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Industrial Development Board

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

Vienna, 23 May - 2 June 1972



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

Vienna, 23 May - 2 June 1972

Corrigendum

Page 11, paragraph 140, third line:

"article 707 of the Charter" should read "article 101 of the
Charter"



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

Vienna, 23 May - 2 June 1972

Corrigendum

Page 38, Resolution 33 (VI), preambular paragraph 5, lines 1 and 2:

Change "United Nations Educational, Scientific and Cultural
Organization" to read as follows:

"United Nations Economic and Social Council"

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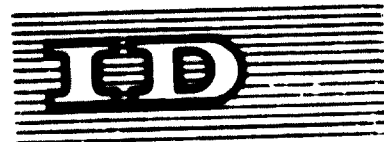
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ABBREVIATIONS

ECA	Economic Commission for Africa
ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECLA	Economic Commission for Latin America
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
ILO	International Labour Organisation
ITC	International Trade Centre
SIS	Special Industrial Services
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESOB	United Nations Economic and Social Office at Beirut
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization



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Vienna, 23 May - 2 June 1972

Corrigendum

Page 41, Resolution 34 (VI), operative paragraph 7, lines 1 & 2:

Change "United Nations Educational, Scientific and Cultural
Organization" to read as follows:

"United Nations Economic and Social Office at Beirut"

INTRODUCTION

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

The sixth session of the Industrial Development Board was held at the Neue Hofburg, Vienna, Austria, from 23 May to 2 June 1972. The sixth session of the Board was preceded by the fourth session of the Working Group on Programme and Co-ordination, which was established as a subsidiary organ by resolutions 3 (II) and 12 (II) adopted by the Board at its second session. The present report was adopted by the Board at its 130th meeting on 2 June 1972.

CHAPTER I. ORGANIZATION OF THE SESSION

1. The Industrial Development Board opened its sixth session in Vienna, Austria, headquarters of the United Nations Industrial Development Organisation, on 23 May 1977.

2. The session was opened by Mr. Kwaku Bapui Asante (Ghana), President of the fifth session, who acted as President of the sixth session pending the election of the new President.

Membership and attendance

3. The following members of the Board were represented at the session: 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, Mexico, 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.

4. The following States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency sent observers: Australia, Byelorussian Soviet Socialist Republic, Canada, Colombia, Ecuador, Finland, Gabon, Greece, Holy See, Iceland, Israel, Niger, Nigeria, Poland, Portugal, Republic of Korea, Romania, Sierra Leone, Somalia, Sudan, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Yugoslavia and Zaire.

5. The following United Nations bodies were represented at the session: the United Nations Economic Commission for Africa, the United Nations Economic and Social Office at Beirut, the United Nations Conference on Trade and Development and the United Nations Development Programme.

6. The following specialized agencies sent representatives: the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, the International Bank for Reconstruction and Development and the International Finance Corporation. The Contracting Parties to the General Agreement on Tariffs and Trade and the International Atomic Energy Agency were also represented.

7. Observers from the following intergovernmental organizations attended the session: the Council for Mutual Economic Assistance, the European Economic Community, the European Investment Bank, the Industrial Development Centre for Arab States, the Intergovernmental Council of Copper Exporting Countries, the Organization of African Unity, the Permanent Secretariat of the General Treaty on Central American Economic Integration and the World Intellectual Property Office.

8. Observers from the following non-governmental organizations attended the session: the European Centre for Overseas Industrial Development, the International Association for the Protection of Industrial Property, the International Co-operative Alliance, the International Chamber of Commerce, the International Christian Union of Business Executives, the International Council for Scientific Management, the

International Institute for Industrial Planning, the International Organization of Consumers Unions, the International Organization of Employers, the International Savings Banks Institute and the World Confederation of Labour.

Statement by the President of the fifth session

9. The President of the fifth session, Mr. Asante, stated that the Board was meeting at a time of great uncertainty and opportunity for the international community, brought about by the recent international monetary crisis. The rich countries could never solve their own problems by ignoring the developing world, and multilateral trade negotiations could progress only if they advanced the principle of generalized non-reciprocal system of preferences which formed an important part of the strategy defined by the Special International Conference of UNIDO in 1971. The future of the developing countries depended on their own efforts; they "should be defiant and confident in self-reliance and resolve to go it alone if necessary". Mr. Asante further stated that regional economic co-operation and integration should be the first step towards the massive economic intercourse between developing countries and towards the creation of real unity among the peoples of the third world. In conclusion, he recalled the immensity of the task before the Board, the paucity of the resources available, and the need to use those resources to increase the strength and self-confidence of the developing world in coping with the difficulties of the contemporary industrial scene.

Election of officers

10. At its 117th meeting, on 23 May 1972, the Board, in accordance with rule 13 of its rules of procedure, elected the following officers for the sixth session:

President: Mr. Hortencio J. Brillantes, Philippines (unanimously)

Vice-Presidents: Miss Helga Steeg, Federal Republic of Germany (unanimously)

Mr. German Denis-Barreiro, Uruguay (with one abstention)

Mr. Metody Popov, Bulgaria (unanimously,

Rapporteur: Mr. Munir Hawisa, Libyan Arab Republic (unanimously)

11. After the election, one delegation, speaking on behalf of the Industrial Development Board member States of Group D and supported by a delegation from another Group, said that the delegations of the Socialist countries represented on the Board wished once again to draw attention to the abnormal situation resulting from the exclusion from the work of UNIDO of the German Democratic Republic, a highly industrialized country. Its participation would be of great value both to the Board and to the developing countries, which would be able to take advantage of its considerable experience in the field of industrial development. The German Democratic Republic was already providing assistance to developing countries on a bilateral basis and it was hoped that the glaring injustice of its exclusion from UNIDO would shortly be remedied and that representatives of the German Democratic Republic would take their place in the organization as well in its constituent bodies.

12. A delegation from Group B, supported by another delegation, pointed out that the question of participation in UNIDO was covered by General Assembly resolution 2152 (XXI). The German Democratic Republic was not included in the list

of States annexed to that resolution. Furthermore, it was not within the Board's competence to determine which countries should participate, a decision that belonged to the United Nations General Assembly alone.

Statement by the President of the sixth session

13. On assuming office, the President of the sixth session drew attention to a number of points that the Board would be called upon to consider, in particular the establishment of a permanent machinery to co-ordinate the work of UNIDO and to evaluate its activities and the implementation of its work programme. He stressed the importance of the request formulated by the Special International Conference of UNIDO that continuing attention should be given to the application, adaptation and development of technology and to the establishment of an industrial infrastructure in developing countries within the competence of UNIDO, including industrial information. The President further stated that the Board should devote close attention to the question of co-operation with other organizations of the United Nations system, particularly the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP). Finally, the Board had also to re-assert the role of UNIDO as the main co-ordinator of all industrial activities carried out by international agencies and had to assist UNIDO in increasing its effectiveness in carrying out that task.

Credentials

14. In accordance with rule 17, paragraph 2, of the rules of procedure of the Industrial Development Board, the officers of the sixth session of the Board examined the credentials of the delegations attending the current session and found them in order. The officers so reported to the Board, which approved the report at its 123rd meeting on 26 May 1972.

Agenda

15. At its 117th meeting, the Board adopted its agenda as it was submitted in document ID/B/95:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General debate.
5. Report of the Working Group on Programme and Co-ordination of projects:
 - (a) Activities of UNIDO including operational activities; report on the work accomplished in 1971; updating of 1972 programme; programme of work for 1973; and outline of programme for 1974;
 - (b) Co-ordination questions pertaining to projects within the work programme;
 - (c) Evaluation of the programme activities of UNIDO.

6. Matters arising from the conclusions of the Special International Conference of UNIDO.
7. Co-ordination of activities of the United Nations system in the field of industrial development.
8. Financial and organizational matters.
9. Matters concerning intergovernmental and non-governmental organizations.
10. Provisional agenda of the seventh session.
11. Date and place of the seventh session.
12. Other business.
13. Adoption of the report of the sixth session.

Organization of work

16. The President read a letter from the Executive Director in which the latter 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 Organization and urging efforts to exercise restraint in committing its resources.

CHAPTER II. GENERAL DEBATE

17. In the general debate, appreciation was expressed at the progress achieved by UNIDO as indicated in the core programme documents.^{1/} However, proposals were made that greater emphasis should be placed on certain fields such as transfer of technology, the building up of an adequate institutional infrastructure for industry in developing countries, industrial information, promotional activities and that special attention should be given to the problems of the least developed countries. Some delegations called attention to what they regarded as significant shortcomings. General stress was also placed on the importance of the operational activities of the Organization.

18. Satisfaction was expressed at the improvement in the quality of projects already undertaken or planned, and emphasis was placed on the need to undertake further evaluation of selected activities of the Organization. The majority of the participants in the general debate addressed themselves particularly to: the central role of UNIDO in co-ordinating and providing guidance on the activities of the United Nations system in the field of industry; the programme of Special Industrial Services (SIS); the establishment of the Permanent Committee of the Board; the convening of another General Conference of UNIDO; the long-range strategy of UNIDO, including the work of the Group of High-Level Experts; and the report of the Ad Hoc Committee on Co-operation between UNDP and UNIDO.^{2/}

19. General concern was expressed at the financial constraints imposed upon the Organization in view of the increasing demands being made by the developing countries for the services of UNIDO in the field of industrialization. Particular reference was made to the problem of financing and management of the SIS programme. Some delegations expressed the view that, if priorities were to be established, priority should be given to field rather than to headquarters activities.

Statement by the Executive Director

20. The Executive Director of UNIDO, in his introductory statement to the general debate, stated that, on the basis of the 35 country programmes already approved or under consideration by UNDP, the expected UNIDO share of Special Fund projects would be double the share of projects hitherto assigned to it. UNIDO's operational activities in the coming years should amount to over \$30 million as compared to about \$17 million in 1971. Consequently, the re-organization of the Secretariat and the structure of the supporting activities as well as the magnitude of budgetary resources and field staff should be adequate to discharge an operational programme twice that of the present.

^{1/} Documents ID/B/97, Part I, Part II and Add.1 and 2, and Part III.

^{2/} Subjects that were touched upon in the general debate but which, in keeping with their substance, pertained to other agenda items have been placed under their respective headings.

21. The Executive Director recalled the recommendations of the Ad Hoc Committee on Co-operation between UNDP and UNIDO and suggested that the Board, in proposing the guidelines for the SIS programme for the approval by the General Assembly, might wish them to conform to those in the initial document establishing the programme (A/Conf. Rev.1, dated 23 October 1965). Those guidelines might relate solely to the basic principles of the operation and financing of the programme, leaving the procedural and operational details to a joint agreement between the Administrator of UNDP and the Executive Director of UNIDO so as to maintain the operational flexibility of the programme which was its essential characteristic. The guidelines should conform to the recommendations contained in paragraph 12 of the Ad Hoc Committee's report (document A/8646). In that connexion, he recalled that, in its report, the Committee had recognized both the desirability of periodic, high-level consultations between the two organizations and the central role of UNIDO in co-ordinating activities in the field of industry within the United Nations system. He went on to state that despite some unfortunate and unresolved differences regarding the SIS programme, there was a wide area for fruitful co-operation between UNDP and UNIDO, especially if the obstacles in the path of the SIS programme were cleared.

22. In referring to his attendance at the third session of UNCTAD in Santiago, the Executive Director reported that UNIDO had submitted to it three studies dealing with the role of supporting export industries in the developing countries and the different approaches followed by UNIDO to assist the developing countries in such efforts. He further stated that the President of the World Bank had pointed out in his address to the third session of UNCTAD that in order to achieve the growth target in the Second United Nations Development Decade, the developing countries would have to increase their export of manufactures from about \$7 billion in 1970 to \$28 billion by 1980. This indicated the magnitude of the tasks before the developing countries if they were to attain the target of increasing exports of manufactured goods. He stated that what was needed most was not advice but rather co-operation in initiating actions that might later be sustained by local resources with carefully chosen capital assistance and adapted technology.

23. The Executive Director referred to his visit to several Latin American countries and noted the support of these countries for UNIDO's work in general.

24. The Executive Director reported that negotiations were to begin shortly in Vienna between representatives of the World Bank and UNIDO at which he intended to recommend an initial phase of limited operations related to financing medium industries in developing countries. The joint programme of industrial project preparation would be similar, in general, to the activities already established by the World Bank with FAO, UNESCO and WHO.

Operational activities

25. Many delegations insisted on the necessity of giving more importance to UNIDO's operational activities. Several delegations observed that the introduction of country programming by UNDP was of the utmost importance to the future of technical assistance. It was noted by two delegations that country programming eliminated wasteful competition between projects or fragmentation of programmes and gave each recipient Government the role of formulating its programme of assistance. The same delegations stated that it had already become apparent that country programming would result in a substantial increase in UNIDO's share of UNDP resources. In view of the

present budgetary constraints, however, it would be necessary to allocate resources otherwise available for administration and supporting activities to ensure proper implementation of the expanded operational programme. Priorities could only be established by considering present and future needs of developing countries.

26. Another delegation remarked that the new UNDP approach to technical assistance, which put emphasis on long-term country programming, should be implemented in such a way as to enable UNIDO to exercise its co-ordinating role in the field of industrialization. Another delegation observed that a new formula for technical assistance had to be found to replace studies, reports, expert groups and fellowships. Aid should be concentrated as far as possible in specific fields where there would be a multiplier effect both in time and space. Another delegation expressed the wish to see also reflected in future UNIDO work programmes an indication of the extent of UNIDO participation in country programmes.

27. In the opinion of another delegation, priority should be given in the operational activities financed under the regular programme to the implementation of projects on the so-called project reserve lists which could not be financed by UNDP owing to the limited indicative planning figure. One delegation expressed the hope that a more equitable distribution of UNIDO's assistance would be forthcoming, particularly in view of the fact that Latin America received less aid this year than last.

28. Several delegations supported the idea of recommending to the General Assembly the necessity, in the interests of the developing countries, of including industrial potential, energy sources and natural resources in UNIDO's operational activities. One of these delegations added that, in its view, the question of industrial management was also a part of UNIDO's activities.

29. One delegation observed that operational activities should not be considered as identical with field assistance. Certain supporting activities might have an even greater impact on industrial development than many operational ones.

Environment

30. Several delegations referred to the problem of pollution in relation to industrialization efforts. One delegation stated that the problem was crucial and, if not soon resolved, would do irreparable harm to the environment in the developing countries and would affect their pace of industrialization. UNIDO should provide assistance and advice to the developing countries in tackling that problem.

31. Another delegation stated that the industrial pollution in developing countries had not reached and would not, in the foreseeable future, reach the same proportion as that in the developed countries. Measures for pollution control could increase substantially the cost of the development process in developing countries and did not justify the costs involved. Pollution had to be considered as a relative rather than as an absolute concept.

32. Another delegation stated that industrial pollution was basically the concern of the developed countries, which possessed the necessary financial resources to deal with it. It did not think it desirable, therefore, that part of the already very limited resources of international organizations and developing countries

should be used to deal with the scourge of pollution, unless the developed countries provided the international organizations concerned and the developing countries with additional resources for the purpose.

33. While pointing out that the problem did not deserve much attention as far as developing countries are concerned, some delegations suggested that UNIDO, in co-operation with other United Nations organizations, should investigate consequences of measures against pollution, taking into account the impact of such measures on the industrialization efforts of the developing countries. However, in the view of another delegation, pollution was a very important issue and should be considered even by the developing countries as it would be much more costly to introduce measures combating pollution at a more advanced stage.

Other matters

34. Concerning the documentation for the Board, there was general agreement that the quality and the contents of the documents prepared by the Secretariat had improved. One delegation, supported by another delegation, warned, however, that the developing countries might be overwhelmed by the volume of such documentation. Many delegations requested that in order to enable respective Governments to give the documents proper consideration, they should be distributed in accordance with the rules of procedure.

35. In noting the connexion between industrial development and natural resources, several delegations observed that it was justifiable that the developing countries should exercise control over their resources in order to ensure their political and economic independence. As the two issues were closely related, they should be treated within the framework of the United Nations in an integrated manner. The complexity of the issues required an appropriate expansion of UNIDO's activities.

36. Several delegations maintained that the work of the organization could not have full value unless the principle of universality of its membership was respected. In this connexion they proposed that the German Democratic Republic should be invited to participate in the work of UNIDO with full and equal rights. Another delegation advocated the admission of the German Democratic Republic, the Democratic Republic of Viet-Nam and the Democratic People's Republic of Korea to UNIDO.

37. One delegation recalled the legal situation with reference to the participation of the German Democratic Republic and stated that its accession to the organizations of the United Nations system would be possible after a satisfactory degree of normalization between the two German states had been reached.

38. One delegation suggested that more use should be made of experts from Socialist countries.

39. Several delegations expressed regret for assistance to Israel, a country that had defied United Nations resolutions and had adopted a policy of aggression. The observer delegation of Israel stated that it wished to refrain from engaging in political discussions in the Board and felt that each Government was free to make use of the assistance provided to it.

40. Two delegations expressed their concern with regard to the action taken on the original report of the International Special Conference of UNIDO (document A/8341) in the Second Committee of the General Assembly, in which a corrigendum was introduced to delete operative paragraph 8 of the consensus resolution, alleged to have been a "technical error", which factually was not the case as the paragraph concerned a matter of substance. They stated that such an action could lead towards the establishment of a dangerous precedent conducive to confusion.

41. A delegation that was present at the Second Committee and the General Assembly stated that many developing countries did not wish to endorse the offending paragraph which was, in effect, removed by the amendment. It was equally clear that no one wanted a qualification of the consensus resolution, for it would invite other qualifications. On the question of the propriety of the corrigendum, many developing countries had defended it and, after consultations, the corrigendum had been allowed to stand. In effect, therefore, the corrigendum was agreed to by the Second Committee and eventually by the General Assembly itself. The Board, therefore, could not hold the Secretariat of UNIDO responsible for the amendment.

CHAPTER III. ACTIVITIES OF UNIDO IN 1971, AND PROGRAMMES OF THE
WORK FOR 1972 AND 1973

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

42. The Board at its 123rd meeting proceeded to consider the report of the Working Group on Programme and Co-ordination (ID/B/L.109) and the Summary Review of UNIDO Activities in 1971 (ID/B/L.109/Add.1) which were to be submitted to the General Assembly in conformity with General Assembly resolution 2407 (XXIII), and the relevant documents related to agenda item 5 of the sixth session of the Board.
43. After having invited the Board to adopt the report of the Working Group on Programme and Co-ordination, the President proposed that in conformity with ECOSOC resolution 1623 (LI) concerning the limitation of volume of documentation submitted to the Council, the report of the Working Group should not be incorporated in the report of the Board but should be referred to by symbol in the report of the Board.
44. While one delegation expressed its preference for the inclusion of the report of the Working Group in the report of the Board, another delegation, while supporting this view, eventually indicated that it would accept the proposal made by the Chair.
45. The Board adopted the report of the Working Group on Programme and Co-ordination and approved the programme of work for 1973 and the updating of the programme of work for 1972 as submitted in documents ID/B/97, Part I, Part II and Add.1 and 2, and Part III. It requested that the programme be implemented within the resources available and be made available for the respective years and that the Secretariat take into consideration the comments and observations made in the Working Group and in the Board. The Board also endorsed the proposal that the report of the Board contain only a reference to the report of the Working Group rather than incorporating the actual text of the latter document.
46. At the 126th meeting of the Board, a delegation, referring to General Assembly resolution 2407 (XXIII) in which the Board was requested to include in its future reports a summary of the activities of UNIDO for the previous year, proposed that the Board should ask the General Assembly if it still wished to receive this document in view of the various decisions taken by governing bodies of the United Nations concerning the limitation of volume of documentation. At its 129th meeting, the Board requested the Executive Director to communicate with the Secretary-General on the matter and to inform the Board of the results of the intervention at its seventh session.
47. Commenting on the programme of work of UNIDO, one delegation commended the Secretariat for the quality of the documentation prepared for the Board, but deplored its late distribution and expressed the wish that adequate arrangements be made in the future to receive documents four to six weeks before the sessions. With regard to the scope of the work programme, it pointed out that the share of UNIDO in the execution of UNDP approved projects in the industrial sector was too small, and that UNIDO should concentrate its activities in those areas that were not being dealt with by other organizations. The operational activities should be expanded to the detriment of those Headquarters' activities that were not of direct

support to them. The activities of UNIDO in the field of small and medium-sized industries, in particular in African countries, were commended. With regard to the evaluation of the programme activities of UNIDO, the same delegation recommended that the reports should be presented in a uniform manner, should assess the impact of the action of UNIDO, and should be prepared by independent observers. With regard to the SIS programme, the delegation expressed the wish that detailed guidelines be set out jointly by the Administrator of UNDP and the Executive Director of UNIDO, taking into account the needs of UNIDO.

B. Report of the Ad Hoc Sub-Group on Documentation

48. Upon invitation of the President, the Board then proceeded to the consideration of the conclusions of the Ad Hoc Sub-Group on Documentation, presented in document ID/B/L.111. After discussions, the President summed up the consensus of the Board as follows:

- (a) The Board takes note of the conclusions of the report of the Ad Hoc Sub-Group.
- (b) The Board requests the Executive Director, taking into account the views expressed in the Working Group and in the Board, to:
 - (i) Study the conclusions contained in the report of the Ad Hoc Sub-Group (document ID/B/L.111) and to report at the seventh session of the Industrial Development Board;
 - (ii) Implement such portions of the conclusions as he deems feasible.
- (c) The Board draws the attention of the Permanent Committee to the conclusions of the Ad Hoc Sub-Group and to the views expressed on the subject in the Working Group and in the Board.

49. Referring to paragraph 6(1) of document ID/B/L.111, the Executive Director indicated that if the present Part III of the work programme document were no longer presented to the Board as an official Board document, this would reduce the volume of documentation by approximately one third. The other proposals contained in the document would have to be carefully studied but he expected that the reduction of pages would not be large. The information contained in the present Part III of the work programme document would be made available to delegations in Vienna before the session of the Board in a suitable form.

50. Some delegations insisted that the information material to supersede Part III be presented also in their respective languages. The President observed that the Executive Director, in preparing his report on the matter to the seventh session of the Board, should bear in mind the views expressed during the discussion on this subject.

CHAPTER IV. MATTERS ARISING FROM THE CONCLUSIONS OF THE
SPECIAL INTERNATIONAL CONFERENCE OF UNIDO

Long-range strategy of UNIDO

51. Many delegations referred to the work of the Group of High-Level Experts appointed by the Secretary-General in response to General Assembly resolution 2823 (XXVI) to consider a long-range strategy for UNIDO. The Board took note of the communication from the Group of High-Level Experts on Long-Range Strategy of UNIDO, contained in document ID/B/104/Add.1, and drew the attention of the Group of High-Level Experts to the discussions held on the matter at the sixth session of the Board and at the preceding session of the Working Group on Programme and Co-ordination. It was also noted that the final report of the Group of High-Level Experts would be submitted to the Board at its seventh session.

52. There were varying views as to the emphasis to be placed on the many activities of the Organization in conjunction with its long-range strategy. While one delegation spoke of the importance of the role of small-scale industry, another expressed preference for the creation of labour-intensive and agro-based industries in order to combat unemployment. Several delegations stated that in view of the expected sharp increase in requests for field projects, implementation of such projects should be given priority over supporting activities. One delegation expressed its support for an increase in the share of UNDP resources for UNIDO in implementing long-range projects. The same delegation added that UNIDO and UNDP should pay greater attention to the construction, utilizing UNDP resources, of pilot industrial plants in developing countries, which could serve as experimental industrial bases and partly as training centres for groups of neighbouring countries. Another delegation stated that, with regard to UNIDO's long-range programme of work, emphasis should be placed on the following areas:

- (a) Development of export-oriented industries and assistance to the developing countries in making the right choice between the available appropriate technologies;
- (b) Promotion of private investment as an appropriate vehicle for transfer of technology to assist the least developed countries.

53. One delegation stressed that further assistance to individual developing countries and an additional flow of foreign capital could be useful only if they were co-ordinated with the national development plans of those countries.

54. Most delegations supported the programme of promotional activities of UNIDO. Several delegations from developed and developing countries made a reference to the positive contribution of this programme; two delegations spoke of measures to be taken to stimulate foreign investment. Another delegation expressed its support for private investment, which in its view could effectively supplement the work of UNIDO, provided it was of the right kind. Several delegations suggested that this programme be extended by UNIDO to the Latin American region in 1973. One delegation emphasized the importance of UNIDO drawing broadly upon the experience and resources as well as upon the technological and managerial know-how of industrialized countries.

55. One delegation, however, expressed its concern about the adverse effects in the developing countries of the penetration of private investments which made their economies dependent on foreign interests and led to interference in their internal affairs. It also stressed that capital investment was often linked to political requirements and accorded on unfavourable terms. In this connexion, UNIDO should pay the most careful attention to the interests of the developing countries in its promotional activities. The same delegation suggested that UNIDO, in its promotional activities, should take this factor into account and that it should facilitate further contacts among the developing countries themselves as well as between developing and Socialist countries.

56. One delegation stressed that UNIDO should not be transformed into an advertising office or into an agent or echo for any Western companies or financing centres. UNIDO should keep its face and the principles under which it was established; it should continue to serve the cause of promoting the industrialization of the developing countries, representing their interests, and should not deviate from that task. It was underlined that in assisting the developing countries in the process of industrialization, the experience of industrial development in countries with different social and economic systems should be taken into account, i.e. not only countries with a market economy but also Socialist countries with their centrally planned economies.

57. Several delegations supported the efforts of UNIDO towards assisting regional and subregional programmes for co-operation in the industrial field. These activities, they felt, should be expanded. One delegation expressed its pleasure in seeing an evaluation of the co-operation between UNIDO and IDCAS and endorsed more strengthening, linking, harmonizing and extension of the areas and aspects of UNIDO/IDCAS co-operation.

58. Several delegations stressed the importance of UNIDO's providing increased assistance to the least developed countries. While noting with satisfaction UNIDO's programme in this field, they maintained that it should be strengthened. One delegation invited UNIDO to elaborate a set of measures particularly tailored to the needs of the least developed countries. Another delegation felt that the proportion of the resources available to UNIDO for the least developed countries was too small and that a greater share of resources should be allocated to their benefit. One delegation welcomed the appointment of an industrial development field adviser to its region and hoped that UNIDO assistance to the least developed countries in that region would be expanded.

59. At its 129th meeting the Board considered a draft resolution on the assistance to the least developed among the developing countries, submitted by the President after consultations with the geographical groups. The draft resolution was adopted unanimously at the same meeting (see annex I, resolution 31 (VI)).

60. Concerning the establishment of an information clearing-house, the Board decided to refer the matter to the Permanent Committee of the Board.

61. During the discussions, several delegations stressed the importance of the utilization of natural resources in industrialization. One delegation referred to the proposal made at the Special International Conference of UNIDO by one geographical Group, supported by the Group of 77, concerning the inclusion within UNIDO's

sphere of activities of the utilization of natural resources. In the view of that Delegation, supported by other delegations, a strategy of industrialization was not conceivable without studies of utilization of natural resources. UNIDO, according to its mandate and through the experience it was acquiring, should deal comprehensively with all questions related to industrialization, including natural resources. This delegation, supported by other delegations, further suggested that the Executive Director prepare for submission to the General Assembly, after discussion at the Board, a plan of measures for the gradual transfer within the terms of reference of UNIDO of the activities of the United Nations related to the use of natural resources. Another delegation considered that the possibility of an integrated approach within the United Nations in this field should be explored.

62. Two delegations, however, considered that UNIDO should not be given new and far-reaching responsibilities at this stage when its long-range strategy was being examined. They considered that ECOSOC should continue co-ordinating all United Nations activities in the field of natural resources, since the question had not only economic but also social, legal, political and environmental implications.

63. At its 129th meeting, the Board considered a draft resolution introduced by the delegation of Hungary and supported by the delegations of Bulgaria, Cuba, Czechoslovakia and the Union of Soviet Socialist Republics, on the permanent sovereignty over natural resources of developing countries and its relationship to the problems of industrialization.

64. After statements by the spokesmen of Group B and the Group of 77, it was decided by the Board that the draft resolution would be referred to the Permanent Committee of the Board for study. The Permanent Committee would report on the matter to the Board at its seventh session.

Transfer of technology

65. There was general agreement concerning the importance of UNIDO's assistance in regard to the transfer, adaptation and establishing of means for the creation of technologies suited to the conditions prevailing in developing countries. UNIDO was urged to disseminate up-to-date technological data under its over-all programme of transfer of technology. One delegation stated that UNIDO should become the principal organ in the United Nations family to solve problems relating to the exchange of industrial and technological information among all countries, including the developed countries. The same delegation offered the assistance of its Government, using its voluntary contribution, in supplying technical scientific information through UNIDO or UNDP. While the choice of the type of technology should be left primarily to the recipient Governments on the basis of their specific needs, UNIDO could help in defining the possible alternatives. One delegation was of the opinion that UNIDO had done a creditable work in this field. It requested for the next session of the Board a report analysing the work carried out in connexion with the transfer of technology and laid stress on the basic methods used by UNIDO in fulfilling its obligations in that field. Another delegation pointed out that the Organization should act as a neutral intermediary in assisting the developing countries to make the right choice in the selection of appropriate

technologies. The same delegation expressed the opinion that promotion of private investment was an appropriate vehicle for this process. Another delegation stated that since it was generally agreed that the choice of the technology had to be left to the recipient Governments, UNIDO's activities had to be basically country-oriented and flexible. Another delegation requested that UNIDO should help developing countries to choose the most appropriate technology for their conditions as there was more than one technology for the same industry. While one delegation agreed that the transfer of modern technology was essential to the speeding up of the industrialization process, it emphasized that the process should not take place at a prohibitive cost. The same delegation therefore saw a need for action to be taken at an international level to protect industries in the developing countries from excessive or prohibitive costs involved in acquiring patents and licences.

66. One delegation expressed the view that promoting the development of indigenous technology and research in the developing countries would enable the latter to transfer, in time, their experience and know-how to other developing countries. Such transfer was especially desirable in view of the similarities in experience and social climates of the countries concerned. It was essential, therefore, for UNIDO to pay increasing attention to the transfer of technology among the developing countries. Another delegation felt that it would be very useful if UNIDO were to publish regularly information about the experiences of other developing countries in this field. Another delegation noted that subregional projects were especially convenient for seminars on transfer of technology and know-how.

67. Underlining the importance of application, adaptation and development of technology, one delegation stressed the necessity of intensifying co-operation with other organizations active in the field, such as ECOSOC, UNCTAD and ILO. UNIDO, the delegation maintained, should concentrate on an action-oriented and pragmatic approach, dealing only with the practical aspects of the question, and leave the theoretical aspects to the other organizations. Another delegation considered that UNIDO should not limit its work in the transfer of technology to techniques especially designed for the use of the developing countries, but should cover all existing technologies.

68. Commenting on those remarks, the Executive Director said that all the activities of the Organization consisted in various aspects of transfer and adaptation of technology. He agreed that more emphasis should be placed on the practical rather than on the theoretical aspects of the question. The Executive Director also referred to the meeting of the Group of High-Level Experts appointed by the Secretary-General to study the long-range strategy of UNIDO. He expressed the hope that the strategy of UNIDO to be developed for the Second United Nations Development Decade would be one of further improvement and increasing assistance to the developing countries. He noted that while one could review the past activities of UNIDO with satisfaction, one should not overlook the prospects of the future nor the continued difficulties of the present which might have to be examined and resolved.

69. Other remarks made during the debate included the suggestions by one delegation that UNIDO stimulate multilateral co-operation and also concentrate on areas on areas such as major structural and technological trends in industrial development. The need of developing countries for training facilities as well as for large capital investments was stressed by another delegation.

Organizational matters

70. Some delegations urged the Executive Director to reorganize and review the structure of the UNIDO Secretariat, referring in that connexion to General Assembly resolution 2823 (XXVI), operative paragraph 14, and stated that they looked forward to the Executive Director's report on this matter. With reference to the same resolution, two delegations inquired about any action taken by the Executive Director concerning the review of the organization and structure of the UNIDO Secretariat to meet the increase in operational activities. Another delegation supported the view that a representative number of Board members should participate in such a review.
71. The Executive Director explained that it would be dangerous to disrupt the administrative machinery of an organization whose workload was increasing yearly by 30 to 40 per cent. Such a reorganization would have to await the results of the current examination of the long-term strategy of the Organization by the Group of High-level Experts and the action to be taken by the General Assembly at its twenty-seventh session concerning the proposals made by the Secretary-General with regard to the formulation of long-term programme planning and related budgetary matters (see document ID/B/L.144). In the meantime, a strengthening of certain areas related to technical co-operation and a streamlining of certain supporting activities would help UNIDO to overcome the present difficult period.
72. Several delegations reiterated the view, expressed in the Special International Conference of UNIDO, that UNIDO should be given greater autonomy in administrative matters, and in that connexion one delegation suggested that the Board be informed of the measures undertaken by UNIDO in securing the maximum amount of autonomy to enable it to function more effectively.
73. Replying to the question of one delegation on any action being taken to implement the recommendation of the General Assembly to increase the autonomy of UNIDO in administrative matters, the Secretariat stated that the Executive Director had submitted proposals to the Director of Personnel for increased autonomy in personnel matters. The Director of Personnel had indicated that although no action could be taken pending the outcome of a survey of the Office of Personnel in New York, currently being undertaken by the Administrative Management Service, his intention was to decentralize and delegate authority in personnel matters to the Executive Director of UNIDO in as large a measure as would be consistent with the competence of the Secretary-General and his responsibilities to the General Assembly. As regards the management of UNIDO's publications programme, proposals drawn up by the UNIDO Publications Committee to increase the autonomy of UNIDO in the sale and dissemination of its publications were being finalized and would be submitted to the United Nations Publications Board.
74. The Board decided to refer the question of greater autonomy of UNIDO in administrative matters to the Permanent Committee to be set up during the current session.

UNIDO/UNDP co-operation

75. Satisfaction was expressed at the outcome of the meeting of the Ad Hoc Committee on Co-operation between UNDP and UNIDO, held in New York in March 1972. It was noted by several delegations that there was lack of implementation of the

recommendations of the Ad Hoc Committee, and they expressed concern that the delay was proving detrimental to certain operations of the Organization, particularly to the programme of Special Industrial Services. In this connexion, one delegation recommended that the mandate of the Ad Hoc Committee on Co-operation be renewed and that the meetings of the Ad Hoc Committee continue for the next two years. Hope was generally expressed that the Ad Hoc Committee's recommendations would be adopted by the General Assembly and acted upon by both organizations.

76. In commenting on the report of the Ad Hoc Committee, some delegations welcomed the recommendation dealing with the periodic policy consultations between UNIDO and UNDP. It was emphasized by one delegation that discussions between the two secretariats were preferable to involving the legislative bodies of the two organizations. The same delegation hoped that the two secretariats would persevere in their efforts. One delegation stated that new ways of co-operation needed to be explored, especially in the light of UNIDO's central role of co-ordination in industrial development. Another delegation observed that there was need for a businesslike approach to technical assistance in order to answer the needs of the developing countries.

77. The importance of smooth co-operation between UNDP and UNIDO was underlined by one delegation, particularly in connexion with the drawing up of guidelines for the SIS programme. Another delegation endorsed the recommendation of the Ad Hoc Committee on Co-operation for periodic consultations between the two organizations. The same delegation expressed the hope that the industrial sector would receive a fair share of global projects.

78. At its 129th meeting, the Board considered a draft resolution on the Ad Hoc Committee on Co-operation between UNDP and UNIDO, submitted by the President after consultations with the geographic groups. One delegation, supported by several other delegations, proposed an amendment for the consideration of the Board. The draft resolution was adopted (see annex I, resolution 34 (VI)) without the inclusion of the proposed amendment. The delegations that had proposed the amendment wished to have their views reflected in the minutes.

79. One delegation, supported by another delegation, stated that, in its opinion, paragraph 5 of the draft resolution was not consistent with the new country programming procedures of UNDP and, had the resolution been put to the vote, its delegation would have abstained on the paragraph.

Special Industrial Services

80. While supporting the programme of Special Industrial Services and acknowledging the need for this flexible programme, one delegation expressed its concern that one third of the SIS projects approved were not yet operational. In order not to conflict with the country programming approach, UNIDO, in the view of this delegation, should limit the use of the SIS programme exclusively to short-term urgent requests. The same delegation indicated its support for a flexible solution regarding the financial resources for the SIS programme as suggested by the representative of UNDP, i.e. of around one third of the present UNDP programme reserve. It considered that, although UNIDO would be asked to comment on all

SIS requests and would implement the majority of the SIS projects, other United Nations organs should also be allowed to act as executing agencies. UNIDO's formal approval, it further suggested, should be required only for those projects allocated to UNIDO.

81. Commenting on the rate of implementation of SIS projects, the Executive Director pointed out that the \$4 million mark had been passed since last year. He explained that the demands were surpassing the resources available and therefore great selectivity was required in this programme; a faster rate of implementation would have put more pressure on the resources available.

82. Many delegations expressed their support for the programme of SIS and their concern about its future development. Many delegations expressed the view that the instructions issued by UNDP for the operation of the programme had resulted in rigid procedures, leading to the delay in approval of projects, amounting to about \$200,000 monthly, for the first four months of 1972. Some delegations considered that this development might result in the phasing out of the SIS programme itself. Many delegations welcomed the conclusions and the recommendations of the Ad Hoc Committee on Co-operation between UNDP and UNIDO, which had met in New York in March 1972 and called for an expeditious implementation of its recommendations. It was felt by several delegations that immediate steps and representations should be made for the early revocation of the UNDP memorandum of 30 December 1971, and for the re-application of the procedures in effect prior to the memorandum, until the General Assembly, during its twenty-seventh session shall have established clear guidelines, based on the recommendations of the Industrial Development Board of UNIDO and the Governing Council of the UNDP. Many delegations emphasized that UNDP, which provides the funds for the programme, should co-operate fully with UNIDO in this field. As regards the level of funds available for the programme, several delegations maintained that the annual level of programme should be \$4 to \$5 million, and should continue to reflect the desirable annual growth of the programme on a continuing basis, in the light of demonstrated needs, as indicated in General Assembly resolution 2823 (XXVI).

83. One delegation stated that its Government would not be in favour of financing any projects under SIS which could easily be included in the country programmes; that procedures in all phases of the programme should be simplified in order to make it flexible and responsive to urgent needs; and that there was little leeway for raising the level of financing for the programme since the UNDP's Programme Reserve of \$9 million not only provided funds for SIS projects but also for many other activities. Another delegation expressed its concern over the fact that a considerable number of projects under the SIS programme had not been implemented and wished to be informed of the steps by UNIDO to implement projects quickly once they had been approved. One delegation expressed concern over the inequitable allocation of SIS funds and, with the support of another delegation, suggested that SIS funds be transferred to become part of each country's indicative planning figure and that SIS projects be financed up to an agreed percentage of each indicative planning figure.

84. The representative of UNDP pointed out that UNDP, in co-operation with UNIDO, was determined to render effective assistance with minimum loss of time and resources by singling out promising requests from unrealistic ones. The two organizations

would also establish joint procedures for the appraisal of such requests in the future where stress would be laid on quality. Furthermore, an attempt would be made to recommend to the forthcoming session of the Governing Council of UNDP a level of financing for the SIS programme substantially higher than the present \$2 million, although it would be unrealistic to expect a level higher than one third of the Programme Reserve of \$9 million. All SIS projects to be implemented by UNIDO should be approved jointly by both organizations and UNIDO's views would be sought and taken into consideration in respect of projects to be implemented, even in the very few cases when another executing agency was selected.

85. The representative of the UNDP then referred to a text of a Joint Note by the Administrator of UNDP and the Executive Director of UNIDO, which had been unofficially circulated and which contained the result of their continued negotiations on the guiding principles for the programme of SIS. He said that agreement had not been particularly difficult on most points except paragraph 5 of the Joint Note concerning the system of approval of projects. It had been necessary for UNDP to reconcile the concept of joint approval of projects with the full responsibility of the Administrator, as laid down in the consensus of the Governing Council, for the proper utilization of UNDP funds. He said that most SIS projects - more than 90 per cent - would be executed by UNIDO, but the Administrator had to ensure that, if need be, he could make special arrangements for the execution of some SIS projects by agencies other than UNIDO. He had no other way to ensure the most effective management of the programme and that the wishes of recipient countries were taken into fullest account. He said that UNDP accepted SIS as a continuing special purpose programme and accepted UNIDO as the predominant centre for industrial development in the United Nations family.

86. The Executive Director said that, while he would like to dwell further on the point of view of UNIDO, which, in his opinion, was consistent with the unanimous recommendations of all legislative bodies concerned, he had noted with full appreciation the view of the representative of UNDP concerning the responsibility of the Administrator and that he would gladly pursue further with the Administrator discussions to arrive at a solution to all outstanding questions. The second part of paragraph 5 was in their joint opinion the best formulation of the conditions for a solution of the remaining problem in the guidelines but did not constitute the solution itself. He considered that in inter-agency co-operation, texts themselves were important and essential, yet of greater importance was the atmosphere of understanding, co-operation and confidence which should prevail.

87. At its 130th meeting, the Board considered a draft resolution on the programme of Special Industrial Services presented by the President after consultations with the geographical groups.

88. During the debate, several delegations from Group B indicated that they had difficulty in associating themselves with operative paragraph 2 of the resolution recommending that expenditures for the SIS programme in 1972 should be higher than in 1971, since the criteria should not be the financial resources but the nature and quality of the projects. Although these delegations would accept the resolution as a consensus, they would have had to abstain on operative paragraph 2 if it had been put to vote.

8. One delegation, while expressing its support for the ILS programme and recognising that the establishment of priorities was the responsibility of the countries concerned, insisted on the need for improving the quality of projects. Pre-determining levels of expenditure, therefore, should be avoided as a general policy.

90. The draft resolution was then adopted unanimously (see annex I, resolution 35 (VI)).

91. After the adoption of the resolution, reservations on operative paragraph were made by several other delegations from the Group of 77, expressing the fear that any freezing of the programme would damage the pattern of growth of UNIDO assistance as a whole.

Permanent Committee of the Industrial Development Board

92. There was general reference to the establishment of the Permanent Committee of the Industrial Development Board, which was recommended by the Special International Conference of UNIDO as well as by the General Assembly in resolution 2823 (XXVI). Many delegations emphasized the usefulness of this Committee as an instrument of the Board to assist it in implementing its decisions and in providing guidance to the Secretariat. It was generally agreed that the Industrial Development Board should provide clear terms of reference for the Committee. In this connexion, a number of suggestions were made, including an examination of the documentation of the programme of work of the Secretariat; the activities of the Organization relating to application, adaptation and development of appropriate technology; establishment of an industrial infrastructure; evaluation of the activities of the Organization; promotion of co-ordination of all activities in the field of industry in the United Nations system; and consideration of some major problems of industrialization of the developing countries.

93. Several delegations commented on the distribution of work of the Permanent Committee between the two sessions. It was suggested that, while the spring session would concentrate on the review of the work programme, as was currently being done by the Working Group on Programme and Co-ordination, the autumn session could deal with the evaluation of the results of selected activities of the Organization. One delegation suggested that evaluation should emphasize the sectoral approach and should be prepared by the Secretariat or outside sources, as appropriate. Many other delegations, on the other hand, expressed the view that evaluation of the activities of the Organization should be carried out in the context of a programme review, and the autumn session should be devoted to the consideration in depth of topics of industrialization selected by the Board and therefore should assume the function of a committee providing guidance to the Board on industrial problems.

94. One delegation suggested that maximum access to this Committee should be permitted, even by countries that were not members of the Board.

95. At its 129th meeting, the Board examined a draft resolution, which was presented by the President following consultations with the geographical groups, on the terms of reference of the new Permanent Committee to be established by the Industrial Development Board during its sixth session. The draft resolution was adopted unanimously at the same meeting (see annex I, resolution 32 (VI)).

96. After adoption of the resolution one delegation, speaking on behalf of Group B, indicated that the resolution was the result of a compromise in which extensive concessions had been made. There were, however, still some doubts as to whether that was really the kind of permanent machinery that would enable the Board to give the Secretariat useful guidance. Group B had approved the draft resolution on the understanding that the mandate of the Committee would be subject to review during the eighth session of the Board in the light of experience gained.

97. With regard to the date of the first session of the Permanent Committee, a number of delegations proposed to hold this session before the end of 1972, whereas others favoured holding it at the beginning of 1973. It was finally agreed that the Executive Director, taking into account the various views expressed by the Board, should make enquiries with the authorities of the host country about the availability of facilities and consult with the United Nations Headquarters with regard to the question of the calendar of meetings to be approved by the General Assembly.

98. The Executive Director was requested to communicate the results of these consultations to the members of the Bureau and the members of the Board with a view to ascertaining the most appropriate date. It was also agreed that the Executive Director should prepare the provisional agenda for the first session of the Permanent Committee, in consultation with the members of the Board and the members of the Bureau, taking into account the views expressed by the Board at the present session and the specific items referred to the Committee by the Board.

General Conference of UNIDO

99. A great many delegations expressed the view that the second General Conference of UNIDO should be held in 1974. It was felt by them that this date would enable the Conference to contribute significantly to the work undertaken in industry within the framework of the Second United Nations Development Decade. Some delegations, recommended, in this connexion, that the seventh session of the Industrial Development Board should be entrusted with the task of the preparation and elaboration of the main points of the agenda of the second General Conference of UNIDO. Several delegations, however, thought that the General Conference should be held in 1975 in order to give more time for preparation and also because this would coincide with the mid-term review of the Second United Nations Development Decade. Another delegation pointed out that the UNDP country programming exercise would also not be completed for all countries before the end of 1974.

100. It was suggested by many delegations that the General Conference of UNIDO should review problems of industrialization of the developing countries during the Second United Nations Development Decade and make recommendations on policies and actions required for the attainment of the goals set for the Decade. In this connexion, some delegations noted that the General Conference of UNIDO should not lose the momentum initiated by the Special International Conference of UNIDO held in 1971 and suggested that the General Conference proposed for 1974 provide a follow-up of the recommendations of the 1971 Special International Conference.

It was suggested by one delegation that the General Conference of UNIDO, while focusing on planning for industrialization of the developing countries, should also give adequate consideration to the problems of the least developed of the developing countries.

101. At its 129th meeting, the Board considered a draft resolution on the Second General Conference of the United Nations Industrial Development Organization, submitted by the President after consultations with the geographical groups. The draft resolution was adopted unanimously at the same meeting (see annex 1, resolution 33 (VI)). One delegation made a statement drawing attention to the administrative and financial implications of the above-mentioned resolution as contained in document ID/B/L.134.

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

Second Analytical Report

102. Several delegations noted that, while it was not possible to analyse fully in the Second Analytical Report (document ID/B/102) all aspects of the work of the United Nations system in the field of industrial development - in view of the lack of time available to the Secretariat - the analysis could be improved further. Noting that the Consolidated Report, on which the Second Analytical Report was based, should be maintained in the same form as it appeared this year, suggestions were made to the effect that the Analytical Report should identify the main problems encountered by UNIDO in exercising its co-ordination role. It should be more than a mere listing of the activities in the industrial field; it should refer to areas where overlapping still existed and should provide an identification of activity gaps as well as proposals for action.

103. One delegation, in commenting on UNIDO's share of industrial development activities within the United Nations system as being only 15.5 per cent, noted that the shares of FAO were 33 per cent, UNESCO 16 per cent and that of ILO 13 per cent. The question for the Board, therefore, was to examine how the relative shares of the agencies could be changed so as to increase UNIDO's share of activities in the field of industrial development in the United Nations system to cover, for example, in addition to the processing of industries, the vast field of natural resources. Another delegation noted the higher proportion of the resources devoted to training of specialists and felt that this was justified in view of the high priority accorded to this field. The same delegation, on the other hand, felt that not enough resources had been devoted to the field of transfer of technology.

Central role of UNIDO in the promotion of co-ordination of industrial development activities in the United Nations system

104. Many delegations emphasized the importance of the central role of UNIDO in the co-ordination and guidance of the activities of the United Nations system of organizations in industry, as contained in General Assembly resolution 2152 (XXI). A number of delegations made observations as to the manner in which UNIDO could adequately fulfil its central role in co-ordination assigned to it by the General Assembly. Two delegations noted that co-ordination was neither decentralization nor subordination of the activities of the other organizations, but rather a way to ensure that all organizations were working together by actively integrating the activities of the other organizations within the over-all approach to problems of industrialization of the developing countries. In this connexion, it was suggested that UNIDO should develop an over-all industrial strategy for the promotion of industrial development which would provide certain yardsticks and norms for the formulation of industrial development programmes to be followed by the different organizations in the United Nations system to ensure that they would all be moving in the right direction. One delegation expressed the view that the central role of UNIDO in co-ordination could best be promoted through a pragmatic approach designed to tackle problems as they arose. Another delegation suggested that UNIDO should enlarge its sphere of activities to include the item of natural resources in its work programme.

105. Regret was expressed that UNIDO had so far not been able to fulfil its mandate as laid down in General Assembly resolution 2152 (XXI). One delegation stated that, in practice, UNIDO had not been able to execute its central co-ordinating role because of the opposition manifested by the other international organizations and, in particular, the non-recognition of this role by UNDP. Another delegation invited UNIDO to prepare a document summarizing the main objectives and instruments to be used by UNIDO in this field, taking into account the recommendations of the third session of the United Nations Conference on Trade and Development.

106. While noting the arrangements made by UNIDO for co-operation with other organizations in the United Nations system, it was suggested by some delegations that UNIDO should widen the areas of collaboration with other international organizations, including UNCTAD, the regional economic commissions and UNESOB, to ensure optimum benefits to developing countries, including the implementation of the generalized system of preferences. One delegation suggested that UNIDO should take the necessary action to conclude agreements of co-operation with those organizations with whom agreements did not exist, such as the World Bank Group. It was noted that UNIDO had been co-operating with a number of organizations in implementing its programme of work, and in this connexion, one delegation expressed satisfaction that UNIDO was co-operating with ECA and the Organization of African Unity in organizing the 1973 Conference of Ministers of Industry.

107. The representative of ILO, while expressing satisfaction that the ILO/UNIDO working party meetings were functioning reasonably well, still felt that co-operation between the two organizations needed to be further strengthened. He referred to the concern expressed at the last session of ILO's governing body that no formal agreement on co-operation had been reached between UNIDO and ILO. He emphasized the advantages in reaching a formal agreement, which would lay the stress on joint action rather than on action based on a rigid and perhaps false demarcation of areas of competence.

108. It was suggested by two delegations that the Permanent Committee of the Industrial Development Board should review reports from the various agencies in the United Nations system concerned with industrial development, in particular on their implementation of programmes in industry, and present a final picture to the Board to enable UNIDO to play an effective role in co-ordination.

109. One delegation, supported by another delegation, indicated that UNIDO, in order to fulfil its role in co-ordination properly, should be more efficient than the other organizations. It was therefore necessary to re-organize and to strengthen UNIDO. Another delegation cautioned that if UNIDO were to take on more tasks, this might result in decreased assistance to the developing countries.

110. One delegation noted that co-ordination and co-operation at the project level concerned the over-all policy issues of inter-agency co-operation emerging from UNIDO's central role in this field. This role, according to the same delegation, was part and parcel of the over-all functions of ECOSOC, and UNIDO did not have the right to impose its authority on other organizations.

Co-operation with other agencies in the United Nations system
concerned with industrial development

111. Many delegations noted with satisfaction the arrangements of UNIDO for co-operation with other organizations. It was further noted that UNIDO had made considerable progress in co-ordination, despite difficulties; it should aim further at not only avoiding duplication of work, but also at promoting co-ordination and harmonization. The co-operation agreement between UNIDO and the Inter-American Development Bank was noted with appreciation by one delegation. The same delegation suggested that similar agreements with other regional development banks, especially with the Asian Development Bank, should also be worked out. Appreciation was also expressed by the same delegation concerning the co-operation between UNIDO and the World Bank Group, and the suggestion was made that such co-operation on a continuing basis could be formalized for the benefit of the developing countries.

112. One delegation referred to the special knowledge and expertise acquired by UNCTAD, FAO, ILO and the International Trade Centre in different aspects of industrialization, and suggested that in developing co-operation with these organizations, there was a need to delineate clearly the responsibilities between the work of these organizations and that of UNIDO. Hope was also expressed by one delegation that UNIDO would conclude a formal agreement between ILO and UNIDO, although an agreement of that kind would not of itself guarantee the necessary co-operation. Another delegation, in emphasizing the importance of work in the field of transfer and adaptation of technology, suggested closer co-operation with UNCTAD with a view to developing new methods and forms of international co-operation.

Co-ordination at the field level

113. Two delegations expressed the view that the new UNDP country programming procedures would facilitate co-ordination at the field level. Many delegations emphasized the importance of the role of industrial development field advisers in the promotion of co-ordination in the field; one delegation emphasized the important co-ordination role also of resident representatives. The field advisers, who were familiar with the requirements and plans of the developing countries, could make an effective contribution to the implementation of industrial development projects. One delegation suggested that the number of field advisers be increased to thirty to enable them to cover the whole spectrum of industrial development activities in the developing countries.

114. One delegation recalled the importance of co-ordination of bilateral and multi-lateral activities of UNIDO and indicated its Government's willingness to co-ordinate its bilateral assistance with projects and programmes of multilateral organizations wherever feasible. Another delegation, while expressing its satisfaction for the increasing co-operation between its National Committee and the Secretariat of UNIDO, wished to be better informed in matters involving possible participation of its country.

115. One delegation stated that its National Committee for UNIDO had experienced the improvement in co-ordination and hoped that even closer contacts might be established between those Committees and the UNIDO Secretariat. It favoured an informal exchange of experience between the National Committees, but did not believe that the creation of a permanent secretariat was essential for that purpose.

CHAPTER VI. FINANCIAL AND ORGANIZATIONAL MATTERS

116. The Board considered item 8, Financial and Organizational Matters, at its 126th and 127th plenary meetings. It had before it the following documents: ID/B/99, 103, 105, 108, 109 and L.114. Its discussions on this item of the agenda are reflected in Nos. 126 and 127 of the Summary Records.

A. Financial matters

Financing of UNIDO activities

117. A number of delegations, especially those from the developing countries, expressed concern about the inadequacy of resources which was hampering the activities of UNIDO. A suggestion was made by one delegation to appeal to the Secretary-General of the United Nations, to UNDP and to the developed countries to increase the resources available to UNIDO and to invite member States to increase their voluntary contributions to UNIDO. One delegation stated that in order to alleviate the difficult financial situation faced by the Organization, UNIDO's entire overhead costs of operational activities could perhaps be borne by UNDP. One delegation suggested an increase in voluntary contributions as a first step towards improving UNIDO's financial resources; another delegation called for increased international co-operation for industrialization through bilateral aid without political strings. One delegation announced its Government's pledge to provide \$50,000 to UNIDO, subject to parliamentary approval, for the establishment of an information system for development banks.

118. One delegation expressed concern with regard to the financial difficulties of regional and interregional projects programmed for long periods. Such projects were important not only because of their multiplier effects, but also because of the fact that through host government contributions, the effective volume of assistance was increased.

119. One delegation referred to recent serious developments in a major State Member of the United Nations and expressed concern that these developments might result in substantial reductions in the total contributions to the United Nations system.

Budget estimates for 1973

120. Several delegations drew attention to paragraph 2 of document ID/B/103, in which it was indicated that the estimates had been prepared in accordance with the Secretary-General's policy of maintaining the 1973 establishment and expenditures at the 1972 level, except for adjustments resulting from increases in prices and variations in certain currency conversion rates. Some delegations noted this policy with approval, while others deplored the lack of budgetary growth as it would be an impediment to the necessary development of programmes. The Secretariat explained that the estimates, while conforming with the Secretary-General's directives on economy, would not be sufficient to carry out the full work programme as submitted to the Board: the work programme would have to be adjusted downwards to conform with the level of resources to be made available, or supplementary estimates would have to be submitted. Several delegations, while commending the efforts of the

Secretariat to effect economies, offered specific suggestions for additional savings. Among the suggestions made were: a decrease in overtime costs by means of better organization of meetings; better planning of combined travel on home leave and official business; publication of the reports of expert group meetings in mimeo form only, after the conclusion of a meeting; continuous attention to possible duplication of responsibilities among the various divisions; the amalgamation of small organizational units into larger units; the restructuring of the Technical Co-operation Division in order to pass responsibility for handling certain types of correspondence to the three substantive divisions of UNIDO; and the exclusion of work programme texts from the budget document.

121. One delegation stated that the budget had not taken into account the fact that, owing to the new country programming approach, the operational programme of UNIDO would soon be about twice the size of the present operational programme. It was therefore essential that a certain degree of reallocation was made of the resources available for administrative and supporting activities. The delegation stated that it would have liked to have seen these thoughts reflected in the budget estimates for 1973 and therefore suggested that the Executive Director reconsider some of the requirements for UNIDO in the light of these considerations.

122. The same delegation stated that it supported the concept outlined in the so-called Bertrand report, namely that UNDP and the executing agencies including UNIDO, should develop a cost accounting system designed to give an accurate picture of direct overhead and administrative costs incurred on a project-by-project basis. The delegation would be inclined to agree with a recent report of the Advisory Committee on Administrative and Budgetary Questions that UNDP should not be requested to pay for activities which the agencies would have been carrying out in any case under their own statutes.

UNIDO regular programme of technical assistance

123. In introducing the document on the UNIDO regular programme of technical assistance (ID/B/99), the President stated that the Board was requested to approve the programme proposals for 1973 and to recommend a planning level of resources for 1974.

124. In the course of consideration of the item, several delegations expressed support for the substantive aspects of the proposed programme for 1973, which they considered a suitable channel for the transfer of technology to developing countries, particularly through training activities. While supporting the proposed programme, one delegation stated that the share of financing of small-scale industries should be increased.

125. Some delegations noted with appreciation that the 1973 programme took into account the financial constraints facing the United Nations.

126. One delegation commended in particular paragraph 18 of document ID/B/99, in which the Secretariat proposed to examine continuously new ideas and avenues of action to accelerate the industrialization of the developing countries. With reference to the Board's adoption of the recommendations contained in document ID/B/99, the same delegation drew attention to the policy of its Government of channelling voluntary contributions for multilateral economic development through UNDP. It observed that while its Government supported in general the projects presented in the document, it did not support the funding of these activities from the United Nations regular budget.

127. While supporting the programme for 1972, some delegations noted that a proposed solution to the financial problems of the United Nations would involve the transfer of the regular programme part in the budget of the United Nations to the UNDP. Some of these delegations would accept this transfer as part of a package deal only on the condition that the developing countries be given a firm guarantee that an equal amount henceforth be contributed to the UNDP for the same purposes, in addition to the normal UNDP contributions.

128. The Board gave its approval to the proposals for the regular programme for 1973 and decided to recommend to the General Assembly the appropriation of \$1.5 million within Section 14 of Part VI of the regular budget of the United Nations for the year 1973 (paragraph 21 of document ID/B/99) and a planning level of \$1.5 million of resources for the regular programme for the year 1974 (paragraph 22 of document ID/B/99).

Voluntary contributions to UNIDO

129. Many delegations expressed their views on the voluntary contributions to UNIDO and praised the implementation of the programme in general. They further indicated their full support of the programmes as carried out in the contributing countries or in the benefiting countries.

130. One delegation cautioned that the Secretariat's efforts to solicit additional contributions should be concentrated on locating financing for high priority activities and then only when such solicitation did not require disproportionate secretariat managerial time.

131. Some delegations noted with satisfaction that many countries were receiving assistance through the General Trust Fund. Many delegations stated that the projects financed from the General Trust Fund met the actual needs of the developing countries.

132. Several delegations referred to the voluntary contributions which their countries had already made to UNIDO and expressed their intention of continuing and increasing such contributions.

133. One delegation noted the high degree and rapidity of implementation resulting from fewer bureaucratic procedures in the case of projects financed from voluntary contributions in comparison with those financed under UNDP.

B. Organizational matters

134. Two delegations pointed to the need for constant self-evaluation by UNIDO in order to become more effective in its tasks. Another two delegations stated that in view of the expected sharp increase in requests for field projects, such projects should be given priority over supporting activities. This could be achieved by: gradually phasing out some of UNIDO's Headquarter activities; effecting certain changes in the Secretariat's internal structure in order to strengthen units responsible for country programming and implementation of field projects; and by increasing the delivery capacity of the Organization by subcontracting an increasing number of projects.

15. One delegation recommended that UNIDO should establish regional offices for Africa, Asia and Latin America. It was felt that through these offices, a better co-ordination of UNIDO's programmes could be achieved with the planning institutes and industrial establishment. Such regional decentralization of UNIDO's work would also result in the reduction of the over-all expenses of the Organization.

Planning, programming and budgeting

136. In commenting on the note by the Executive Director on the changes proposed by the Secretary-General in the United Nations planning, programming and budget processes (document ID/B/L.114), several delegations welcomed these proposals. These delegations noted that the Industrial Development Board's examination of the programme of work and its budgetary implications would be facilitated by the proposed presentation of the budget on a programme basis. One delegation, in supporting these new procedures, drew attention to paragraph 14 of General Assembly resolution 2823 (XXVI) and expressed the view that these procedures would enhance the achievement of greater autonomy for UNIDO and suggested that the views of the Industrial Development Board on the UNIDO work programme and budget should be conveyed to the Advisory Committee on Administrative and Budgetary Questions and to the Fifth Committee of the General Assembly. Two delegations suggested that prior to the next session of the Board, the Executive Director might hold, as appropriate, consultations with member States on this subject. Several delegations pointed out that because of lack of time, it would not be possible for the Board at its present session to give the adequate attention to this important matter and to reach definite conclusions.

137. The Board, after an initial and preliminary exchange of views on the communication of the Secretary-General on planning, programming and budgeting (ID/B/L.114) and in view of the importance of the matter, decided to refer the question to the Permanent Committee with the request that appropriate recommendations be submitted to the seventh session of the Industrial Development Board. In the meantime, inter-sessional consultations with member States should be undertaken, as appropriate, by the Executive Director. The Executive Director was requested to inform the Secretary-General of the steps being undertaken by the Board and by the Secretariat of UNIDO in order to give the matter most careful study and consideration. The Board further decided to request the Secretary-General and the General Assembly, in examining the new proposals, to give due consideration to the special features of the programming of the activities of UNIDO.

Distribution of UNIDO professional staff among the various divisions

138. Several delegations drew attention to the large proportion of UNIDO professional staff assigned to the Division of Administration, Conference and General Services as compared to the professional staff of the other UNIDO divisions. They pointed to the need of taking steps to reduce the administrative staff of UNIDO and in so doing to increase the staff of the substantive divisions, i.e. to revise the manning table of the UNIDO Secretariat. These delegations emphasized the importance of the UNIDO field programmes and suggested that some of the staff be reassigned to those UNIDO divisions directly concerned with the implementation of the field programme. One delegation, in expressing this view, noted that a large proportion of the staff assigned to the Division of Administration, Conference and General Services was engaged in activities directly linked to the field programmes.

Application of the principle of equitable geographical distribution in UNIDO

139. Several delegations stressed the need for a more equitable geographical distribution of the staff in the professional category, particularly an improved representation of various geographical regions, among the various divisions of UNIDO and the allocation of senior posts. One delegation requested the Secretariat of UNIDO to furnish the Industrial Development Board with an annual report on the distribution by nationality of the experts appointed to UNIDO field posts.

140. The Secretariat, in responding to these concerns, explained that the responsibility for applying the principles of equitable geographical distribution rested with the Secretary-General under article 707 of the Charter of the United Nations. It was thus not within the competence of UNIDO to appoint its own staff. The Secretariat reviewed the various constraints which prevented a quick solution to the problem of equitable geographical distribution and explained its own continuing efforts towards the improvement of the present situation.

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

A. Consideration of applications of intergovernmental organizations

141. At its 124th meeting, the Board agreed to designate the Caribbean Free Trade Association (CARIFTA) to participate in the deliberations of the Board and its subsidiary organs, pursuant to rule 75 of the rules of procedure of the Board.

B. Consideration of applications of international non-governmental organizations

142. In conformity with paragraph 2 of the procedure for granting consultative status to international non-governmental organizations concerned with the promotion of industrial development (ID/B/NOO.1), the Ad Hoc Committee, composed of the members of the Bureau of the Board and the Executive Director, met on 25 May 1972 to review the applications for consultative status contained in documents ID/B/106 and ID/B/106/Add.1.

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

- (a) World Association of Industrial and Technological Research Organizations (WAITRO);
- (b) International Association for Cereal Chemistry (ICC);
- (c) Society for Chemical Industry;
- (d) Latin American Iron and Steel Institute (ILAPA).

144. The Board, at its 124th meeting, approved the recommendations of the Ad Hoc Committee.

CHAPTER VIII. OTHER BUSINESS

Inclusion of Bahrain, Bhutan, Oman, Qatar and the United Arab Emirates in list "A" of States annexed to General Assembly resolution 2152 (XXI)

145. At its twenty-sixth session, in resolution 2824 (XXVI) on the revision of the lists of States eligible for membership in the Industrial Development Board, the General Assembly decided to include Bahrain, Bhutan, Oman, Qatar and the United Arab Emirates in list "A" of the annex to its resolution 2152 (XXI).

146. Accordingly, pursuant to the last sentence of section II, paragraph 4, of General Assembly resolution 2152 (XXI) establishing UNIDO, the Board at its 126th meeting took note of the decision of the General Assembly referred to in the preceding paragraph.

CHAPTER IX. PROVISIONAL AGENDA OF THE SEVENTH SESSION

147. At its 128th meeting, the Board adopted the provisional agenda of the seventh session as follows:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. General debate.
5. Reports of the Permanent Committee.
6. Final report of the Group of High-Level Experts on Long-Range Strategy of UNIDO.
7. Second General Conference of UNIDO.
8. Co-ordination of activities of the United Nations system in the field of industrial development.
9. Organizational and financial matters.
10. Matters concerning intergovernmental and non-governmental organisations.
11. Provisional agenda of the eighth session.
12. Date and place of the eighth session.
13. Other business.
14. Adoption of the report of the seventh session.

CHAPTER X. DATE AND PLACE OF THE SEVENTH SESSION

148. The Board considered at its 129th meeting the question of the date and place of its seventh session. The delegation of the host Government indicated that facilities would be available between 9 April and 7 May 1973. The Board decided that the Executive Director should hold consultation with the authorities of the host country with a view to assessing the most appropriate dates, bearing in mind that the session of the Board would be preceded by a two-week session of the Permanent Committee and should preferably take place between the end of April and the middle of May. The Executive Director was requested to transmit the results of the consultation to the members of the Board. It was also decided that, in consultation with the same authorities, the month of May should be considered for future sessions of the Board. It was noted that the Executive Director would have to submit his proposals before the General Assembly considered the report of the Board.

CHAPTER XI. CONSIDERATION OF THE REPORT OF THE SIXTH SESSION

149. At its 130th meeting, the Board unanimously adopted the report on the work of its sixth session as a whole, it being understood that the part of the report relating to the late discussions would be finalized by the Rapporteur.

CHAPTER XII. CLOSURE OF THE SIXTH SESSION OF THE BOARD

150. After statements by the President of the sixth session, representatives of various geographical groups and the Executive Director, the Board concluded its sixth session at 11.00 p.m. on 2 June 1972.

ANNEXES

ANNEX I

RESOLUTIONS ADOPTED BY THE INDUSTRIAL DEVELOPMENT BOARD
AT ITS SIXTH SESSION

31 (VI). Assistance to the least developed
among the developing countries

The Industrial Development Board,

Recalling General Assembly resolution 2626 (XXV) of 24 October 1970, in which a section was provided covering the special measures to be taken under the Second United Nations Development Decade to enable the least developed among the developing countries to benefit fully and equitably from the policies and measures for the Decade,

Recalling paragraph 7 of General Assembly resolution 2768 (XXVI) which concerns the identification of the least developed among the developing countries,

Taking note of Economic and Social Council resolution 1617 (LI), in particular the provisions of paragraph 1 (a) asking the Governing Council and the Administrator of the United Nations Development Programme to give special attention to requests for assistance from the developing countries in accordance with the priorities assigned by those countries, including requests for industrial technological development and industrial pilot projects,

Considering the resolution on special measures in favour of the least developed among the developing countries, unanimously adopted on 18 May 1972 at the third session of the United Nations Conference on Trade and Development in particular paragraph 38 of part B (II) of that resolution,

Bearing in mind the difficulties encountered by some developing countries in meeting their obligations in the field of assistance, both from the standpoint of human and material resources, and the need to adapt such assistance to local conditions with a view to achieving greater effectiveness,

1. Invites the Executive Director of the United Nations Industrial Development Organization and the Administrator of the United Nations Development Programme to give increased and continuing attention to the preparation of operational and supporting programmes of the United Nations Industrial Development Organization in favour of the least developed among the developing countries, at the request of their Governments, particularly by considering new forms of assistance which, in particular, would place more emphasis on the establishment of pilot and demonstration enterprises. In doing so, they should consider the need to provide funds, from

available resources, to give practical effect to such sectoral studies as may be undertaken by the study centres or study groups of industrial promotion and development to be set up in the countries concerned, such centres or groups serving both as advisers to the Governments and to existing or future enterprises, and as institutions for the training of national personnel and for other entrepreneurs in the industrial field;

2. Invites the Executive Director to take full cognizance of the unanimous resolution referred to in preambular paragraph 4 above and urges him to institute appropriate measures in co-operation with the Secretary-General of the United Nations Conference on Trade and Development, the Administrator of the United Nations Development Programme and other relevant international bodies and multi-lateral institutions mentioned in that resolution to implement the relevant paragraphs of the resolution, in order to facilitate the industrial development of the least developed among the developing countries;

3. Requests the Executive Director, in consultation with the Administrator of the United Nations Development Programme and the Secretary-General of the United Nations Conference on Trade and Development, to report to the Board at its eighth session on the practical steps taken in this regard.

129th plenary meeting,
2 June 1972.

(VI). Establishment of a Permanent Committee

The Industrial Development Board,

Recalling General Assembly resolution 2152 (XXI), in particular paragraphs 14 to 16,

Beating in mind the consensus resolution ID/SCU/RES.1, in particular Part II, paragraph 9,

Further recalling General Assembly resolution 2823 (XXVI) dealing with the Report of the Special International Conference of the United Nations Industrial Development Organization,

Taking into account Board resolution ID/B/Res.3 (II),

1. Decides to establish, as its subsidiary organ, a Permanent Committee composed of representatives of all State members of the Board, in replacement of the present Working Group on Programme and Co-ordination;
2. Further decides that the Permanent Committee shall, at its first meeting in a calendar year, elect its own officers who shall hold office for that year, taking into account the provisions of rules 18 and 19 and of the rotation formula contained in annex I of the Board's rules of procedure;
3. Decides further that to assist in increasing the efficiency of the activities of the United Nations Industrial Development Organization and to enable the Board to give guidance to the Secretariat in the implementation of the decisions of the Board, the Permanent Committee shall:

(a) On the basis of the documentation prepared for the Board:

(i) Examine, with particular emphasis on technological development, the past activities, the updated programme for the current year, and the proposed future programme of work of the Organization, including the financial implications thereof;

(ii) Evaluate periodically the results of the activities of the Organization with a view to ensuring the most appropriate utilization of the available resources;

(b) Devote particular attention to the activities of the Organization relating to the application, adaptation and development of appropriate technology and the establishment of an industrial infrastructure in developing countries. In performing this task, it should keep in view and collaborate closely with the work in this field of other bodies and organizations of the United Nations system, particularly the United Nations Conference on Trade and Development;

(c) Examine, in accordance with General Assembly resolution 2152 (XXI), and particularly paragraph 27 thereof, with a view to assisting the Board to enable the Organization to play the central role in, and be responsible for reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development;

- (i) Reports on activities in this field that are included in the programme of other organizations in the United Nations Family;
 - (ii) Other matters bearing on the industrialization of the developing countries, for example Industrial Development Surveys;
 - (d) Deal with any other questions referred to it by the Board, which will also indicate the session of the Permanent Committee at which they shall be taken up;
4. Further decides that the Permanent Committee shall hold two regular annual sessions; the first session, divided into two parts of one week each, the first devoted mainly to the function referred to in paragraph 3(a)(i) above; and the second to that referred to in paragraph 3(a)(ii) above; and the second session of about one week's duration in the latter part of the year, devoted mainly to the consideration in depth of topics selected by the Board related to the functions referred to in paragraphs 3(b) and (c) above;
5. Decides that the Permanent Committee shall report and submit its recommendations to the next succeeding session of the Board.

129th plenary meeting,
2 June 1972.

33 (VI). Second General Conference of the United Nations
Industrial Development Organization

The Industrial Development Board,

Recalling the International Development Strategy for the Second United Nations Development Decade as contained in General Assembly resolution 2626 (XXV),

Noting that this Strategy sets as its goals and objectives the attainment, of an average annual rate of growth of at least 6 per cent in the gross product of the developing countries during the Decade and a consequent average annual expansion of 8 per cent in manufacturing output during the Decade,

Also noting that the developing countries will need to take parallel steps to promote industry in order to achieve rapid expansion, modernization and diversification of the economies and to devise measures that will ensure adequate expansion of industries utilizing domestic raw materials to supply essential inputs to both agriculture and other industries and that will help to increase export earnings,

Emphasizing that developed countries and international organizations will assist in the industrialization of developing countries through appropriate means,

Bearing in mind the recommendations of the United Nations Educational, Scientific and Cultural Organization resolution 1621 (LI) and General Assembly resolution 2801 (XXVI) entrusting the Industrial Development Board with the responsibility for conducting the review and appraisal exercises in industry and for considering adequate procedures for the review and appraisal of policy measures to meet the goals and objectives of the International Development Strategy,

Considering that the review and appraisal and such procedures not only are of fundamental importance in themselves to the industrial development of developing countries but also need to be closely related to the long-range strategy for the United Nations Industrial Development Organization,

Further considering that the implementation of the Resolution of Consensus on Long-Range Strategy, Structure and Financing of the United Nations Industrial Development Organization, adopted by the Special International Conference of that Organization on 8 June 1971, is of great importance,

Further recalling General Assembly resolution 2823 (XXVI), paragraphs 4 and 15, requesting the Industrial Development Board to propose to the General Assembly, in due time, the necessary measures for convening another general conference of the United Nations Industrial Development Organization in 1974 or 1975, as appropriate, and to make recommendations for a provisional agenda, keeping in mind the need to review the progress of industrialization during the Second United Nations Development Decade,

1. Requests the Executive Director to initiate forthwith all studies required to enable the United Nations Industrial Development Organization to discharge the responsibilities entrusted to it by the Economic and Social Council and the General Assembly in connexion with the Second United Nations Development Decade;

3. Recommends to the General Assembly to convene the second General Conference of the United Nations Industrial Development Organization in Vienna at the most convenient date between June 1974 and March 1975, for a period of two weeks;

4. Further recommends to the General Assembly the following main issues shall, inter alia, constitute the basis of the provisional agenda for the second general conference of the United Nations Industrial Development Organization, subject to the final recommendation of the Industrial Development Board at its seventh session to the General Assembly:

- (a) Review of the progress achieved and the problems encountered in the industrialization of the developing countries during the Second United Nations Development Decade and the policies and actions required to attain the goals set by it;
- (b) Review the recommendations of the Group of High-Level Experts on the Long-Range Strategy for the activities of the United Nations Industrial Development Organization in the context of the International Development Strategy as related to progress of industrial development and recommendations on policies and actions required for the attainment of the goals set by the Second United Nations Development Decade;
- (c) Follow-up of the recommendations of the Special International Conference of the United Nations Industrial Development Organization held in 1971, including the organizational structure of the United Nations Industrial Development Organization and questions of its financing, as well as its role in co-ordination of industrial development activities, and the application, adaptation and development of technology;
- (d) Consideration of proposals on such changes and improvements as may be necessary pursuant to paragraph 37 of the General Assembly resolution 2152 (XXI) in order to meet fully the growing needs in the field of industrial development;

4. Recommends that the General Conference elect a President, three Vice-Presidents and a Rapporteur and adopt its agenda and that for all other matters the rules of procedures of the Conference should be those of the Industrial Development Board;

5. Decides that the provisional agenda for the seventh session of the Industrial Development Board should include an item on the provisional agenda and preparatory arrangements for the second general conference of UNIDO to be recommended to the General Assembly;

6. Further requests the Executive Director to take all the necessary measures for the preparation of the second general conference of UNIDO and report thereon to the Industrial Development Board at its seventh session.

129th plenary meeting,
2 June 1972.

A (VI). Ad Hoc Committee on Co-operation between the United Nations Development Programme and the United Nations Industrial Development Organization

The Industrial Development Board,

Recalling General Assembly resolutions 2150 (XXI), paragraph 31, and 2830 (XXVI), paragraph 11, in which the Industrial Development Board is specifically requested to comment on the report of the Ad Hoc Committee on Co-operation between the United Nations Development Programme and the United Nations Industrial Development Organization,

Noting with satisfaction the report of the Ad Hoc Committee on Co-operation, ^{1/}

1. Endorses the conclusions and recommendations of the Ad Hoc Committee as contained in its report;
2. Expresses satisfaction on the agreement reached concerning the establishment of the periodic consultative machinery on policies, problems and procedures affecting the preparation and implementation of industrial projects and programmes;
3. Welcomes the recognition by the United Nations Development Programme of the central role of the United Nations Industrial Development Organization in co-ordinating the activities of the United Nations system in the field of industrial development and its willingness to assist the United Nations Industrial Development Organization fully in the implementation of the role;
4. Recommends that in implementing the Special Industrial Services programme as the main element of short-term planning outside the long-range strategy of industrial development, close co-operation be maintained between the United Nations Industrial Development Organization and the United Nations Development Programme as an essential condition for the effective realization of the Special Industrial Services projects;
5. Recommends that effective methods of co-operation between the United Nations Industrial Development Organization and the United Nations Development Programme should be envisaged to such an extent that the industrial development field advisers could participate more actively in the formulation of the country programmes, in order to ensure the application of a larger proportion of the financial resources of the United Nations Development Programme for this field;
6. Recommends that the United Nations Industrial Development Organization and the United Nations Development Programme should contribute substantially in the reappraisal of basic concepts and strategies for implementing particular needs of industries and in formulating a strategy of action that should be oriented towards stimulating and supporting national policies and programmes in the industrial field;
7. Recommends to the Secretariats of the United Nations Development Programme and the United Nations Industrial Development Organization to devise satisfactory methods and procedures of co-operation in multi-country projects in close

^{1/} Document A/8640

in liaison with the regional economic commissions, the United Nations Industrial Scientific and Cultural Organization and other United Nations agencies, particularly in relation to the transfer of technology, and to supplement, at the national level, the assistance of the United Nations Industrial Development Organization;

8. Recommends consultations between the United Nations Industrial Development Organization, the United Nations Development Programme and the respective governments to devise special forms of assistance to industry and new techniques, and also to the more complex nature of this particular need of industry, within the existing rules and regulations for the financial management of the programme;

9. Requests the Executive Director to report to the Industrial Development Board and to the second General Conference on the implementation of the recommendations of the Ad Hoc Committee on Co-operation;

10. Requests the Executive Director to transmit the present resolution to the General Assembly through the Economic and Social Council, and to the Governing Council of the United Nations Development Programme at its fourteenth session for approval and for further steps to promote close co-operation between the United Nations Development Programme and the United Nations Industrial Development Organization in line with the provisions contained in the present resolution.

129th plenary meeting,
2 June 1972.

5 (VI). Programme of Special Industrial Services

The Industrial Development Board,

Noting that the Special Industrial Services programme was established by the Secretary-General as a separate programme to meet the special needs of industry and that Governments have made voluntary contributions for the financing of this programme,

Recognizing the purposes and main characteristics of the programme as contained in the General Assembly document A/6070/Rev.1 of 23 October 1965,

Recalling the decisions of the Governing Council of the United Nations Development Programme at its tenth and eleventh sessions on the recommendations of the Industrial Development Board, contained in resolution 15:(III), and of the General Assembly contained in resolution 2639 (XXV), to maintain the Special Industrial Services programme and to finance it out of a programme reserve,

Noting with satisfaction that the Special Industrial Services programme, as established by the Secretary-General, has been administered jointly by the United Nations Development Programme and the United Nations Industrial Development Organization since its inception,

Recalling the satisfaction expressed by the General Assembly, the Industrial Development Board and the Governing Council of the United Nations Development Programme as well as by the developing and developed countries at the evolution of the programme and the results achieved through it,

Bearing in mind that the expenditure under the programme had increased at a rapid rate year after year from \$483,028 in 1967 to \$4.4 million in 1971,

Taking into account the recommendations of the Special International Conference of the United Nations Industrial Development Organization, in its Resolution of Consensus on Long-Range Strategy, Structure and Financing of the United Nations Industrial Development Organization,^{1/} paragraph 15, concerning the Special Industrial Services programme,

Recalling General Assembly resolution 2823 (XXVI), paragraph 8, in which the Governing Council of the United Nations Development Programme was urged to plan the allocation of resources to the Special Industrial Services programme in the light of the future requirements of the developing countries,

Considering the report submitted to the sixth session of the Industrial Development Board on the programme of Special Industrial Services,^{2/}

1. Recommends to the General Assembly, pursuant to the recommendations in paragraph 19 of the report of the Ad Hoc Committee on Co-operation between the United Nations Development Programme and the United Nations Industrial Development Organization ^{3/} which sets out the basic aspects of the operation of the programme of the Special Industrial Services, the adoption at its twenty-seventh session of the following guidelines for the operation of the Special Industrial Services programme:

^{1/} Document A/8341/Rev.1
^{2/} Document ID/B/100
^{3/} Document A/8646

- (a) The programme of Special Industrial Services is set forth in paragraph 10 of the special needs in the field of industry as detailed in the report of the Secretary-General to the General Assembly at its twentieth session, especially paragraph 10. The provisions of the above-mentioned document will be interpreted flexibly from time to time by the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Industrial Development Organization in order to take account of the changing needs of the industrial sector in the developing countries;
- (b) In the operations of the Special Industrial Services programme full consideration will be given to the central responsibilities of the United Nations Industrial Development Organization for co-ordinating action in the field of industry, entrusted to it by the General Assembly;
- (c) Requests for Special Industrial Services project approvals will be forwarded simultaneously by the United Nations Development Programme Resident Representatives to the United Nations Development Programme Headquarters and to the United Nations Industrial Development Organization Headquarters;
- (d) Most projects, including plans for their implementation and level of financing, will be approved jointly by the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Industrial Development Organization. In the remaining small number of cases, especially when another agency is proposed as an executing agency, the system of joint approval of the Special Industrial Services projects will be followed with appropriate flexibility by agreement between the Administrator and the Executive Director;
- (e) The executing agency will be authorized to commence project operations upon the issuance of a financial authorization by the Administrator;
- (f) The programme will be financed on a continuing basis from the resources of the United Nations Development Programme. The level of maximum annual expenditures will be fixed from time to time by the Governing Council of the United Nations Development Programme, taking into account current programme requirements as well as desirable growth in the light of demonstrated needs;
- (g) The Administrator and the Executive Director will report regularly to their respective governing bodies on the activities carried out under the programme;
- (h) The Administrator and the Executive Director will jointly establish detailed working arrangements and procedures designed to give effect to the principles herein established.
2. Recommends to the Governing Council of the United Nations Development Programme to make provision for a level of programme expenditures to be financed from the programme reserve of the United Nations Development Programme in 1972 which will be

higher than the 1971 level of \$5 million, with the understanding that the over-all expenditures for the Special Industrial Services programme in 1972, including those from the Special Industrial Services Trust Fund, should be higher than those incurred in 1971, indicated in the sixth preambular paragraph above, taking into account the needs of the developing countries.

2. Requests the Executive Director to transmit the present resolution to the General Assembly through the Economic and Social Council and to the fourteenth session of the Governing Council of the United Nations Development Programme, inviting its consideration and approval.

130th plenary meeting,
2 June 1972.

ANNEX II

SUMMARY REVIEW OF UNIDO ACTIVITIES IN 1971

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>
Regular programme	1.5		1.5
UNDP/TA	4.5		3.0
UNDP/SF	12.5		6.7
SIS	6.0		4.4
UNIDO General Trust Fund .	2.5		0.8
Funds-in-Trust	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.

Summary review by fields of activities

8. The activities undertaken by UNIDO in the field of metalworking industries in 1971 included assistance in design of metal 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.

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 Fund</u>
<u>Africa</u>						
Country projects	269.0	640.6	2,783.6	1,288.5	241.3	132.6
Regional projects	71.7	124.9	138.9	126.7	-	4.4
Total	340.7	765.5	2,922.5	1,415.2	241.3	137.0
<u>The Americas</u>						
Country projects	121.3	592.6	1,141.4	1,035.7	71.7	-
Regional projects	111.7	95.3	-	30.5	-	-
Total	233.0	687.9	1,141.4	1,066.2	71.7	-
<u>Asia and the Far East</u>						
Country projects	201.0	648.4	1,546.0	803.8	75.0	(58.6) ^{a/}
Regional projects	79.7	85.2	-	9.9	-	(-)
Total	280.7	733.6	1,546.0	813.7	75.0	(58.6) ^{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	14.3	22.7	21.5	2.2	-	-
Total	194.5	431.8	1,025.1	1,060.6	109.5	1.2
<u>Interregional</u>						
	451.1	424.3	36.3	79.2	42.5	702.1
GRAND TOTAL	1,500.0	3,043.1	6,671.3	4,434.9	540.0	721.7

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

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, Dahomey, 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 Ceylon.

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.

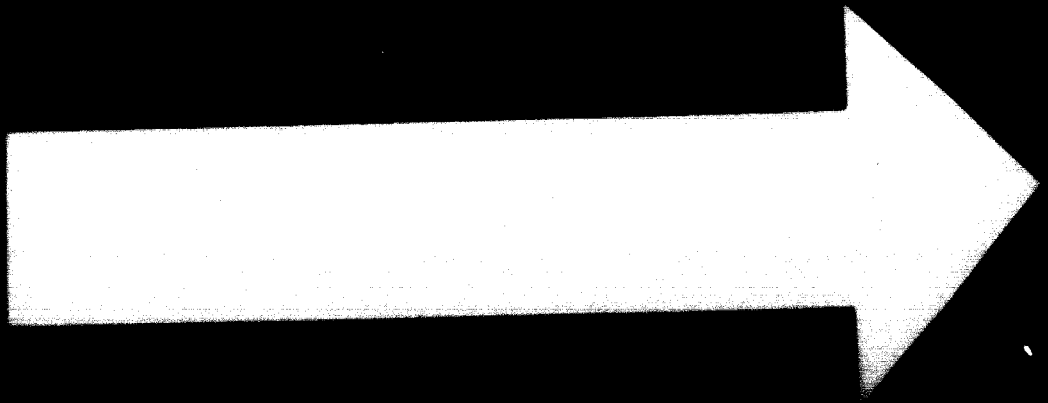
24. In the field of chemical industry, UNIDO carried out a wide range of projects concerned with the improvement of production techniques for chemicals; among the subjects dealt with were soap production, sulphuric acid, cellophane film and the utilization of peat. Assistance was being provided by UNIDO 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.

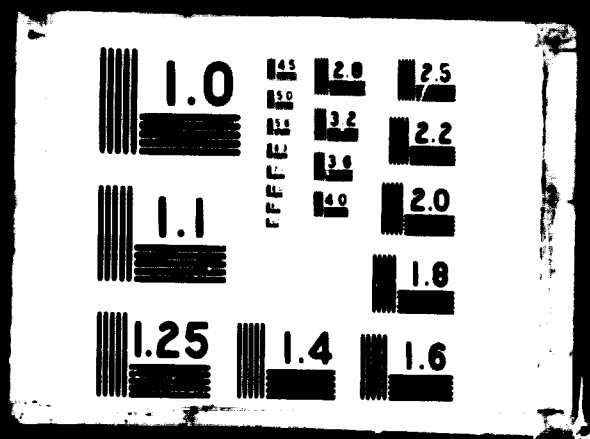
28. A UNDP/SF project in Pakistan - pre-investment studies for the promotion of the fertilizer and petrochemical industries - was concluded in 1971. A project carried out jointly with FAO of Togo has been re-examined in the light of market information obtained by FAO. A new proposal has been formulated 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.



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28. 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-Collabo petrochemical complex.
29. In the field of light industries UNIDO continued endeavours to promote the proper utilization of local natural resources.
30. A project was initiated in Mongolia for the establishment of an experimental demonstration plant for the processing of cashmere and camel hair.
31. 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 the Cuban Institute for Research on Sugar Cane Derivatives (ICIDCA) and the Experimental Unit Pablo Noriega (UEPN) institutions dealing with the sugar and sugar by-products industry.
32. 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.
33. 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.
34. 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.
35. 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.
36. 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.
37. 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).
38. 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.

44. 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 on 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 under way 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.

51. 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.

52. 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.

53. 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.

54. 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.

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

56. UNIDO continued to carry out the series of seminars on the operations of UNIDO financed from the Swiss voluntary contributions. 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

97. 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.

98. 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.

99. 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.

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

101. 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.

102. 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.

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

104. 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.

105. 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 the 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.

69. 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 Centre 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 4

Distribution of technical assistance to industry
in 1971, 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	1,294.0	7.6
3 Construction and building materials industries	526.9	3.1
4 Chemical, pharmaceutical and pulp and paper industries	702.6	4.1
5 Fertilizers, pesticide and petrochemical industries	1,401.7	8.3
6 Light industries	1,698.4	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	10.4
16 Industrial training	797.2	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	2.6
15 Industrial surveys and studies	403.1	2.4
	<u>3,427.2</u>	<u>20.2</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

78. 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 a 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	6.3
	<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	150.7
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		570.6					570.6
	<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 7

Symposia, 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: Fertilizer, 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>Project Component</u>		<u>Place</u>
<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 standardization 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
<u>Group 9: Industrial Information</u>		
9.01.03	Regional training workshop for the upgrading of industrial information personnel	Moscow
9.01.04	Interregional seminar for industrial information officers	Lima
<u>Group 11: Small-scale Industry and Related Activities</u>		
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
<u>Group 12: Industrial Programming, Project Planning and Policies</u>		
12.06.01	Seminar on selected aspects of industrial policy	Beirut
<u>Group 13: Industrial Financing and Investment Promotion</u>		
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

Project
Component

Place

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
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Table 8

Expert Group Meetings held in 1971

Project
Component

Place

Group 1: Engineering Industries

1.02.03	Expert group meeting on the manufacture of electronic component in developing countries	San Francisco, California
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Group 3: Construction and Building
Materials Industries

3.03.01	Expert group meeting on the use of plastics in the building industry	Vienna
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Group 4: Chemical, Pharmaceutical and
Pulp and Paper Industries

4.05.01	Expert group meeting on pulp and paper	Vienna
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Group 6: Light Industries

6.02.08	Expert group meeting on processing selected tropical fruits and vegetables for export to premium markets	Salvador (Bahia)
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Group 7: Industrial Administration

7.01.04	Expert group meeting of the Government of Austria and UNIDO to consider more effective training in industrial administration	Vienna
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<u>Project Component</u>		<u>Place</u>
<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
<u>Group 11: Small-scale Industry and Related Activities</u>		
11.04.03	Expert group meeting on industrialization in countries at early stages of development, with special reference to small-scale industry	Vienna
<u>Group 12: Industrial Programming, Project Planning and Policies</u>		
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
<u>Group 13: Industrial Financing and Investment Promotion</u>		
13.05.02	Expert group meeting on co-operation among industrial development financing institutes in developing and developed countries	Copenhagen

<u>Project Component</u>		<u>Place</u>
	<u>Group 15: Industrial Surveys and Studies</u>	
15.03.03	Expert group meeting on the activities of UNIDO in the field of industrial surveys	Vienna

	<u>Group 17: Industrial Branch Reports and Across-the-Board Techniques</u>	
17.03.01	Expert group meeting on packaging	Vienna

Table 9
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

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

	<u>Project Component</u>
<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 under-utilization 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
<u>Group 6: Light Industries</u>	
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
<u>Group 7: Industrial Administration</u>	
Studies on licensing	7.04.02
<u>Group 8: Industrial Institutions</u>	
Report of the founding meeting of the World Association of Industrial and Technological Research Organizations (WAITRO) (mimeo.)	8.01.01
<u>Group 9: Industrial Information</u>	
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 <u>UNIDO Newsletter</u>)	9.05.02

	<u>Project Component</u>
<u>Group 10: Industrial Management and Consulting Services</u>	
Field investigations of organizational problems	10.03.01
<u>Group 11: Small-scale Industry and Related Activities</u>	
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
<u>Group 12: Industrial Programming, Project Planning and Policies</u>	
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
<u>Group 13: Industrial Financing and Investment Promotion</u>	
Case studies on industrial financing	13.05.01
Portfolio of industrial projects	13.09.01

Project
Component

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 expert group meeting)	15.02.02
Study on structural changes in manufacturing growth	15.02.03
Projections of industrial development	15.02.04

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 (ID/B/101), to implement resolution 8 (II) of the Industrial Development Board	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

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

<u>Groups of activities</u>	<u>1971</u>	
	<u>US\$</u>	<u>Per cent</u>
<u>Industrial Technology Division</u>		
1	56,588	13.41
2	15,813	3.75
3	12,530	2.97
4	18,860	4.47
5	61,992	14.70
6	56,544	13.41
Sub-total (ITD)	<u>222,297</u>	<u>52.71</u>
<u>Industrial Services and Institutions</u>		
7	3,062	0.73
8	33,438	7.93
9	35,583	8.44
10	24,073	5.70
11	31,728	7.52
Sub-total (ISI)	<u>127,884</u>	<u>30.32</u>

Table 11 (cont'd)

<u>Groups of activities</u>		<u>1971</u>
	<u>US\$</u>	<u>Per cent</u>
<u>Industrial Policies and Programming</u>		
12	38,102	9.03
13	14,801	3.51
14	7,888	1.87
15	10,795	2.56
Sub-total (IPP)	71,586	16.97
Total (substantive divisions)	421,767	100.00
<u>Technical Co-operation Division</u>	32,214	
Grand total ^{a/}	453,981	

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

Table 12

UNIDO printed publication programme in 1971

<u>Symbol</u>	<u>Title</u>	<u>Project Component</u>
<u>Group 1:</u>	<u>Engineering Industries</u>	
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	1.05.01
	Part II: Proceedings of the seminar	
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 12 (cont'd)

<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	5.04.04
<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	
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

Table 12 (cont'd)

<u>Symbol</u>	<u>Title</u>	<u>Project Component</u>
Group 8:	<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
Group 9:	<u>Industrial Information</u>	
ID/53	Guide to industrial directories	9.01.06
ID/SER.B/14	Industrial Research and Development News, Vol. V, 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
Group 12:	<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
Group 13:	<u>Industrial Financing and Investment Promotion</u>	
ID/66	Selected aspects of industrial policies Report and proceedings of the interregional seminar	13.01.02
ID/68	Manual on the establishment of industrial joint venture agreements in developing countries	13.07.02
IPPD/42	Directory of industrial investment incentives	13.02.03
Group 15:	<u>Industrial Surveys and Studies</u>	
ID/64	Industrial Development Survey, Vol. III	15.01
Group 17:	<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 2938 (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 of progress, and proposals to this effect were submitted in August 1971 to the Administrative Committee on Co-ordination 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 1632 (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, regional economic commissions, UNESCO 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.

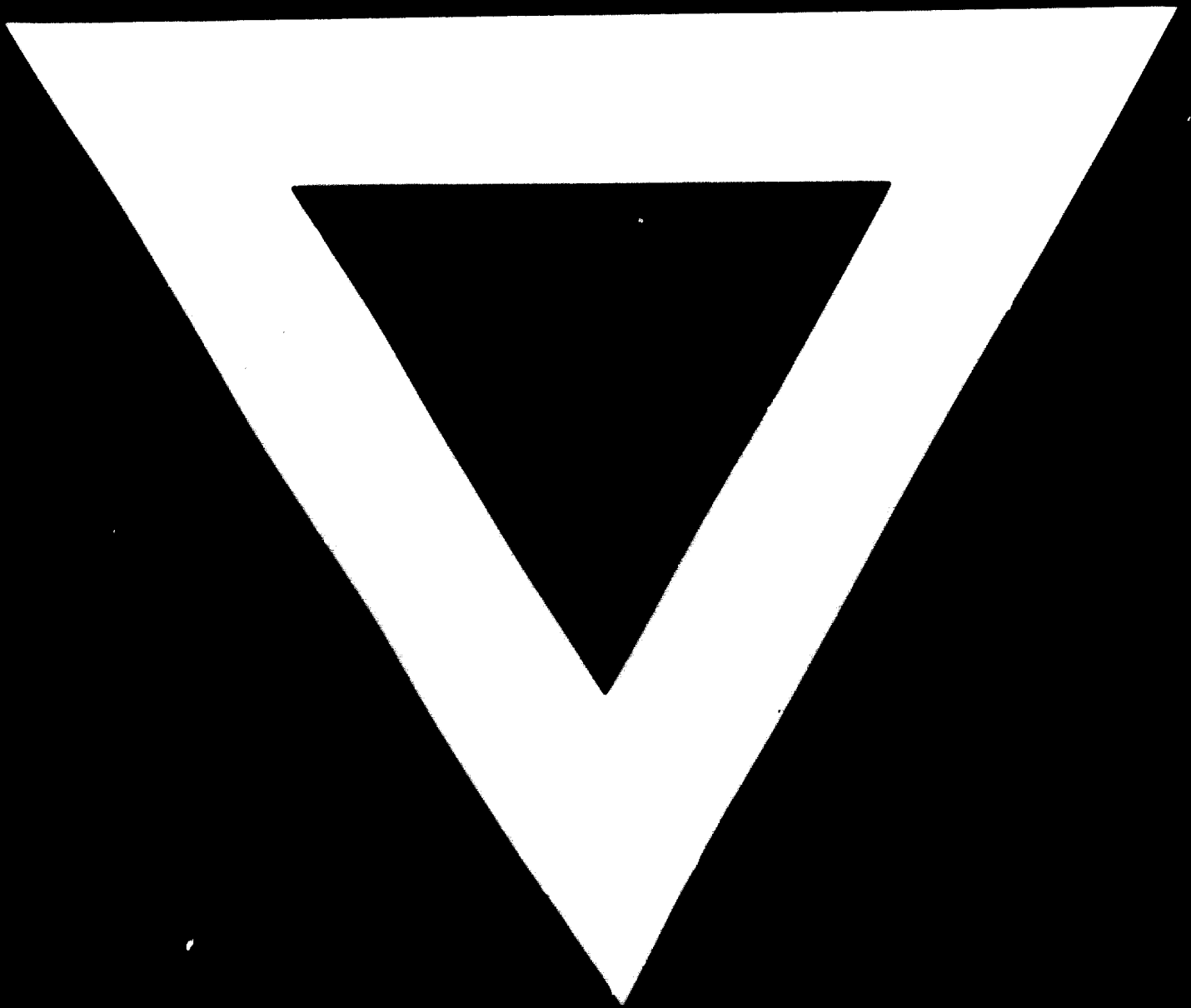
89. Continuous efforts are being made to refine guidelines for the demarcation of responsibilities in areas of common interest with these organizations. In this connexion the inter-agency discussions covered special questions such as the UNIDO repair and maintenance programme with ILO and the question 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, ECAFE, 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.



19.7.74