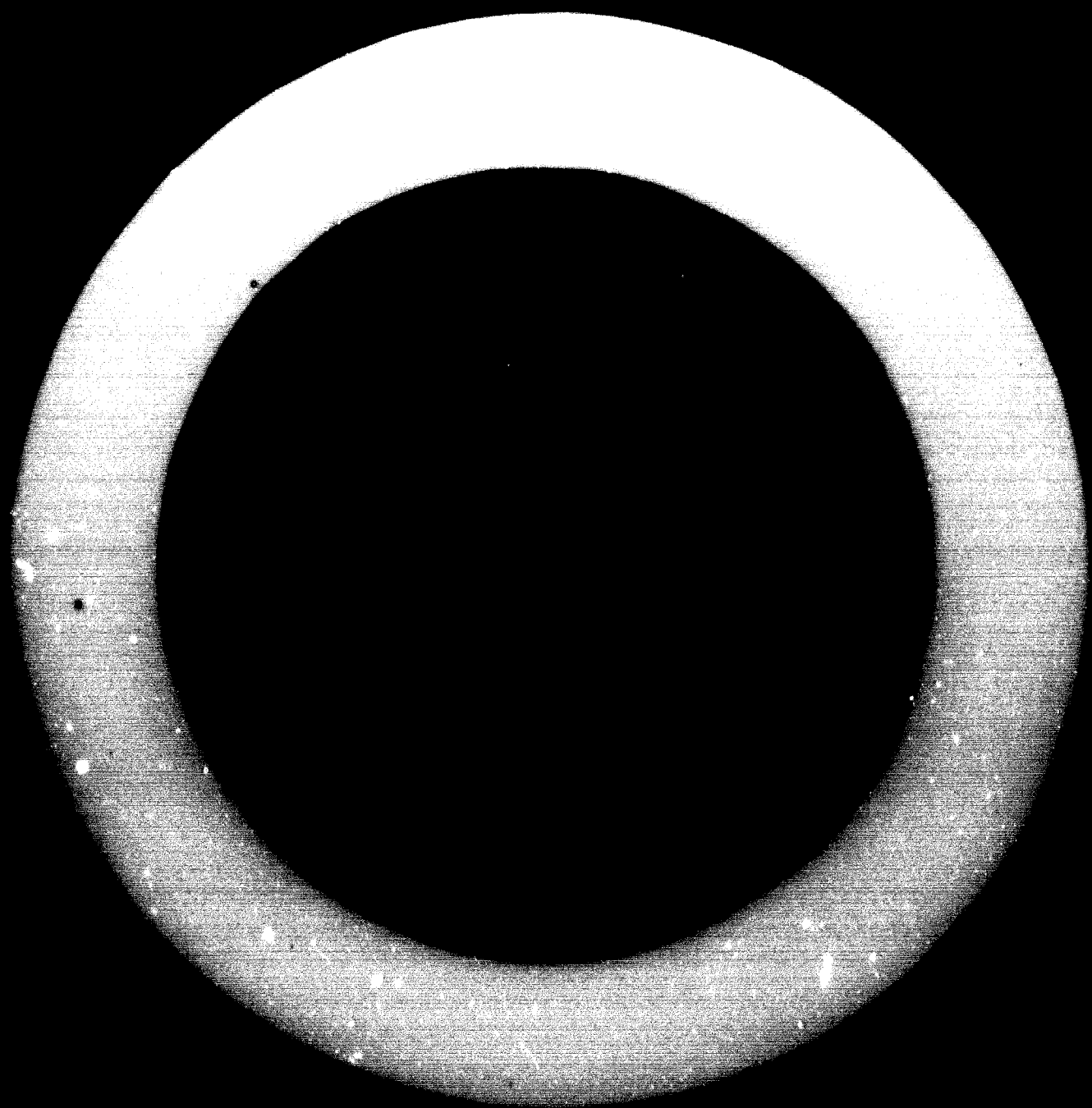
SUMMARY REVIEW OF UNIDO ACTIVITIES

IN 1971 ✓

✓ This document, prepared in accordance with General Assembly resolution 2407 (XXIII), is issued as an addendum to the report of the Working Group and is submitted for the consideration of the Board together with the report of the Working Group (document ID/B/L.109)

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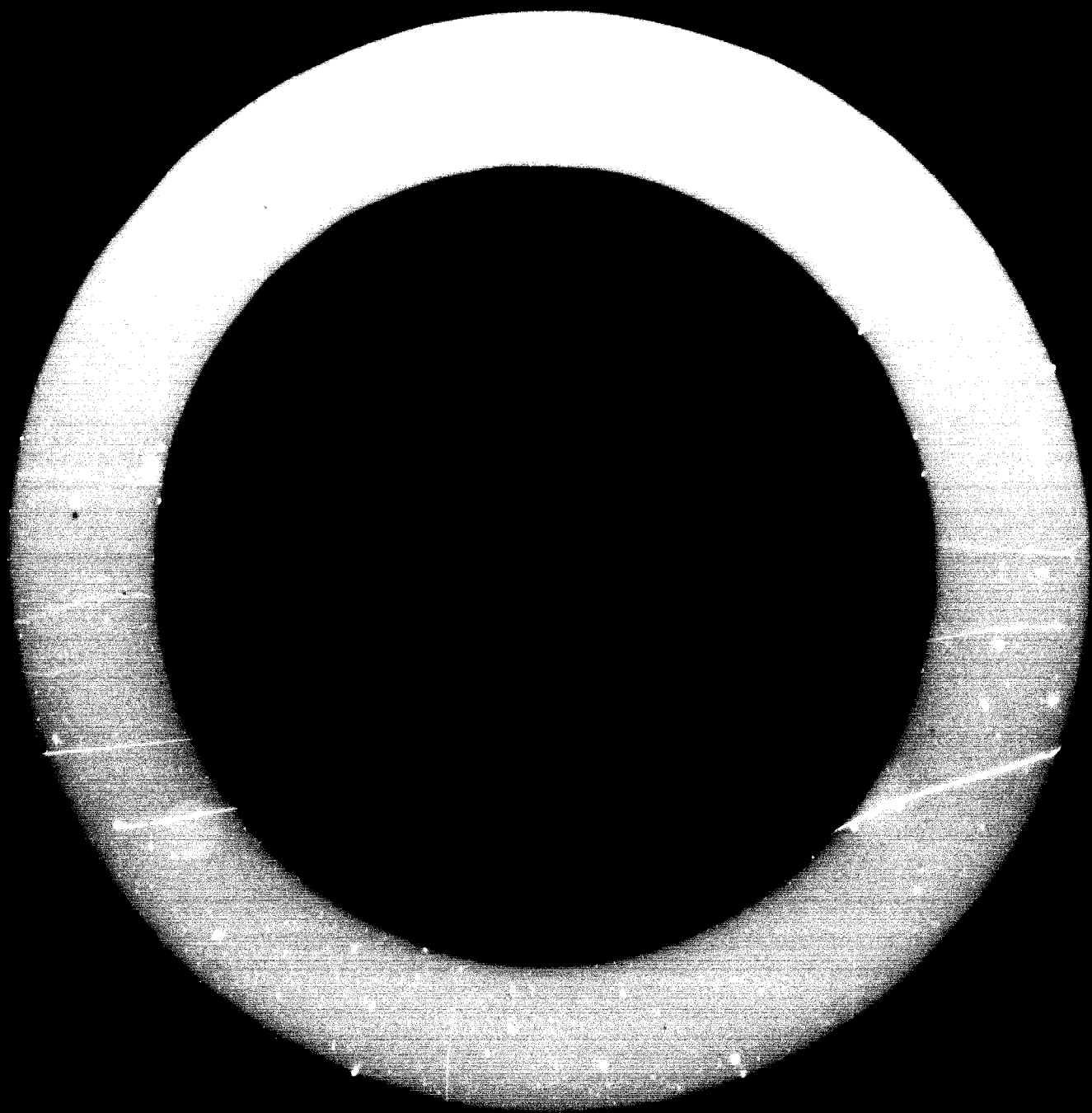


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INTRODUCTION

1. The General Assembly, in resolution 2407 (XXIII), requested the Industrial Development Board to "include in its future reports a summary of the activities of the United Nations Industrial Development Organization for the previous year".
2. Information on the activities of the organization in 1971 is contained, in particular, in documents ID/B/97 Part I, Part II and Add. 1-2 and Part III, ID/B/102 and ID/B/105 submitted to the Board at its sixth session.
3. The summary of UNIDO activities for 1971 consists of three parts: field activities; supporting activities and other activities of the organization.

PART ONE: FIELD ACTIVITIES

4. The summary of UNIDO activities in this area is set forth by programmes, by regions and by fields of activities, and is followed by the Industrial Development Field Adviser programme.

Summary review by programmes

5. The operational activities of UNIDO include projects financed from the United Nations Development Programme Special Fund (UNDP/SF) and Technical Assistance (UNDP/TA) components, from the Special Industrial Services (SIS), from the UNIDO regular programme (RP) of technical assistance from the UNIDO General Trust Fund (GTF) and from Funds in Trust (FIT). In 1971, the resources available under the different programmes amounted to \$27.5 million and the commitments to \$17 million. Table 1 below gives a breakdown of resources and expenditures according to programmes.

Table 1

Resources available and expenditures under the
various programmes in 1971
(in millions of US dollars)

	<u>Resources</u>	<u>1971</u>	<u>Expenditures</u>
RP	1.5		1.5
UNDP/TA	4.5		3.0
UNDP/SF	12.5		6.7
SIS	6.0		4.4
GTF	2.5		0.8
FIT	0.5		0.6
	<u>27.5</u>		<u>17.0</u>

Summary review by regions

6. The magnitude and nature of technical assistance extended to countries of the regions differed in accordance with the stage of development and the expressed needs of the countries. In 1971, Africa received 34.3 per cent of UNIDO's technical assistance; Asia and the Far East, 19.9 per cent; the Americas, 18.8 per cent; and Europe and the Middle East, 16.6 per cent. Of the operational expenditures, 10.4 per cent was devoted to interregional projects.

7. The status of commitments in 1971 by regions is shown in table 2 below.

Table 2

Status of expenditures in 1971 for technical co-operation activities of UNIDO, by regions
(in thousands US dollars)

	<u>Regular Programme</u>	<u>UNDP/TA</u>	<u>UNDP/SF</u>	<u>Special Industrial Services</u>	<u>Funds-in-Trust</u>	<u>UNIDO General Trust Fund</u>
<u>Africa</u>						
Country projects	269.0	640.6	2,783.6	1,288.5	241.3	132.6
Regional projects	<u>71.7</u>	<u>124.9</u>	<u>138.9</u>	<u>126.7</u>		<u>4.4</u>
Total	<u>340.7</u>	<u>765.5</u>	<u>2,922.5</u>	<u>1,415.2</u>	<u>241.3</u>	<u>137.0</u>
<u>The Americas</u>						
Country projects	121.3	592.6	1,141.4	1,035.7	71.7	-
Regional projects	<u>111.7</u>	<u>95.3</u>	<u>1,141.4</u>	<u>30.5</u>	<u>71.7</u>	<u>-</u>
Total	<u>233.0</u>	<u>687.9</u>	<u>1,141.4</u>	<u>1,066.2</u>	<u>71.7</u>	<u>-</u>
<u>Asia and the Far East</u>						
Country projects	201.0	648.4	1,546.0	803.8	75.0	(58.0) ^{a/}
Regional projects	<u>79.7</u>	<u>85.2</u>	<u>1,546.0</u>	<u>2.9</u>	<u>75.0</u>	<u>(-)</u> ^{a/}
Total	<u>280.7</u>	<u>733.6</u>	<u>1,546.0</u>	<u>813.7</u>	<u>75.0</u>	<u>(58.0)</u> ^{a/}
<u>Europe and the Middle East</u>						
Country projects	180.2	409.1	1,003.6	1,058.4	109.5	1.2
Regional projects	<u>14.3</u>	<u>22.7</u>	<u>21.5</u>	<u>2.2</u>		
Total	<u>194.5</u>	<u>431.8</u>	<u>1,025.1</u>	<u>1,060.6</u>	<u>109.5</u>	<u>1.2</u>
<u>Interregional</u>	451.1	424.3	36.3	79.2	42.5	702.1
GRAND 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>

^{a/} Adjustment in respect of prior years.

Summary review by field of activities

8. The activities undertaken by UNIDO in the field of metalworking industries in 1971 included assistance in design of end products, solving of production problems, organizing material testing and in-plant inspection and advising on allied problems of marketing and cost accounting. The assistance rendered covered such items as steel structures, metal containers, wire products, chains, padlocks and similar household items and hardware essential to daily life. UNIDO has been engaged in the implementation of several major projects such as metalworking industries development centres and demonstration workshops, which will become the nuclei of the development of the metalworking industries in the given developing countries.
9. The activities of UNIDO in the field of automotive industries, which covers the assembly of passenger and commercial vehicles and its parts, have been concentrated on the over-all planning of the industry through the preparation of feasibility studies on the establishment and development of automotive assembly plants and ancillary industries. Other activities are concerned with providing assistance in solving production problems in the automotive industry, drafting appropriate industrial legislation and planning regional co-operation.
10. With regard to other transportation equipment, UNIDO has carried out projects involving over-all planning, feasibility studies, design and research, production, testing, quality control, standardization, maintenance and operation. Through such projects, UNIDO has been promoting in developing countries the manufacture and repair of ships and boats, railway equipment, diesel engines, bicycles and mopeds.
11. Considerable interest has been expressed by industrializing countries in the development of electrical power. UNIDO has carried out a number of projects on the design and production of electrical distribution equipment, particularly transformers, cables and insulators, all of which are essential for the expansion of national electrical networks.
12. UNIDO continued to help the developing countries to solve the manifold problems of maintenance and repair through field projects that fall into four categories: (a) exploratory missions to survey and determine requirements for the improvement of maintenance and repair facilities; (b) development and strengthening of maintenance and repair services at enterprise and country levels; (c) establishment of stationary or mobile maintenance and repair centres together with extension services; and (d) organization and management of maintenance and repair facilities. These projects are continuing activities which will grow with the expansion of industry.

13. In the field of electrical and electronic industries, UNIDO completed in 1971 several projects aiming at improving the production of radio receivers and strengthening the design capabilities needed to keep abreast of the development of new circuits and components.

14. In the field of metallurgical industries the establishment, expansion and improvement of iron and steel plants continue to be the subjects of numerous requests submitted to UNIDO. In 1971, UNIDO completed a comprehensive study that is to serve as a basis for planning the long-term development of the Peruvian iron and steel industry. UNIDO is also preparing for the Brazilian Government a comprehensive study on the implications of technological innovations for the long-term planning of the country's rapidly expanding iron and steel industry.

15. UNIDO is carrying out, with the co-operation of ECAFE, a regional feasibility study for the ferro-alloy industry in the Mekong countries (the Khmer Republic, Laos, the Republic of Viet-Nam and Thailand). In 1971, preliminary assistance in the long-term planning of the Thai steel industry was provided by UNIDO, and a pre-feasibility study on the establishment of a small-scale re-rolling mill was prepared for the Government of Togo. Similar assistance is being provided to Qatar in assessing the possibilities of setting up a steel rolling mill. Technical assistance has been provided to the Syrian Arab Republic in planning its iron and steel industry, and a pre-feasibility study on iron and steel industry development is being carried out by UNIDO at the request of the Mali Government. UNIDO is providing technical assistance to the Ghana Industrial Holding Corporation, with the aim of increasing the short- and long-term profitability of the existing steel works. Experts were provided to the steel industry of Yugoslavia to assist in increasing productivity and improving quality at the Zenica steel plant.

16. UNIDO has been requested to assist the Government of Egypt in a comprehensive programme of technical assistance in the iron and steel sector: the pilot plant tests with Aswan iron ores, carried out in 1971, are to be followed by a feasibility study for the establishment of an integrated steel plant.

17. During the last two years, increasing interest has been shown by developing countries in technical assistance projects for establishing and strengthening their foundry industries. In 1971, projects in this area included the supply of expertise

for improving existing foundries in Argentina, Egypt, Haiti, Iran, Iraq, Mali, the People's Democratic Republic of Yemen and Thailand, and for the establishment of demonstration or prototype foundry shops in Senegal and Togo.

18. With regard to heavy non-ferrous metals, UNIDO carried out a study on the demand assessment of copper and its alloys in Iran. Technical assistance for production metallurgy of copper is being provided to Chile, through a UNDP/SF project, and to India, through an SIS project. Expertise was provided to the Government of Iran to assess the possibility of establishing lead and zinc industries.

19. In the field of construction and building materials industry, the Central African Republic, Dehomey, Mauritius, the Niger and Nigeria received assistance in evaluating new projects in cement making, in expanding production and in improving manufacturing methods. Assistance was also given to Turkey in the quarrying of raw materials and in improving maintenance of cement plant machinery.

20. Among the operational activities related to heavy clay building materials was the assistance given to the Government of Fiji in evaluating raw materials and markets for the establishment of a clay-based building materials industry in the Fiji Islands.

21. The Government of Uganda is receiving assistance from UNIDO in the production of dinnerware and in the design and erection of a new plant for expanded production of other fine ceramics products for which there is a market in the neighbouring countries. Technical assistance is being given to the Ghanaian Government in improving the efficiency of its bottle-making plant and in carrying out a feasibility study on the manufacture of flat glass products.

22. UNIDO has assisted the Government of Egypt in planning an applied research centre for its growing refractories industry. The feasibility of refractories manufacture and of the industrial exploitation of the graphite industry has also been the subject of an assistance project for the Government of Caylen.

23. In Bolivia, a major programme on the asbestos industry has now entered the phase of construction of an experimental plant for the beneficiation of asbestos ore. Technical assistance is being given to the asbestos-cement industries of several countries including Bolivia, the Syrian Arab Republic and the Sudan.

24. In the field of chemical industry, UNIDO carried out a wide range of projects concerned with the improvement of production techniques for chemicals; among the subjects dealt with were soap production, sulphuric acid, cellophane film and the utilization of peat. Assistance was being provided by UNIDO in the planning of chemical industries in Brazil, Cuba, Jamaica and Morocco.
25. UNIDO assistance to the pharmaceutical industry in developing countries was given primarily in the form of feasibility studies on technical and economical aspects of proposed production. In 1971, UNIDO carried out technical assistance projects in this field in Mauritius.
26. There has been a steady growth in projects being undertaken by UNIDO in the pulp and paper industry. Assistance has been given to solving production problems and in the development of plans for initiation or expansion of industries, especially those that utilize non-traditional raw material sources. Assistance was also given to several countries in establishing the bases for applied research institutes.
27. In the field of fertilizer, pesticide and petrochemical industries among the types of activities carried out by UNIDO are identification of investment opportunities, market and pre-feasibility studies, trouble-shooting, assistance in preparation and evaluation of tenders and assistance in supervision of plant construction and initial operation.
28. A UNDP/SF project in Pakistan - pre-investment studies for the promotion of the fertilizer and petrochemical industries - was concluded in 1971. A project carried out jointly with FAO in Togo has been re-examined in the light of market information obtained by FAO. A new proposal has been formulated for developing in Togo a fertilizer industry that would be more compatible with the market. In Ethiopia, a study is being initiated in co-operation with FAO to determine the scope for the establishment of fertilizer bulk blending plants and pesticide formulation plants. In 1971, with the assistance of UNIDO, the construction in Rwanda of a demonstration plant was completed; in the plant pyrethrins are extracted from pyrethrum flowers as the active ingredient for use in safe insecticide formulations.
29. In the petrochemical field, marketing and feasibility studies were completed at the request of Peru and Trinidad and Tobago. A similar study is being undertaken in Indonesia. UNIDO will assist Peru from the planning stage to the execution of the Lima-Callabo petrochemical complex.

30. In the field of light industries UNIDO continued endeavours to promote the proper utilization of local natural resources.
31. A project was initiated in Mongolia for the establishment of an experimental demonstration plant for the processing of cashmere and camel hair.
32. A survey of the sugar industry in Jamaica was completed in 1971 and a mission was sent to Cuba to assess the current situation and to formulate future technical assistance to ICIDCA and UEPN institutions dealing with the sugar and sugar by-products industry.
33. Two UNIDO missions visited Brazil and Nigeria to study the adaption of a process for enhancing the protein quality of cassava. From these missions, specific recommendations emanated for the large-scale development of protein-enriched materials.
34. UNIDO is currently assisting in the establishment of modern feedstuffs factories in Rwanda, Swaziland and the United Republic of Tanzania. Markets in the highly specialized animal food area have also been identified by UNIDO experts working on re-organization and capacity improvement of the fish-protein concentrate plant in Morocco.
35. The feasibility study for the establishment of a vertically integrated wood processing complex in Cyprus was completed in 1971. Similar steps towards integration on a lesser scale are being made in other countries, and negotiations continue with regard to the co-operative programme between Czechoslovakia and the Sudan for the sectoral development of the wood industry in the Sudan.
36. The applied research and experimental centre for the leather and leather goods industry in Mongolia is already an operational project. UNIDO continues to provide assistance as an associated agency to the FAO executed UNDP/SF project in Turkey for a central research and training institute for hides, skins and leather.
37. In the rubber products sector, a UNIDO expert completed a feasibility study for the establishment in Rwanda of a factory for the reconditioning of rubber tires.
38. In the field of human environment, UNIDO has implemented projects in the following areas: investigations and studies of air and water pollution (Poland and Thailand); development of guidelines for the location of particular industries within certain regions, so as to guard against the over-concentration of polluting industries within these regions (Mauritius); development of suitable processes and technologies for pollution abatement and the recovery of valuable materials from wastes and pollutants (Yugoslavia) and the provision of technical aid and research in environmental engineering (Colombia).

39. In the field of industrial institutions, UNIDO provided assistance involving experts, equipment and fellowships to industrial research institutes in Colombia, Israel, the Libyan Arab Republic, Malaysia, Paraguay, the Sudan, Thailand and Trinidad and Tobago.
40. Assistance is also provided by UNIDO in the evaluation of research institutes, including recommendations for improving their operations, and in the establishment of a mechanism for internal review and formulation of programmes beneficial to industries. Such assistance is either planned or being provided in Brazil, Ceylon, Chile, Indonesia, Iraq, Pakistan, the Philippines, the Republic of Korea, Senegal and Venezuela.
41. UNIDO is assisting the Arab Organization for Standardization and Metrology (ASMO) to undertake activities aimed at the upgrading of the professional skills of national Arab countries. The East African Community has requested the assistance of UNIDO in setting up an East African standards institution. This project would include the establishment of national standards bodies in each of the three partner States (Kenya, Uganda and the United Republic of Tanzania) as well as the creation of a central metrology laboratory.
42. UNIDO has also undertaken a number of exploratory projects with a view to advising on requirements and action for the establishment of national standardization bodies.
43. The operational projects being carried out in the field of industrial information by UNIDO include several types of assistance, such as experts to assist in the establishment of national industrial information facilities (in Bulgaria, Iran, Saudi Arabia, the Syrian Arab Republic and Thailand) or in the establishment of regional information centres (for the Industrial Development Centre for Arab States (IDCAS) and the Common Afro-Malagasy-Mauritian Organization (OCAM); supply of equipment for regional industrial information centres (for IDCAS and the Regional Co-operation for Development (RCD) Group), and training programmes for industrial information officers, including fellowships, seminars and training courses.
- There are many projects in various stages of preparation, such as: a regional centre for industrial information for the Andean Group (Acuerdo de Cartagena); regional services for industrial information, initiated by the Permanent Secretariat of the General Treaty of Central American Economic Integration (SIECA); expert assistance (under recruitment) for an industrial documentation centre in Argentina; expert assistance (under recruitment)

for information field liaison service in Brazil and Mexico; a national information centre for the high polymer and allied industries in India; and an industrial information and documentation centre in Turkey.

45. In the field of industrial management, UNIDO assisted several countries in the training of high level consultants who will, in turn, develop and train further consulting personnel within their respective countries. Ecuador, the United Republic of Tanzania and Yugoslavia are but a few of the developing countries that have been recipients of UNIDO's short-term consulting services.

46. UNIDO implemented several projects of the corporate planning type for government holding corporations, e.g. in Ghana, Jamaica and Uganda.

47. The number of management clinics conducted by UNIDO increased from one in 1970 to four in 1971. The management clinics held in 1971 covered a wide scope of industries including leather, wool worsted and furniture.

48. Another dimension of UNIDO's operational activities in this field is the development of professional relationships and management programmes with various international business and professional organizations. Specifically, the International Council for Scientific Management (CIOS) has expressed a willingness to work more closely with UNIDO in the management field, and plans are underway to finalize details concerning priority areas and types of joint management programmes.

49. In 1971 the assistance of UNIDO was sought in the strengthening of several institutions for the promotion of small-scale industries such as: the Institute for Small Industries at the University of the Philippines; the Small Industry Service Institute, started by ILO in Thailand; the Medium Industry Bank in the Republic of Korea, which is being assisted by ILO, with the co-operation of UNIDO, to provide extension services to small- and medium-scale industries; the Malaysian Industrial Development Finance Board, which, with the assistance of ILO and UNIDO, is seeking to create an advisory service for small-scale industries; the Organization for Small-Scale Industries and Industrial Estates of Iran, which promotes small industries on a country-wide basis; the Industrial Development Centre (CEDIN) in Feira de Santana, Brazil, etc.

50. The operational projects in Asia and Europe and the Middle East have shown progress. In Iran, the second phase of the industrial estate at Ahwaz has been completed; in Salonika (Greece), the planning of the industrial estate has been completed with the assistance of a team of consultants. In Turkey, plans for the industrial estate of Gaziantep were ready by mid-1971 and it was expected that the estate would become operational by mid-1973.

11. In Latin America, requests for assistance have been concerned primarily with the planning and establishment of industrial estates. In 1971, several countries in Latin America also asked for UNIDO assistance to existing organizations or for help in creating new institutions to provide technical and managerial advice to small-scale industries. UNIDO assisted the Industrial Development Corporation, Trinidad and Tobago, to set up an industrial liaison and extension service for small-scale industries.

12. In Africa, the activities of UNIDO in this field have been concentrated in the less developed countries south of the Sahara. At the end of 1971, 50 expert posts were established in the small-scale industry fields in no less than 24 countries of Africa, both French- and English-speaking. The main activities of the experts relate to feasibility and pre-investment studies, technical and managerial assistance, establishment of industrial extension centres and of industrial estates, and financing of small-scale industry. Among the extension centres to which UNIDO assistance is being given are the Office de promotion de l'entreprise ivoirienne (OPEI) in the Ivory Coast, the Office de promotion de l'entreprise voltaïque (OPEV) in the Upper Volta, the Société Nationale d'études et de promotion industrielles (SONEPI) in Senegal, the Centre National de promotion des petites et moyennes entreprises in Togo, Promagabon in Gabon, etc.

13. The in-plant group training programmes carried out by UNIDO are divided into two categories: sectoral programmes covering specific branches of industry, and functional programmes related to cross-industry problems. In 1971 UNIDO carried out ten sectoral in-plant group training programmes; in addition, five functional programmes have been implemented; in total fifteen in-plant group training programmes were organized by UNIDO in close co-operation with host governments, institutions and industrial enterprises. Table 3 below gives a list of the in-plant training courses held in 1971.

14. In the field of industrial training, UNIDO had four approved UNDP/SF projects within the scope of its in-plant group training programmes. In addition, one UNDP/SF project, which was operational in Turkey, was oriented towards assisting the country to establish, at the national level, programmes for pre-employment training of new graduate engineers.

15. Individual training programmes carried out through fellowships are increasing continually. In 1971, approximately 500 fellowships were awarded to nationals from developing countries.

16. UNIDO continued to carry out the series of seminars on the operations of UNIDO financed from the Swiss voluntary contribution. In 1971, three seminars were held on the operations of UNIDO. The first regional seminar on UNIDO operations which took place in Dakar, Senegal, was organized for participants from the French-speaking countries of West Africa.

Table 3

In-plant training courses held during 1971

<u>Training sector</u>	<u>Country</u>
Electrical industry	Sweden
Food processing (I)	United Kingdom
Food processing (II)	India
Industrial information	Union of Soviet Socialist Republics
Iron and steel	Union of Soviet Socialist Republics
Maintenance - transportation equipment	Federal Republic of Germany
Management of maintenance and repair	Italy
Management of maintenance systems	Sweden
Mechanical industry	Japan
Metalworking industry	Union of Soviet Socialist Republics
Pesticides	United States of America
Plastics technology	Austria
Pulp and paper	Sweden
Standardization	Union of Soviet Socialist Republics
Textile industry	Poland

57. In the field of industrial programming and policies, assistance was provided along the following lines: development of data bases for industrial programming and implementation; formulation of national (and regional) industrial development strategies and programmes; formulation of policy measures related to industry; formulation of investment criteria; selection of priority industries and projects; preparation of criteria for, and advice on, location of industrial projects; preparation of feasibility studies; evaluation of a project's social profitability; long-term considerations related to industrial development and progress appraisal of the industrial sector; and assistance during the early stages of project implementation in such matters as tendering and contracting. Industrial policies have increasingly become an integral element of most country requests. Developing countries were particularly

interested in receiving advice on the effects of tariffs, import controls and investment incentives on the promotion of industrial development. There was also a growing interest in the type of policies needed to improve the performance of industries operating under public ownership and to stimulate industries in the private sector to increase their efficiency through industrial mergers, etc. The number of requests entailing a multi-disciplinary and integrated approach has increased considerably. Projects dealing with national machinery for planning policies and implementation have also required a more prominent place within the work programme of UNIDO.

58. In the field of industrial financing, UNIDO contributed to the establishment of the Gambian Commercial and Development Bank, which is now operating in its initial phase with the support of two UNIDO experts.

59. Short- and long-term advisory functions are performed by experts who are attached to national industrial financing institutions. Experts were supplied to assist in the organization or re-organization of institutions for industrial finance. UNIDO has also supplied experts to the Gambia and Swaziland to serve as executives rather than as advisers.

60. Several developing countries have requested the assistance of UNIDO to enable them to meet the financial requirements of specific industrial sectors.

61. Over the long-term, the principal service rendered by UNIDO in this field is assistance in the training of local personnel for the numerous tasks involved in financing industrial development.

62. Subregional and national programmes in the field of financial analysis and planning and industrial banking techniques have been organized in Southeast Asia and in various subregions of Africa.

63. In the field of industrial investment promotion, technical assistance was provided by UNIDO at two distinct levels, namely the institution and the project levels.

64. At the institution level, advisory missions were sent to Tunisia and the Philippines to assist in the establishment or strengthening of their investment promotion agencies. In addition to one interregional training seminar organized in 1971 at headquarters, UNIDO began to make co-operative arrangements with investment promotion centres of member States to provide facilities for the training of officials from developing countries in techniques of investment promotion.

65. At the project level, technical assistance was provided to countries in Asia and Africa to identify, prepare specific industrial projects, and to disseminate them through a world-wide network of channels and points of contact established and maintained by UNIDO in industrialized countries of Europe, North America and Japan, to stimulate the interest of potential foreign investors. Facilities and services were then offered to the latter to contact the local proponents of projects concerned at the two UNIDO-sponsored regional investment promotion meetings in Singapore and Abidjan, Ivory Coast.

66. In addition to these two regional meetings to promote specific industrial projects, technical assistance was also provided to Lebanon and the Republic of Korea to identify and prepare investment projects considered for promotion within special national programmes.

67. More and more requests were submitted for assistance aiming at orienting industry as a whole, or an entire industrial sector, towards production for export. Moreover, the assistance requested was not only for short-term but also for long-term measures, including industrial development of infrastructure and structural adjustments. This trend called for much closer internal co-operation among UNIDO's groups of activities and for greater working contacts with other international organizations concerned with development of exports, such as UNCTAD/GATT/International Trade Centre.

68. The operational activities in the field of industrial development surveys revolve around an assistance in the form of country survey missions, short-term advisory missions and several types of long-term assistance. In 1971, six survey missions were completed or started in the following countries: Swaziland, Cyprus, Brazil (State of Bahia), Laos, Qatar and Malaysia. Industrial Survey Assistance helped these countries in assessing their industrial structure, past performance, growth potential and future economic requirements. The Surveys included an identification of investment opportunities in manufacturing, an analysis of existing industrial policies and institutions with regard to their effectiveness and impact upon the manufacturing sector, and an evaluation of technical assistance requirements and priorities.

The reports of survey missions also served the function of providing UNIDO with in-depth information on individual developing countries. Their findings are disseminated within UNIDO for the purpose of monitoring the provision of technical assistance through contacts with the relevant units of UNIDO and the recipient country. Many of the recommendations of the Survey Missions have so far been requested by the Governments of the countries concerned and have been followed up by UNIDO.

70. At the regional level Industrial Survey Assistance was given in 1971 to the East African Community, the East African Bank and the Industrial Development Center for the Arab States (IDCAS).

71. The activities of UNIDO in the field of industrial surveys are also closely linked to the programmes of other international bodies. Thus UNIDO was represented in the ILO employment missions carried out in Ceylon and Iran in 1971. In the same year UNIDO co-operated also with the IBRD in conducting a pre-investment study mission in East Africa.

72. The status of expenditures in 1971 for operational activities of UNIDO among the 17 groups of activities is given in table 4 below.

Table 5

Distribution of technical assistance to industry
in 1951, by groups of activities
(In thousands of US dollars and per cent)

<u>Group of activity</u>	<u>US</u>	<u>Percentage of total funds</u>
<u>Industrial Technology Division</u>		
1 Engineering industries	1,873.8	11.0
2 Metallurgical industries	1,254.0	7.7
3. Construction and building materials industries	526.9	3.1
4 Chemical, pharmaceutical and pulp and paper industries	702.8	4.1
5 Fertilizers, pesticide and petrochemical industries	1,401.7	8.3
6 Light industries	1,690.4	10.0
17 Industrial branch reports and across-the-board techniques	296.4	1.7
	<u>7,793.8</u>	<u>45.8</u>
<u>Industrial Services and Institutions Division</u>		
7 Industrial administration	13.6	0.1
8 Industrial institutions	1,623.3	9.6
9 Industrial information	232.0	1.4
10 Industrial management and consulting services	1,317.9	7.8
11 Small-scale industry and related activities	1,766.0	10.
12 Industrial training	721.2	4.7
	<u>5,750.0</u>	<u>34.0</u>
<u>Industrial Policies and Programming Division</u>		
12 Industrial programming project planning and policies	2,199.8	13.0
13 Industrial financing and investment promotion	371.4	2.2
14 Promotion of export-oriented industries	452.9	2.7
15 Industrial surveys and studies	603.1	2.4
	<u>3,427.2</u>	<u>20.2</u>
<u>SUB-TOTAL</u>	<u>16,971.0</u>	<u>100.0</u>

Industrial Development Field Advisers

73. In 1971, the Industrial Development Field Adviser programme was further expanded by the addition of two field adviser posts, bringing the total of posts to 22. Of these posts, 18 were filled; candidates for two posts although selected in 1971 were to assume their functions early 1972; of the remaining two posts, the recruitment of a candidate for one post was deferred at the request of UNDP and the candidate for the other post is under active consideration by both UNDP and UNIDO. UNIDO expects that UNDP will finance a greater number of Field Advisers in 1972.
74. The 22 posts were distributed as follows: nine in the African region, six in the Americas region and seven in the Asia, Far East and Middle East region.
75. Aspects of the work of the Field Advisers involved their participation in the country programming exercises carried out by the UNDP, the initiation of studies for long-term sectoral planning in the field of industry, the identification of projects in which UNIDO could be of assistance, the formulation of project requests submitted by Governments, their participation in the planning of UNDP/SF Projects, the general review of projects for the purpose of evaluation, the supplementing of the expert or sub-contractor services, briefings at the country level, the interviewing and evaluation of candidates for expert posts or UNIDO fellowships, the representation of UNIDO at meetings etc.
76. The Field Advisers also maintained contact with the regional economic commissions and UNESOB as well as with other regional and subregional organizations. The presence of UNIDO Industrial Development Field Advisers continued to contribute to the promotion and co-ordination of technical assistance to industry. In so doing, they worked in close co-operation with both the government authorities and the UNDP Resident Representatives.
77. The strengthening of the Field Advisers network is contributing to a large extent to the development of stronger links with the countries and the regions that are recipients of the assistance provided by UNIDO.

PART TWO: SUPPORTING ACTIVITIES

70. The second category of UNIDO's activities are those initiated at Headquarters in support of the operational activities. These include symposia, seminars, workshops and other technical meetings as well as studies and research.

79. The expenditures in substantive supporting activities amounted to US\$4,008,500 in 1971. A percentage breakdown of these expenditures is given in table 5 by groups of activities. Table 6 provides information on the activities of the three substantive divisions of the secretariat, financed from the Regular Budget and overhead funds, in terms of man/months of professional staff and expenditures on meetings, consultants and publications. Table 7 gives for each group of activity a list of symposia, seminars, workshops and training courses; table 8 a list of expert group meetings and table 9 list of studies and research projects.

Table 5

Expenditures on substantive support activities in 1971
by groups of activities
 (in percentage of total funds)

<u>Group of activity</u>	<u>Percentage of total funds</u>
<u>Industrial Technology Division</u>	
1 Engineering industries	7.7
2 Metallurgical industries	3.2
3 Construction and building materials industries	1.6
4 Chemical, pharmaceutical and pulp and paper industries	4.2
5 Fertilizer, pesticide and petrochemical industries	6.6
6 Light industries	7.8
17 Industrial branch reports and across-the-board techniques	<u>3.6</u>
	34.7
<u>Industrial Services and Institutions Division</u>	
7 Industrial administration	1.2
8 Industrial institutions	6.2
9 Industrial information	8.7
10 Industrial management and consulting services	4.6
11 Small-scale industry and related activities	6.0
16 Industrial training	<u>5.5</u>
	32.2
<u>Industrial Policies and Programming Division</u>	
12 Industrial programming, project planning and policies	8.9
13 Industrial financing and investment promotion	12.6
14 Promotion of export-oriented industries	5.3
15 Industrial surveys and studies	<u>6.3</u>
	<u>33.1</u>
	100.0

Table 6

Activities of the substantive divisions of the secretariat in 1971,
regular budget and overhead funds
 (in man/months and thousands of US dollars)

Group	Staff time ^{a/}		Consultants		Meetings	Printing	Total
	m/m	\$ ^{b/}	m/m	\$	\$	\$	\$
1	126	229.3	15	24.4	8.3	27.4	289.4
2	48	106.6	6	9.8	-	-	116.4
3	24	43.2	2	3.6	6.5	2.9	56.2
4	71	132.9	5	8.3	9.8	5.7	156.7
5	98	216.5	10	16.2	-	12.1	244.8
6	113	238.4	16	25.0	15.0	8.1	286.5
7	14	31.4	6	9.4	5.0	-	45.8
8	111	189.5	6	9.9	14.7	6.0	220.1
9	79	213.1	24	37.7	3.7	18.1	272.6
10	71	131.1	10	15.3	14.4	-	160.8
11	85	189.2	5	8.5	6.3	14.4	218.4
12	166	256.6	32	51.2	21.1	27.3	356.2
13	179	412.3	10	15.4	8.3	2.7	438.7
14	106	178.1	10	16.7	-	0.5	195.3
15	101	202.5	11	17.9	2.3	4.6	227.3
16	76	179.4	3	4.1	-	5.4	188.9
17	55	103.4	14	23.1	4.9	1.6	133.0
	<u>1,523</u>	<u>3,053.5</u>	<u>185</u>	<u>296.5</u>	<u>120.3</u>	<u>136.8</u>	<u>3,607.1</u>
add staff assessment		<u>570.6</u>					<u>570.6</u>
	<u>1,523</u>	<u>3,624.1</u>	<u>185</u>	<u>296.5</u>	<u>120.3</u>	<u>136.8</u>	<u>4,177.7</u>

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

b/ Salaries calculated on a net basis.

Table 7Symposia, Seminars and Workshops held during 1971

<u>Project Component</u>		<u>Place</u>
<u>Group 1: Engineering Industries</u>		
1.03.04	National maintenance week	Istanbul
1.04.01	Regional seminar on machine tools in the developing countries of Europe and the Middle East	Varna, Bulgaria
<u>Group 2: Metallurgical Industries</u>		
2.05.01	Workshop on the creation and transfer of metallurgical know-how	Jamshedpur, India
<u>Group 3: Construction and Building Materials Industries</u>		
3.07.01	Meeting of directors of building research institutes and development organizations in the ECAFE region	Melbourne
<u>Group 5: Fertiliser, Pesticide and Petrochemical Industries</u>		
5.01.05	Second interregional fertilizer symposium	Kiev New Delhi
5.03.04	Third interregional training course for industrial production of pesticides	Syracuse, N.Y.
<u>Group 6: Light Industries</u>		
6.02.06	Joint UNIDO/FAO/ECAFE interregional seminar on the industrial processing of rice	Madras, India
6.03.03	Seminar on furniture and other secondary wood processing industries	Lahti, Finland
6.03.06	World consultation on the use of wood in housing (with special emphasis on the needs of developing countries)	Vancouver, Canada
6.04.01	Seminar on the development of the leather and leather products industries in Africa	Vienna
<u>Group 8: Industrial Institutions</u>		
8.01.01	WAITRO meeting	Vancouver
8.01.03	Joint regional consultation meeting with a view to stimulating industrial research in Latin America	Bogotá
8.02.01	Training workshop for personnel engaged in standardisation in Latin America	Santiago, Chile
8.02.05	Training workshop on metrology for participants from Asian countries.	Nagoya, Japan
8.03.01	Regional training workshop on the organization and administration of industrial services in Latin America	Santiago, Chile

Project
Component

Place

Group 9: Industrial Information

- 9.01.03 Regional training workshop for the upgrading of industrial information personnel Moscow
- 9.01.04 Interregional seminar for industrial information officers Lima

Group 11: Small-scale Industry and Related Activities

- 11.01.02 Training workshop on extension services for small-scale industry Kinshasa
- 11.04.06 Meeting on the promotion of small-scale industries in the RCD countries Tehran
- 11.05.01 Seminar on Financing of small-scale industry in Asia and the Far East New Delhi

Group 12: Industrial Programming, Project Planning and Policies

- 12.06.01 Seminar on selected aspects of industrial policy Beirut

Group 13: Industrial Financing and Investment Promotion

- 13.06.01 Two training workshops in financial planning and analysis technique for industrial projects Singapore, Alexandria, Egypt
- 13.08.02 Interregional training programme on techniques of investment promotion Vienna, Warsaw, London
- 13.09.02 Two regional meetings to promote specific industrial projects Singapore, Abidjan

Group 14: Promotion of Export-Oriented Industries

- 14.05.01 Training course on industrial export development Belgium
- 14.05.02 Interregional training seminar on the utilization of excess capacity in developing countries for export Istanbul

Group 15: Industrial Surveys and Studies

- 15.03.01 Training workshop in methods and techniques of industrial surveys and related activities Dakar, Senegal

Table 8

Expert Group Meetings held in 1971

<u>Project Component</u>		<u>Place</u>
	<u>Group 1: Engineering Industries</u>	
1.02.03	Expert group meeting on the manufacture of electronic component in developing countries	San Francisco, Calif
	<u>Group 3: Construction and Building Materials Industries</u>	
3.03.01	Expert group meeting on the use of plastics in the building industry	Vienna
	<u>Group 4: Chemical, Pharmaceutical and Pulp and Paper Industries</u>	
4.05.01	Expert group meeting on pulp and paper	Vienna
	<u>Group 6: Light Industries</u>	
6.02.08	Expert group meeting on processing selected tropical fruits and vegetables for export to premium markets	Salvador (Bahia)
	<u>Group 7: Industrial Administration</u>	
7.01.04	Expert group meeting of the Government of Austria and UNIDO to consider more effective training in industrial administration	Vienna
	<u>Group 8: Industrial Institutions</u>	
8.01.02	Expert group meeting on the stimulation of industrial research activities	Copenhagen
8.03.02	Expert group meeting on industrial co-operatives	Warsaw
	<u>Group 9: Industrial Information</u>	
9.01.08	Expert group meeting on innovative approaches to the dissemination of industrial information through extension services	Vienna
	<u>Group 10: Industrial Management and Consulting Services</u>	
10.01.01	Expert group meeting on the development of management consultancy	Santiago, Chile

Project
Component

Place

Group 11: Small-scale Industry
and Related Activities

11.04.03 Expert group meeting on industrialization in countries at early stages of development, with special reference to small-scale industry Vienna

Group 12: Industrial Programming,
Project Planning and Policies

12.04.02 Expert group meeting on project implementation and related systems Vienna

12.05 Expert group meeting on regional industrial co-operation Vienna

12.06.02 Expert group meeting of consultants on industrial policies Vienna

Group 13: Industrial Financing
and Investment Promotion

13.05.02 Expert group meeting on co-operation among industrial development financing institutes in developing and developed countries Copenhagen

Group 15: Industrial Surveys and Studies

15.03.03 Expert group meeting on the activities of UNIDO in the field of industrial surveys Vienna

Group 17: Industrial Branch Reports and
Across-the-Board Techniques

17.03.01 Expert group meeting on packaging Vienna

Table 2

Studies and research projects carried out in 1971 ^{a/}

	<u>Project Component</u>
<u>Group 1: Engineering Industries</u>	
UNIDO/IDCAS agricultural machinery mission	1.01.03
Preparation of industrial branch studies on lorries, tractors and prime movers (an IDCAS document)	1.01.04
Paper on the agricultural machinery and implements industry in the Arab countries	1.01.04
Agricultural machinery and implements mission	1.01.05
Five studies: Design and development; maintenance and repair; storage and transport; professional agricultural societies; and the activities of manufacturers' associations in promoting the agricultural machinery industry	1.01.07
Paper on the role of UNIDO in promoting the manufacture of rice mechanization machinery in the developing countries	1.01.07
Study on construction machinery	1.08.01
<u>Group 2: Metallurgical Industries</u>	
Report of the seminar on tin plate production (mimeo.)	2.03.04
Portfolio of metallurgical technologies	2.05.02
<u>Group 3: Construction and Building Materials Industries</u>	
Investigations on fibre-cement composites	3.02.01
Five studies in the building materials industry	3.06.01
<u>Group 5: Fertilizer, Pesticide and Petrochemical Industries</u>	
Studies on the underutilization of capacities in the fertilizer and pesticide industry (in the ECAFE region and in Pakistan)	5.01.04
Missions to investigate the availability of excess chlorine and its potential use for pesticide production (in ECLA and ECAFE regions)	5.03.01
Study on future trends in, and competition between, natural and synthetic rubber	5.04.03
Study on proteins from hydrocarbons (petro-proteins)	5.04.06

^{a/} Note: Printed publications are not included in this list.

Project
Component

Group 6: Light Industries

- Background papers for an IDCAS textile seminar 6.01.05
- Background papers for an expert group meeting on pre-investment considerations and technical and economic production criteria in the oil-seed processing industry 6.02.05
- Report of the seminar on the development of the leather and leather products industries in Africa (mimeo.) 6.04.01

Group 7: Industrial Administration

- Studies on licensing 7.04.02

Group 8: Industrial Institutions

- Report of the founding meeting of the World Association of Industrial and Technological Research Organizations (WATPRO) (mimeo.) 8.01.01

Group 9: Industrial Information

- Directories to sources of information by industrial sectors * and on specific subjects 9.01.06
- Final report of the expert group meeting on innovative approaches to the dissemination of industrial information through extension services (mimeo.) 9.01.08
- Readership study (in connexion with UNIDO Newsletter) 9.05.02

Group 10: Industrial Management and Consulting Services

- Field investigations of organizational problems 10.03.01

Group 11: Small-scale Industry and Related Activities

- Report of the expert group meeting on industrialization in countries at early stages of development (mimeo.) 11.04.03
- Report of the meeting on the promotion of small-scale industries in the RCD countries (mimeo.) 11.04.06
- Studies on marketing methods and distribution channels 11.06.01
- Case studies on subcontracting 11.06.02
- Study on small-scale industry outside metropolitan areas 11.08

Project
ComponentGroup 12: Industrial Programming, Project Planning and Policies

Studies on problems and techniques related to the selection of industrial development priorities	12.01.02
Advisory mission on industrial strategy (Senegal)	12.01.02
Analysis of resource allocation and actual costs in existing industries	12.01.03
Study on implications of the pollution issue on the industrial project development strategy of the developing countries	12.02.01
Collection of reference studies on market analysis	12.03
Two studies on computer-oriented procedures for implementation, follow-up and control of industrial projects	12.04.05
Study on computer utilization in the industrialization of India	12.04.05
Case study on regional industrial co-operation in West Africa	12.05
Case studies of industrialization policy	12.06.01
Case studies of policies adopted in the state-owned manufacturing sector	12.06.05

Group 13: Industrial Financing and Investment Promotion

Case studies on industrial financing	13.05.01
Portfolio of industrial projects	13.09.01

Group 14: Promotion of Export-oriented Industries

Two studies on international subcontracting	14.01.01
Collection of information on industrial free zones	14.03.01
Mission to Morocco to identify industries with export potential	14.04.01
Studies of the industrial structure and export potential of the industry of specific countries	14.04.01

Group 15: Industrial Surveys and Studies

Study on some special problems of industrial development of the smaller developing countries	15.02.01
Investigation of the effects of industrialization on manufacturing employment and productivity	15.02.02
Paper on fiscal incentives to promote employment (for an ILO expertgroup meeting)	15.02.02
Study on structural changes in manufacturing growth	15.02.03
Projections of industrial development	15.02.04

Project
Component

Group 16: Industrial Training

Report on "The role of the United Nations in training national technical personnel for accelerated industrialization of the developing countries" (General Assembly resolution 2528 (XXIV) as document E/5024

16.01.04

Report on the training of national personnel for industrial development, to implement IDB Resolution 8 (II) ID/B/101

16.01.05

Training course material

16.02

Group 17: Industrial Branch Reports and Across-the-Board Techniques

Study on the pharmaceutical industry

17.02.06

Study on the tin plate industry

17.02.07

Assessment of the impact of major steelworks projects on the steel industry of developing countries

17.02.08

Study on the construction industry

17.02.12

Study on industrial development and human environment

17.04.01

Study on radio-isotopes and radiation in industrial development

17.05.01

Publications

Tables 10 and 11 below give statistical data on the publication programme of UNIDO in 1971. Table 12 contains a list of the publications issued in 1971.

Table 10

UNIDO publication programme by various categories of documentation

Category	1971	
	US\$	Per cent
(a) Documentation for IDB and other UN legislative bodies	259,269 ^{a/}	36.4
(b) Publications resulting from the indirectly supporting activities	341,278	47.8
(c) Documentation for meetings	<u>112,703</u>	<u>15.8</u>
Total	<u>713,250</u>	<u>100.0</u>

^{a/} Including \$76,144, the cost of documentation for the Special International Conference.

Table 11

UNIDO publication programme by groups of activities

Groups of activities	1971	
	US\$	Per cent
<u>Industrial Technology Division</u>		
1	56,586	13.41
2	15,813	3.75
3	12,530	2.97
4	18,860	4.47
5	61,992	14.70
6	<u>56,544</u>	<u>13.41</u>
Subtotal (ITD)	222,297	52.71
<u>Industrial Services and Institutions</u>		
7	3,062	0.73
8	33,438	7.93
9	35,533	8.44
10	24,073	5.70
11	<u>31,728</u>	<u>7.52</u>
Subtotal (ISI)	127,884	30.32

Groups of activities

Industrial Policies and Programming

12		
13	38,102	9.03
14	14,301	3.51
15	7,888	1.87
	<u>10,705</u>	<u>2.56</u>
	Subtotal (IPP)	71,586 16.97
	Total (substantive divisions)	421,767 100.00
	<u>Technical Co-operation Division</u>	<u>32,214</u>
	Grand total ^{a/}	<u>453,981</u>

^{a/} This total comprises the sum of categories (b) and (c) in table 10.

Table 12

UNIDO printed publication programme in 1971

Symbol	Title	Project component
Group 1:	Engineering Industries	
ID/22	The selection and acceptance testing of metal-cutting machine tools in developing countries	1.04.01
ID/36	Establishment and development of automotive industries in developing countries Part II: Proceedings of the seminar	1.05.01
ID/65	Report of the interregional symposium on maintenance and repair in developing countries	1.03.01
ID/67	Development of engineering design capabilities in developing countries Report of the expert group meeting	1.06.01
ID/74	The manufacture of telecommunication equipment and low-cost receivers Report of the development meeting	1.02.01

Table 10 (continued)

UNIDO printed publication programme in 1971

<u>Symbol</u>	<u>Title</u>	<u>Project component</u>
<u>Group 3:</u>	<u>Construction and Building Materials Industries</u>	
ID/39	The manufacture of cement and sulphuric acid from calcium sulphate	3.01.01
ID/56	Fibro-cement composites Report of the expert group meeting	3.02.01
ID/71	Clay building materials industries in Africa Report of the workshop	3.04.01
<u>Group 4:</u>	<u>Chemical, Pharmaceutical and Pulp and Paper Industries</u>	
ID/59	Manufacture of chemicals by fermentation Report and proceedings of expert group meeting	4.02.03
ID/73	Extraction of chemicals from seawater, inland brines and rock salt deposits	4.02.01
<u>Group 5:</u>	<u>Fertilizer, Pesticide and Petrochemical Industries</u>	
ID/44	Directory of fertilizer production facilities Vol. I: Africa	5.01.01
ID/SER.F/6	Fertilizer demand and supply projections to 1980 for South and Central America.	5.01.07
ID/SER.J/6	Guidelines for the production and marketing of acrylic sheet in developing countries	5.04.01
<u>Group 6:</u>	<u>Light Industries</u>	
ID/10	Production techniques for the use of wood in housing under conditions prevailing in developing countries Report of the study group	6.03.01
ID/48	Integrated food processing in Yugoslavia Report of seminar and digest of technical papers	

Table 12 (continued)

UNIDO printed publication programme in 1971

<u>Symbol</u>	<u>Title</u>	<u>Project component</u>
<u>Group 5</u> (contd.)	<u>Light Industries</u>	
ID/60	Production of fish-protein concentrate Vol.I : Report of the joint UNIDO/FAO expert group meeting	6.02.01
.	Vol.II: Proceedings of the joint UNIDO/FAO expert group meeting	6.02.01
ID/61	Production of prefabricated wooden houses	6.03.06
<u>Group 8:</u>	<u>Industrial Institutions</u>	
ID/69	The organization and administration of industrial services (for Asia and the Middle East) Report of the seminar	8.03.01
ID/70	Guidelines for the evaluation of industrial research institutes	8.01.03
<u>Group 9:</u>	<u>Industrial Information</u>	
ID/53	Guide to industrial directories	9.01.06
ID/SER.B/14	Industrial Research and Development News, Vol. , No.4	9.05.01
	UNIDO Newsletter, Nos. 33-44	9.05.02
UNIDO/LIB/ SER.B/1-6	Industrial development abstracts	9.05.03
<u>Group 12:</u>	<u>Industrial Programming, Project Planning and Policies</u>	
ID/50 Vol.I	Proceedings of the interregional seminar on industrial location and regional development	12.05
ID/SER.A/17	Industrialization and Productivity Bulletin, No. 17	
ID/SER.A/18	Industrialization and Productivity Bulletin, No. 18	
ID/SER.E/6	Profiles of manufacturing establishments, Vol. III	12.02.03
IPPD/54	Summaries of industrial development plans, Vol. II	12.01.01

Table 12 (continued)

UNIDO printed publication programme in 1971

<u>Symbol</u>	<u>Title</u>	<u>Project component</u>
<u>Group 13:</u>	<u>Industrial Financing and Investment Promotion</u>	
ID/60	Selected aspects of industrial policies Report and proceedings of the interregional seminar	13.01.02
ID/66	Manual on the establishment of industrial joint venture agreements in developing countries	13.07.02
IPFD/42	Directory of industrial investment incentives	13.02.03
<u>Group 15:</u>	<u>Industrial Surveys and Studies</u>	
ID/64	Industrial Development Survey, Vol. III	15.01
<u>Group 17:</u>	<u>Industrial Branch Reports and Across-the-Board Techniques</u>	
ID/63	The textile industry	17.02.02

PART THREE: OTHER ACTIVITIES

80. The following summaries are intended to highlight other features of UNIDO activities in 1971. They concern the Special International Conference of UNIDO, the Second United Nations Development Decade, the transfer of technology, the assistance to the least developed among the developing countries and the co-operation with specialized agencies, regional economic commissions, the United Nations Economic and Social Office in Beirut and other organizations.

Special International Conference of UNIDO

81. The Special International Conference of UNIDO, convened by General Assembly resolution 2638 (XXV) to examine the long-range strategy and orientation of the organization's activities, its structure and financing, was held in Vienna from 1 to 8 June 1971. The Report of the Conference, including a consensus resolution on long-range strategy, structure and financing of UNIDO, as well as reservations on expressions of dissent registered by various countries and groups of countries, was submitted to the General Assembly at its twenty-sixth session.

82. In its resolution 2823 (XXVI), the General Assembly endorsed the resolution of consensus adopted by the Conference and took note of the Report of the Conference and the views of Member States contained in it, and also the views expressed thereon.

83. The General Assembly requested the Secretary-General to appoint a small group of high-level experts to formulate a long-range strategy for the activities of UNIDO and to set up an Ad Hoc Committee on Co-operation between UNIDO and UNDP. Other points included a request to the Industrial Development Board to convene another general conference of UNIDO in 1974 or 1975 and to establish as its subsidiary organ a permanent committee of the Board. In addition, the Governing Council of UNDP was urged to plan for a minimum of \$2 million to be retained annually for financing the Special Industrial Services programme, and UNIDO was invited to extend full co-operation to regional industrial conferences held at ministerial or other levels.

Second United Nations Development Decade

84. UNIDO has 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 included global indicators,

country and sectoral assessments using the United Nations Statistical Programme and a country appraisal under the Second United Nations 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.

Transfer of Technology

85. In accordance with the various recommendations by the General Assembly, ECOSOC and the Industrial Development Board, UNIDO has developed an action-oriented programme to facilitate the transfer of technology. 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 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.

Assistance to the least developed among the developing countries

86. 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 provides equipment for a machine workshop and a foundry to two of these countries from the resources made available through its annual Pledging Conference. 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.

87. UNIDO's programme in the least developed countries has consisted primarily of assistance in industrial surveys (by survey missions), 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.

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

- 88. Co-operation with the specialized agencies and other United Nations bodies proceeded along the pattern of previous years. The work of the inter-secretariat machinery established with UNCTAD, ILO, FAO and UNESCO concentrated on the examination and discussion of technical assistance projects as well as supporting activities of joint interest. Consultations were pursued with WHO concerning co-ordination of programmes.
- 89. Continuous efforts are being made to refine guidelines for the demarcation of responsibilities in areas of common interest with these organizations. In this connexion the inter-agency discussions covered special questions such as the UNIDO repair and maintenance programme with ILO and the question of industrial free zones and the UNIDO programme of product adaptation and development with UNCTAD. Co-operation in the field of industrial pollution was discussed with WHO.
- 90. Within the context of established and ad hoc inter-secretariat arrangements, technical staff consultations were also held from time to time with these organizations on matters of common interest.
- 91. The joint review of work programmes with ECA, ECAP, ECE, ECLA and UNESOB aimed at harmonizing the activities of UNIDO with those of the regional economic commissions in the industrial field, was continued and expanded in 1971.
- 92. A number of applications were received from intergovernmental and non-governmental organizations to be associated with the activities of UNIDO, under rules 75 and 76 of the Rules of Procedure of the Industrial Development Board. They were submitted to the Board at its fifth session for consideration. Co-operation was maintained with the associated organizations concerned, in particular with regard to consultations on the UNIDO work programme, exchange of information and mutual participation in meetings.
- 93. During 1971 an additional number of Member States established National Committees for UNIDO in response to the recommendation adopted by the International Symposium on Industrial Development held in Athens in 1967. The total number of such committees reached forty. The Secretariat of UNIDO continued its efforts with a view to fostering the establishment of national committees or similar institutions in the countries where such bodies do not exist as yet and strengthening the relations between UNIDO and the existing committees.





17.7.74