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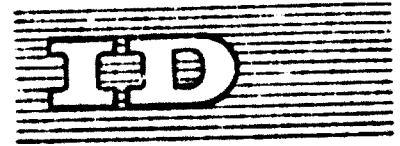
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D04314



Distr.
GENERAL
ID/B/SR.121
24 July 1972
ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Sixth Session

Vienna, 23 May - 2 June 1972

SUMMARY RECORD OF THE ONE HUNDRED AND TWENTY-FIRST MEETING

Held at the Neue Hofburg, Vienna
on Thursday, 25 May 1972, at 10.5 a.m.

President:

Mr. Matody POPOV (Bulgaria)

Rapporteur:

Mr. HANISA (Libyan Arab Republic)

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Agenda
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General debate (continued)

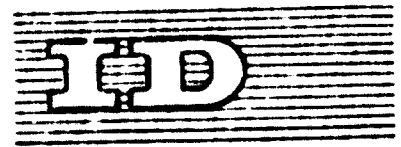
Paragraphs

1 - 75

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GENERAL DEBATE (continued)

1. Monsignor QUILICI (Observer for the Holy See) said that the Holy See had always been deeply concerned with the problems of the developing nations. The best traditions of catholic missionary work showed how that concern had been implemented in practice. The Holy See had watched with close attention and warm sympathy the creation of the United Nations Development Programme, being convinced that there existed a "duty of human solidarity", which demanded strongly that the rich nations should support the developing countries.
2. Pope Paul VI had explicitly referred to the importance of industrialization in his encyclical, "Populorum Progressio", and the Holy See followed with particular interest the work of UNIDO, believing that industrialization must be governed not merely by abstract concepts of efficiency but by emphasis on the total development of man. Moreover, many catholic non-governmental international and national organizations and institutions were contributing to the fulfilment of UNIDO's tasks.
3. The Holy See believed that with the chief prerequisite for the achievement of the goals of development was the creation of a new state of mind in all nations, and in particular those which were more advanced, whereby governmental decision-makers would recognize that immediate and effective aid to the developing countries was no longer merely a question of goodwill, but one of justice.
4. The international community would not be able to survive the ever-growing crisis if it did not recognize that its close structural interdependence implied mutual dependence, and called for mutual aid and co-operation. Care should be taken, however, to ensure that international co-operation, particularly when conducted by multinational enterprises largely independent of national political powers, would not lead to a new and abusive form of economic domination at the social, cultural and even political levels. Equally harmful to international understanding and mutual progress were the voices of those who, without sharing in more than a modest part of international aid, tended, by an unbridled flow of propaganda, to incite unreasonable desires on one side and anxious distrust on the other, thus widening the gap between the nations at a time when no effort should be spared to build bridges of understanding between them.
5. The recent session of UNCTAD had revealed a lack of willingness for common efforts by the developed countries and those other countries whose development still lay ahead. It might therefore be pertinent to remind members of the Board of Pope Paul VI's

message to the Secretary-General of UNCTAD, calling for the abolition of systems in which the privileged became steadily more privileged, the rich increasingly engaged in trade among themselves, and international aid itself often only very imperfectly benefited the most poverty-stricken people.

6. Mr. HASAN (Pakistan) noted that the current sessions of the Working Group on Programme and Co-ordination and the Board were of special significance because it was proposed that the Working Group should be replaced by a permanent committee open to the representatives of countries participating in the activities of UNIDO. He welcomed the proposal that the committee should meet twice yearly.

7. The success or failure of any industrial strategy depended to a large extent on economic policies, and particularly on exchange rates and tariffs and import policies. While the policies applied in the past by the developing countries had generally been successful in stimulating private investment in industry, in diversifying their export structure and in creating strong incentives for the domestic manufacture of consumer goods, they had also in some cases created distortions in the price and industrial structures, reflecting inefficient use of available foreign exchange and increasing capital-intensive rather than labour-intensive elements. He was happy to state, however, that despite the many difficulties involved, Pakistan had made a substantial start in the creation of its own engineering industry.

8. Although the disparity in economic progress between the advanced and developing countries was by no means a new issue, the steadily growing political, economic and social consciousness of the people of the developing countries highlighted that issue, and posed one of the major problems of the age, which could only be solved through the joint efforts of developed and developing countries. For that reason, and whilst his delegation appreciated that UNIDO's operational, supporting and promotional activities had expanded considerably during the past few years, he sincerely hoped the present session of the Board would help to make UNIDO a more effective organ for providing multilateral aid to the developing countries since external assistance was and would continue to be the touchstone of economic progress in those countries.

9. It was gratifying that, despite financial constraints, UNIDO had been able to carry out a number of projects, and had focused attention on useful activities both at headquarters and in the field. While supporting the priority given to the engineering industries as a whole, he particularly commended the activities devoted

to the production of agricultural machinery and implements, and observed that UNIDO and agencies such as FAO had an important part to play in the Green Revolution.

10. In the metallurgical industries, UNIDO could play a very vital role in reducing the technological gap between the developed and developing countries. More emphasis should also be laid on helping the developing countries to make better use of their indigenous resources.

11. With regard to the building materials industries, his delegation urged UNIDO to promote the manufacture of cheap and simple elements of construction for low-cost housing.

12. UNIDO should assist interested countries in the manufacture of basic material for the pharmaceuticals industry. It could also help to increase the manufacture of fertilizers and pesticides.

13. In the field of light engineering, special attention should be paid to the textile industry, with particular reference to the selection of technology. UNIDO might also usefully expand its activities in the leather industries, particularly with regard to export promotion.

14. His delegation was happy to see the importance given to the protection of intellectual property and an improved patent information system. It also suggested that the industrialized countries should encourage the holders of patented and non-patented technology to facilitate the transfer of licences, know-how, technical documentation and new technology in general to the developing countries.

15. He expressed general support for the programme on industrial institutions, and commended the increased interest in industrial research for technological development and in the work of the World Association of Industrial and Technical Research Organizations (WAITRO).

16. With regard to small industries, his delegation fully supported the development of industrial estates and awaited with interest the progress of the project concerning partnership between enterprises in developed countries and small-scale industries in developing countries. As a country which had benefited from in-plant group training projects, Pakistan felt that such training should be organized on a long-term basis. It also supported the continuance of the Swiss-financed scheme for seminars on UNIDO operations, and would be happy to continue participating in them.

17. On the subject of industrial programming, project planning, industrial policies and financing, it was heartening that at the country level special attention would be given to assistance for the least developed countries in the creation of industrial programmes and policies and in assessing industrial progress.
18. In the field of industrial financing, and on the basis of his own country's experience, he welcomed the growing emphasis laid on assisting industrial promotion and financing institutions in the developing countries themselves.
19. With regard to UNIDO's work in promoting export-oriented industries, the primary need of the developing countries was for assistance in establishing such industries, and in helping manufacturers to increase the competitiveness of their export products. Pakistan had stressed that matter in the past, and was glad to note the concentration of UNIDO resources on certain major projects which had evoked a strong response from all countries. It also fully supported the international subcontracting programme, which was still in its infancy in most developing countries but which could become a most effective instrument for developing their export-oriented industries.
20. Recalling the consensus resolution adopted by the UNIDO Special International Conference, he said that his delegation fully supported the proposals concerning greater autonomy for UNIDO in matters of budget, programming and recruitment. It also hoped that the second special international conference would be convened at an early date.
21. He agreed with the representative of Mali that the mandate of the Ad Hoc Committee on Co-operation between UNDP and UNIDO should be renewed for a further two or three years.
22. Mr. LÓPEZ MUÑOZ (Cuba) said he wished to repeat his delegation's position with regard to the basic problems facing the Board. At the same time, three new factors affecting UNIDO's future prospects had to be taken into account. In the first place, the Board had received the conclusions of the Special International Conference; secondly, the third session of UNCTAD had just completed its work; and thirdly, the Second Development Decade was in its opening phases. It was important, in the circumstances, not to lose sight of the fundamental fact of the modern world, which was characterized by the ever-widening gap between the poverty-stricken nations and the societies of affluence, separated from each other by insuperable barriers. In the light of that situation, it was essential to realize that the plans announced by the President of IBRD to quadruple exports from the developing countries to the advanced

countries between 1970 and 1980 were no more than an illusion. The sad truth was that the rich countries had no intention of gradually abandoning those forms of agricultural and industrial production which could more economically be carried out in the developing countries. Furthermore, unless some new thinking was rapidly brought to bear, the Second Development Decade would end as lamentably as the First. And against that background, the escalation of the genocidal attack by North American imperialism on the heroic people of Viet-Nam continued, threatening the entire world with nuclear destruction.

23. It was in the light of those considerations that the Board had to examine what UNIDO could do to attain its objectives. If an older body such as UNCTAD could boast only of the International Agreement on Sugar and the Generalized System of Preferences - mere palliatives - what more could a young organization like UNIDO be expected to achieve? Cuba believed that the final solution would be reached only if the underlying causes of the problem were tackled, by introducing revolutionary changes in the social and economic structures of the developing countries. Such action was not the responsibility of UNIDO, but of the peoples of the third world themselves, who were free to determine their own destiny. Nevertheless, Cuba would continue to support UNIDO's work, especially on behalf of the least developed countries, as that was the only area in which results could be obtained by international organizations.

24. He had some comments to make on points of direct interest to the Board. With regard to the formulation of a long-range strategy for UNIDO's activities, the Group of High-Level Experts was performing useful work, and he hoped that its report would be ready for examination at the seventh session.

25. With respect to the transfer of technology, it was essential to avoid the mere transplantation of techniques that were not adapted to the particular conditions of the developing countries. It would be most useful to establish institutional infrastructures in the developing countries that would help them to find their own solutions through appropriate research work.

26. His delegation shared the general concern over the position of the SIS programme. In spite of the efforts of the UNIDO/UNDP Ad Hoc Committee and the exchange of correspondence between the Executive Director and the UNDP Administrator, the fact remained that \$200,000 was being lost every month. In order to ensure that the programme continued as before, he urged all delegations to inform their representatives on the Governing Council of UNDP of the gravity of the situation and to ask them to press for favourable action.

27. The permanent committee of the Board, referred to in paragraph 9 of the consensus resolution, had an important part to play in the periodic evaluation of UNIDO's work. A continuous process of evaluation would reveal shortcomings that could be corrected before it was too late. The committee should begin its work by the end of the current year.

28. The proposed second special conference should be held in 1974 or 1975, according to the wishes of the majority, the actual date to be selected in the light of other meetings scheduled by United Nations bodies.

29. The Secretariat should inform the Board of the action it had taken or planned to take pursuant to paragraph 1(m) of the consensus resolution. In collaboration with UNCTAD, UNIDO should examine the ways in which restrictive trade practices, the deterioration in the terms of trade and other factors hampered the industrial growth of the third world, and should suggest means of remedying them. Also in collaboration with UNCTAD, UNIDO should seek methods of international co-operation leading to a rational division of labour.

30. He wished to draw attention to certain failings in the resolution, such as the absence of any mention of the problem of sovereignty over, and protection of, natural resources and industrial raw materials.

31. UNIDO's promotional activities were a controversial issue to which the Board must address itself. Cuba was not opposed to UNIDO's playing an intermediary role, although it rejected any attempt to convert the Organization into an agent for private foreign investment, which would help the major neo-colonial monopolies to penetrate the developing countries. In that connexion, he recalled the figures produced by UNCTAD concerning the growing indebtedness of the third world. Indeed, UNCTAD had recommended that the developing countries should contract no further debts, except in the case of projects of major importance.

32. Referring to the question of the contamination of the human environment, he pointed out that the problems of the developed and the developing countries were entirely different and therefore had to be treated in an entirely different way. In the advanced countries pollution arose through unplanned industrial concentration and excess production, whereas in the developing countries it was the direct outcome of underdevelopment, i.e. of such factors as illiteracy, unhealthy living conditions, unemployment and the destruction of natural resources. Consequently, further aid for development

was what the developing countries needed in order to solve their environmental problems. In addition, in collaboration with other United Nations bodies, UNIDO should take steps to ensure that the environmental action undertaken by the advanced countries did not aggravate the economic problems of the third world. While recognizing the importance of the United Nations Conference on the Human Environment, Cuba would be unable to participate if the German Democratic Republic was not invited.

33. While on the subject of universality, he wished to draw attention to the exclusion of the German Democratic Republic from UNIDO, even though it was a highly industrialized nation. In that connexion, the representative of the Federal Republic of Germany had made a realistic and positive statement, although he did not agree that it was better for the time being to wait patiently. His delegation supported the admission to UNIDO not only of the German Democratic Republic, but of the Democratic Republic of Viet-Nam and the Democratic People's Republic of Korea.

34. In conclusion, he expressed his appreciation of the efforts of the Executive Director and appealed for more resources for UNIDO and greater autonomy, particularly in its constitutional task of co-ordination in the field of industrial development. The two major UNDP projects which UNIDO was to execute in Cuba were proof of his Government's confidence in the Organization.

35. Mr. KANKA (Czechoslovakia) welcomed the growing role of UNIDO in helping the developing countries achieve the industrialization on which their economic and social progress depended, and which would enable them to shake off the hold of international monopolies.

36. Through bilateral agreement, and through co-operation with the bodies of the United Nations system, Czechoslovakia was providing the developing countries with an increasing amount of technical assistance. On the basis of its own experience, it believed that industrialization would best contribute to social and economic change if it was founded on planned development, purposeful policies and the rational utilization of indigenous resources. Czechoslovakia and the socialist countries regretted that the text of the consensus resolution adopted by the Special International Conference of UNIDO did not include certain proposals which they had put forward, and which the Group of 77 had supported, destined to increase UNIDO's effectiveness in helping the developing countries plan their economies and to strengthen the elements of state planning in their industrial development process.

37. Although the balance sheet of UNIDO's activities was generally positive, there was room for improvement, particularly in the light of the conclusions of the Special International Conference and in the context of the Second Development Decade. In particular, UNIDO should not confine itself to operational activities of technical assistance, but devote itself, on the basis of the experience of countries with different social and economic systems, to the solution of problems related to industrialization policy, with special reference to the strategies and tactics to be adopted for the mobilization of internal resources, the creation of favourable conditions for proper management and the reinforcement of the state sector.

38. Although capital investment in industrialization was an important issue, what the developing countries required most urgently was a rational industrialization policy for the mobilization of their own resources. UNIDO's task was not merely to serve as an intermediary between the developing countries and monopoly financiers; it should apply the most objective criteria to the development of national economies. The necessary implantation of the latest technologies was a matter to which UNIDO should devote great attention. In collaboration with UNCTAD, it should seek ways and means of ensuring a rational international division of labour, in order to eliminate the obstacles (including those related to trade) which hampered the development of the least developed nations, and which were widening the gap between the developed and the developing countries.

39. UNIDO should co-ordinate United Nations activities in the field of industrialization. Moreover, the delegation of Czechoslovakia at the twenty-first session of the General Assembly had suggested to the Second Committee that matters related to the production of energy and the utilization of natural resources should, as factors effecting industrialization, be entrusted to UNIDO. A similar proposal had been made by Czechoslovakia and the other socialist countries, and supported by the Group of 77, at the Special International Conference of UNIDO, but had not been retained in the consensus resolution. Czechoslovakia also believed that questions of industrial management, at present entrusted to the ILO, should be transferred to the competence of UNIDO.

40. The training of technical cadres for industry was most important; Czechoslovakia had been collaborating with UNIDO in that field and would continue to do so.

41. The further growth of UNIDO's operational activities would depend entirely on its receiving a greater share of UNDP funds. UNIDO's regular budget was inadequate for its tasks, and for that reason Czechoslovakia favoured and would continue to participate in the annual pledging conferences for voluntary contributions.
42. In conclusion, and recalling the second preambular paragraph of General Assembly resolution 2152 (XXI), he stressed the need for universality in UNIDO. The decision by the Board at its fifth session to accord consultative status to the Council for Mutual Economic Assistance had been most welcome, and it was to be regretted that highly-industrialized States such as the German Democratic Republic were still denied the opportunity of participating in UNIDO's activities.
43. Mr. LUNDE (Norway) stressed the need for UNIDO to pay particular attention to the requirements of the least developed countries. In that regard, he recalled the emphasis placed by the Executive Director on new forms of assistance, such as demonstration, pilot and action programmes rather than further advice. Once the type of assistance required had been identified, UNIDO should follow up with increased action. It should also study special ways of assisting the least developed countries in solving their industrial development problems. In particular, their absorptive capacity should be strengthened and particular attention given to improving basic physical and institutional infrastructures. He was pleased to note that UNDP shared his own country's concern in that regard.
44. UNIDO should also pay special attention to the problem of severe unemployment in the developing countries and provide guidance on the labour intensiveness of different types of industries and projects. The importance of an industry could not be measured simply by determining its impact on the gross national product; its social effects should also be kept in mind.
45. The new UNDP country programming procedure was bound to influence UNIDO's activities. Emphasis must be placed on UNIDO's ability to play its important role as one of the elements in the over-all development effort of the United Nations system. In that context UNIDO should mainly be thought of as an executing agency for UNDP-financed assistance, within the framework of total available resources and in conformity with UNDP policy guidelines. The reorganization of UNDP and the implementation of country programming procedures provided a natural framework for UNIDO's functions within the general system. In that connexion, the scope of the SIS programme

naturally depended on the resources available. The UNDP representative had drawn attention to the difficulty of establishing priorities and that problem should be borne in mind before taking any decision. Concentration and quality were absolute prerequisites for efficiency in SIS activities, and on that subject he endorsed the views of the Swedish delegation.

46. Co-operation between UNIDO and other organizations of the United Nations system, such as the ILO, FAO, UNCTAD and the UNCTAD/GATT International Trade Centre (ITC) must be strengthened and harmonized. Considerable progress had been made in that field and many co-operation agreements had been concluded. While expressing the hope that other such agreements would follow, he wished to point out that their existence did not in itself guarantee the necessary co-operation. For instance, there was still apparently a lack of harmony between UNIDO and ITC in the field of product adaptation.

47. UNIDO had to work under severe financial constraints and it was therefore essential that optimum use be made of available resources. All its activities and its organization should be carefully examined in order to determine whether economies could be made. Furthermore, the present difficult financial situation should be taken into account in setting the date for the second special conference. In that respect he agreed with other delegations that it should not take place before 1975; that would not only lessen the burden of preparatory work but allow the conference to review the findings of the Group of High-Level Experts.

48. Mr. MANAN (Malaysia), after pledging his country's best efforts to attain UNIDO's objectives, pointed out that, for the developing countries, industrialization was a dynamic factor in economic growth. It could bring about greater employment opportunities, increase the level of incomes and, above all, contribute to economic development. It was therefore logical to expect that UNIDO should receive the fullest support of the international community, and particularly of the advanced industrial nations.

49. No organization could carry out its functions effectively without adequate finances. Consequently, the level of allocations from UNDP should be increased to match the targets and objectives laid down by the Special International Conference and the Board. In order to achieve those objectives, there should be close consultation between UNIDO and UNDP, while the work of the UNIDO/UNDP Ad Hoc Committee should be further strengthened. In addition, his delegation shared the concern that had been

expressed over the curtailment of funds for the SIS programme, which was one of the most effective means of technical assistance owing to its dynamic and flexible nature. The speed with which it could provide help was commendable and its financial problems must be settled to the satisfaction of the developing regions.

50. UNIDO should be given the greatest possible latitude and authority in the conduct and administration of its affairs. The question was most pressing in the sphere of co-ordination, for bodies like UNCTAD, the ILO and FAO were also engaged in studies, research and technical assistance in the field of industrial development. UNIDO should be given authority to co-ordinate all those activities in order to avoid duplication and unnecessary overlapping of effort.

51. The task of formulating a long-range strategy and policy guidelines had been entrusted to the Group of High-Level Experts. In that connexion he wished to highlight some issues of special interest to the developing countries. With regard to the transfer of operative technology, he considered that the issue had been sufficiently emphasized, although an urgent problem still remained with regard to the transfer of technology through private foreign capital investment. Unless great care was taken by the host country, the gains to be obtained from foreign investment in the form of savings of foreign exchange would be offset by the high cost of know-how which could represent a net capital outflow. Furthermore, restrictive business practices often placed constraints on the export promotion efforts of the host countries. In view of their total dependence on the foreign partner for the desired know-how, their bargaining position was inevitably weak. UNIDO could assist in two ways: first, by helping to formulate a set of regulative measures; and second, by devising means of strengthening the bargaining position of local enterprises.

52. It would be useful if UNIDO could find ways of fostering closer co-operation between investors in the industrialized countries and the host Governments of developing countries. It should be noted, however, that the motivation of the foreign investor did not necessarily conform with the long-term national objectives of the host Government. In the case of his own country, the problem was not merely one of economic growth but also of the equitable distribution of the benefits of such growth. Few foreign investors appreciated that point, since for most of them the profit motive overrode all other considerations. UNIDO's help in that respect would be greatly appreciated.

53. Mr. TRIVEDI (India) said that, although UNIDO continued to suffer from the same statutory, financial, jurisdictional and administrative constraints which had confronted it since its uncertain beginnings, its past record and present performance under its dedicated leadership had indeed been heartening.
54. The current session of the Board was particularly important, following, as it did, the Special International Conference of UNIDO held in 1971 and the endorsement of its conclusions by the General Assembly at its twenty-sixth session. Further progress in the realization of UNIDO's statutory aims depended on the outcome of the Board's deliberations.
55. Referring to the establishment, under General Assembly resolution 2823 (XXVI), of an Ad Hoc Committee on Co-operation between UNDP and UNIDO, to examine all aspects of co-operation between the two organizations, he emphasized that co-operation with UNDP in the formulation, appraisal and approval of industrial projects was of vital concern to the future of UNIDO. The Ad Hoc Committee had received abundant co-operation from the administrations of both UNIDO and UNDP, and understanding and harmony had prevailed throughout its meeting in March 1972. The Committee had accordingly been able to reach conclusions which had been agreed not only by its members but also between the two administrations.
56. He emphasized, however, that what was really important was the actual implementation in operational terms of those understandings and agreements, and the effective functioning of the consultative machinery. The Board would therefore need to consider to what extent the agreements had been implemented and what decisions it needed to take to ensure their full and speedy implementation.
57. The UNDP administration had indicated to the Ad Hoc Committee its willingness to give UNIDO every assistance in fulfilling its co-ordinating role by consulting it in advance on all projects in the field of industry, whether they were part of the country programmes or implemented by agencies other than UNIDO. UNIDO's role of co-ordination in the field of industrial development was all-pervasive, and the Board should jealously ensure that it was exercised with full authority.
58. The main problem dealt with by the Ad Hoc Committee had been the SIS programme. It was somewhat disappointing to learn that the agreements reached at the Committee's meeting in March had not been implemented and that, on the contrary, there had been a sharp fall in the quantum of the SIS programme. It was consequently all the more

essential that, as recommended by the Ad Hoc Committee, the Board should adopt for the approval of the General Assembly a set of simple guidelines which were unencumbered by unnecessary procedural or theoretical restrictions. The SIS programme had been functioning fairly effectively till the end of 1971, and the Board should therefore ensure that the procedures and practices prevailing till that time be restored, and that, simultaneously, there was an appreciable increase in the funds available to the programme.

59. His delegation wished to suggest that the second special conference of UNIDO be held in 1974 so that the momentum gained by the 1971 Conference would not be lost. The constructive conclusions of the 1971 Conference were in themselves a guarantee of the success of the second conference, which should be held for a period of about two weeks immediately after the eighth session of the Board.

60. With regard to the setting up of a permanent committee of the Board in accordance with the consensus resolution of the Special Conference of 1971, care should be taken to ensure that the permanent committee's terms of reference did not lead to the interposition of regulative hurdles, but that they facilitated the work of UNIDO as a whole.

61. The consensus resolution also referred to the application, adaptation and development of technology and the establishment of an industrial infrastructure in the developing countries. His delegation believed it vitally important that the transfer and adaptation of technology should suit the social and economic environment of the countries concerned and render the whole process of industrial development more pertinent in meeting their basic problems. It was equally important to promote the development of indigenous technology and research, so that in the course of time the developing countries would acquire confidence in their technological capabilities and make their own contributions to the cause of global development.

62. It was in that context that his delegation found the particular relevance of the technologies developed, adapted and assimilated in the developing countries, as those technologies were essentially suited for transfer to other developing countries, in view of the similarities in the experiences and social climates of the countries concerned. It was essential, therefore, that UNIDO pay increasing attention to the transfer of technology among the developing countries themselves. UNIDO would also profit greatly by undertaking studies of the industrial advances and experiences of some of the developing countries.

63. He stressed the importance of the programmes relating to small-scale industries, including programmes that paid special attention to the less developed regions within a developing country. It was vital that such programmes, besides dealing directly with some of the basic aspects of under-development, should at the same time serve the demands of social justice. His country was convinced that social justice should invariably accompany economic development, and his delegation hoped that the emphasis which India and many other countries had put on such programmes would be reflected in UNIDO's priorities.

64. Mr. NOWZARI (Iran) noted with satisfaction that the Group of High-Level Experts on Long-Range Strategy of UNIDO had already met. With regard to the convening of another general conference of UNIDO, his delegation considered that, in view of the need to review the progress of industrialization during the Second United Nations Development Decade, the conference should take place at the earliest possible date, 1974, and sit long enough to enable it to carry out its work satisfactorily. To ensure that the conference yielded tangible results on issues of fundamental importance to the developing countries, the conference should deal with substantive rather than administrative matters. Organizational questions concerning UNIDO could best be left to the Board, which would be in accordance with the provisions of General Assembly resolution 2823 (XXVI).

65. With regard to the establishment of a permanent committee as the subsidiary organ of the Board, his delegation considered that the committee at its spring session should follow the work of the former Working Group on Programme and Co-ordination and should cover such matters as re-orientation, the programme of work and evaluation of activities as well as the organization and financing of UNIDO as a whole. The committee's autumn session should be devoted entirely to studies in depth of certain branches of industry as well as to specific problems of industrial development facing the developing countries. The committee should also review the industrial survey proposed by UNIDO. The recommendations of the Board would accordingly be based on the discussions in the permanent committee and would prove of greater value to all countries.

66. With regard to co-operation between UNIDO and UNDP, his delegation supported the conclusions and the recommendations of the Ad Hoc Committee. It was to be hoped that the Ad Hoc Committee's recommendations would be implemented without further delay and that the same spirit of co-operation which had guided the Committee in its work would prevail in any co-ordinated efforts to be undertaken by UNDP and UNIDO.

67. Within its relatively short life UNIDO had demonstrated its potential, and it was ironic that the international community was not making determined efforts to remove the financial problems which were impeding the Organization in fulfilling its objectives. As his country had stated on previous occasions, UNIDO should be provided with adequate financial resources to enable it to carry out its functions properly. In that connexion, UNIDO's share of UNDP allocations should be substantially increased, in particular for the regional and interregional projects, including projects for the transfer of technology and in-plant training. Similarly, larger voluntary contributions were essential for the smooth and satisfactory working of UNIDO.

68. With regard to the setbacks to the SIS programme resulting from the administrative circular of December 1971 issued by the UNDP administration, his delegation hoped that, through goodwill and co-operation between UNIDO and UNDP, immediate corrective measures would be taken by UNDP not only to restore the programme to its original shape, philosophy and momentum, but also to strengthen it in such a way as to enable it to serve the interests of the developing countries more effectively. In view of the vital importance of the flexible programme, his delegation urged that the financing of UNIDO's projects under the SIS programme should be set for the time being at a minimum of US\$4 million per annum.

69. In that connexion, it would be desirable for the General Assembly to adopt clear guidelines for the planning and implementation of SIS projects, to ensure that projects were distributed according to sound economic criteria and used effectively to assist the developing countries in their industrialization efforts.

70. In conclusion, his delegation endorsed UNIDO's work programme for 1973 and expressed its appreciation of the improvements which had been made in its presentation.

71. Mr. YAO (The Upper Volta), referring to the danger that UNIDO's financial difficulties might jeopardize its activities, appealed to the most developed countries to increase their voluntary contributions to UNIDO. He also appealed to UNDP to expand its aid to the SIS programme. In the context of the Second Development Decade a special place had been accorded to industrialization, but his delegation noted with concern that the means at UNIDO's disposal were not commensurate with its enormous task. His delegation hoped that speedy solutions would be found to those financial problems.

72. His delegation supported those who favoured holding the second special conference of UNIDO in 1974. That would be in the middle of the Decade, and the conference would be able to evaluate what had been accomplished and to lay down new guidelines for the second half of the Decade. In addition, by 1974 the Group of High-Level Experts would have done sufficient work to help UNIDO in drawing up effective guidelines.

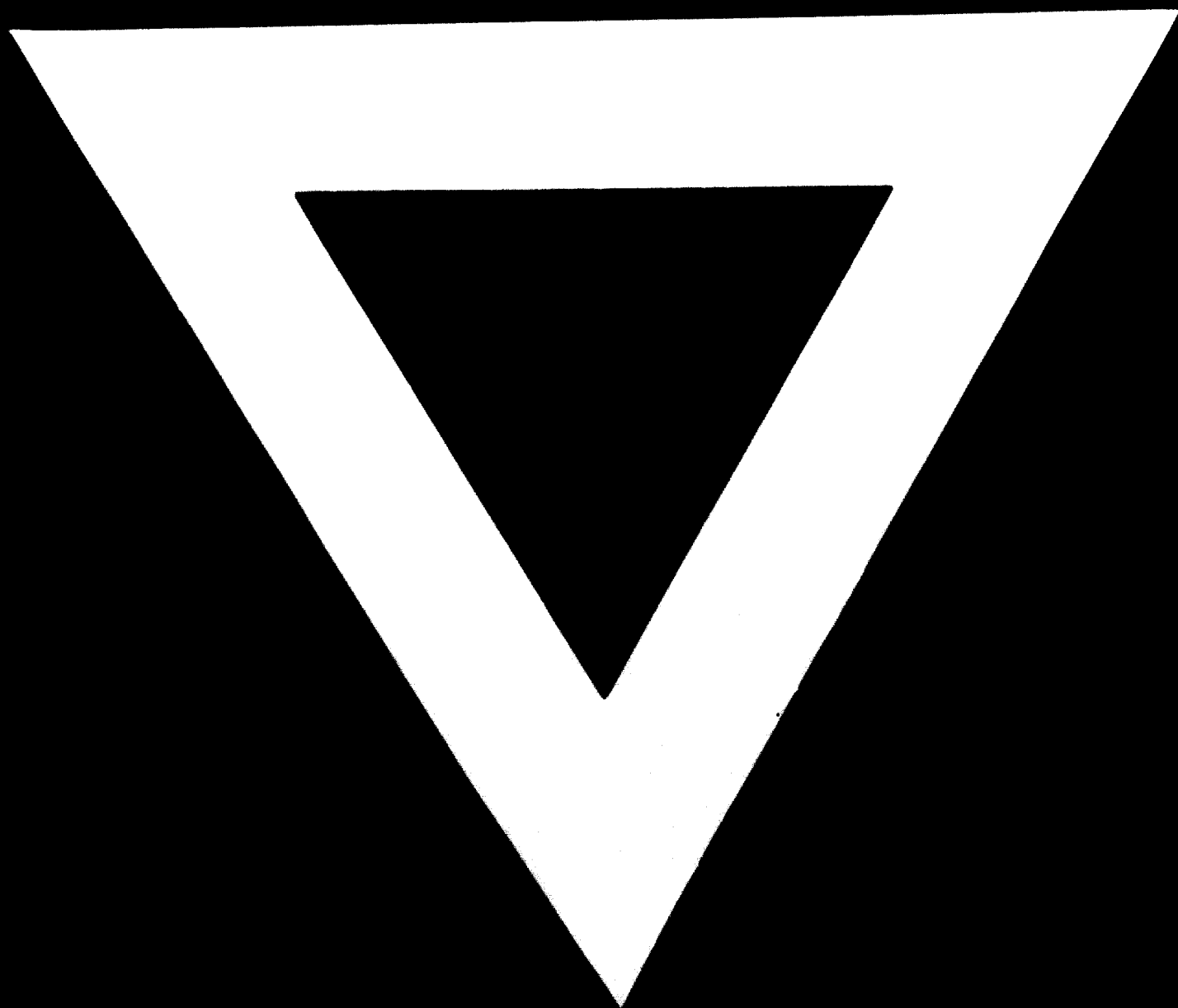
73. His delegation could not fail to notice the very extensive volume of documentation produced by UNIDO. Study of the documentation took up a considerable amount of experts' time in developing countries, and some of the money spent on documentation might well be more fruitfully spent on other fields of activity. He therefore supported the view expressed by the delegation of Mali that the burden of documentation was indeed a heavy one.

74. With regard to the problem of special assistance for developing countries, the very term "developing country", which embraced such complex realities, should be used with discretion. It was apparent that in UNIDO the larger countries were receiving the larger volume of aid and that UNIDO was thereby further contributing to a victory perhaps already gained. The real criteria for judging UNIDO's effectiveness were to be found in those countries whose industrial activities were only in the embryonic stage. As a matter of urgency, UNIDO should adopt a long-term programme for those least developed countries, using experts who really would consider the serious problems from the point of view of those countries.

75. Environmental pollution was indeed very important but was, as the Brazilian delegation had pointed out, of most concern for the developed countries. In view of the scarce resources of the United Nations, careful consideration should be given to the question of how much effort and money should be expended on the control of environmental pollution. Pollution for a country like the Upper Volta meant such burdens as ignorance, illiteracy and unemployment. The Upper Volta was indeed prepared to co-operate in pollution control measures, but did not wish them to be paid for out of sums allocated for development. A satisfactory solution would be for the developed countries to pay for anti-pollution measures by providing supplementary funds.

The meeting rose at 12.55 p.m.





19.7.74