



**TOGETHER**  
*for a sustainable future*

## OCCASION

This publication has been made available to the public on the occasion of the 50<sup>th</sup> anniversary of the United Nations Industrial Development Organisation.



**TOGETHER**  
*for a sustainable future*

## DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

## FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

## CONTACT

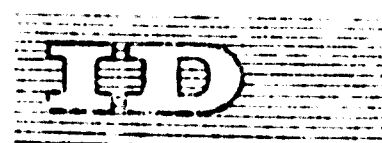
Please contact [publications@unido.org](mailto:publications@unido.org) for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at [www.unido.org](http://www.unido.org)



• D04142 •

United Nations Industrial Development Organization



Distr.  
GENERAL

ID/L/SR.73  
23 June 1969

ENGLISH

Original: FRENCH

## Industrial Development Board

Third Session

Vienna, 24 April - 15 May 1969

### SUMMARY RECORD OF THE SEVENTY-THIRD MEETING

Held at the Neue Hofburg, Vienna,  
on Friday, 2 May 1969, at 3.30 p.m.

<u>President:</u>	Mr. ORTIZ de ROZAS (Argentina)
<u>Reporters:</u>	Mr. BILLNER (Sweden)

### CONTENTS

Agenda  
Item

Paragraphs

5

Consideration of the report of  
the Working Group of Programme  
and Co-ordination (continued)

1 - 42

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

CONSIDERATION OF THE REPORT OF THE WORKING GROUP ON PROGRAMME CO-ORDINATION  
 (10/1/5/2-224 K.L.1) (S. 11111) ~~128006~~

1. Mr. HINDOEN (Korea) supported the comments made by the representative of the United States at the 72nd meeting. UNIDO should not attach the same category of priority as in 1960 to the projects for subsequent years. He wondered what criteria it had used in 1960 when granting technical assistance to a certain country in diamond-cutting and coin-minting. In his opinion, the sums thus spent could have been and could still be assigned to more useful projects.
2. Mr. PONTOPPIDAN (Denmark) noted in reading chapter II of the report that certain activities seemed rightly to have attracted the Working Group's attention: the manufacture of agricultural machinery and implements, construction industries which preferred to use locally-produced materials, pesticide and herbicide industries, small-scale industry, and repair and maintenance services.
3. The Danish Government, conscious of the value of UNIDO's activities for training, was eager to co-operate with it to the full in regional symposia, training programmes and in-plant training courses. Furthermore, the Special Industrial Services programme had been largely approved by the members of the Working Group, and it was to be hoped that UNDP would be able to provide the necessary finance regularly. UNIDO should acquire more extensive experience in the promotion of industrial investments before deciding on the extent of that programme. The Danish delegation would follow the development of these activities with particular interest because they had the same goal as those of the Danish Industrialization Fund for Developing Countries.
4. Since the importance of world industrialization strategy exceeded the data and resources at UNIDO's disposal, the Danish delegation considered that its duties should be judiciously divided between the Economic and Social Council and UNIDO, and that UNIDO should not become prematurely committed without the prior agreement of the Economic and Social Council.
5. Mr. GLINSKI (Poland) supported the suggestion contained in paragraph 139 of the Working Group's report, and thought that supply and demand projections for industrial products would enable countries and groups of countries to choose the industrial sectors best suited to their level of development, experience, resources of manpower and capital.

6. The role of co-operative movement in the repair and maintenance of small-scale industries and repair and maintenance services was stressed by the presence of a cement and building-materials industry, which had a repair and maintenance unit and which provided training facilities.
7. Consultants, assisted by UNIDO officials, had travelled to several countries to determine the nature and importance of needs for repair and maintenance services. The programme had been widely supported during the general debate by the Working Group and by members of the Board. Analysis of the reports of these missions should be given the highest priority, and the texts of the reports should be communicated as speedily as possible to all the governments concerned.
8. With regard to the establishment of industrial research institutes in developing countries, the secretariat might usefully promote cooperation between them and similar bodies in industrialized countries, for example Poland.
9. Mr. WEIL (International Commission for the Agricultural and Food Industries) said that the Commission, like UNIDO, was interested in increasing protein resources and research in the food industry. Thus it had held at Amsterdam in November 1968 an international symposium on new sources of proteins, in which FAO, WHO and UNICEF had taken part. In March 1970 it would convene at Budapest an international symposium on waste water in the agricultural and food industries, a subject that also concerned UNIDO, for it would be publishing a document on water-saving techniques in food factories.
10. Mr. LORENZI (Uruguay) said that the problem of co-operation between UNIDO and FAO concerned Uruguay and the other countries anxious to develop an industry which would use their agricultural resources. Uruguay, a big wool producer, had considered that it could not be satisfied with exporting raw wool but should process it locally so as to create jobs and add value. The first stage of industrialization consisted not only in mechanizing agriculture but also in industrializing rural areas and creating agro-industrial complexes. Such projects executed by UNIDO and FAO should be given high priority.
11. UNIDO should encourage the establishment of export-oriented industries, particularly those which used local raw materials. Because, however, the openings available to the developing countries were inadequate, the developed countries must remove trade and other barriers and open their markets to the products of such industries.



12. Mr. ISAZIYIMBA (Rwanda) recognized that the nature of co-operation which was a criterion of all projects was that it should be in a country in a region to utilize resources which would not otherwise be overlooked. Rwanda had had that in mind in its national projects such as exploitation of the methane gas resources of Lake Kivu and the construction of a cement works.
13. The information service of UNIDO had already played a useful part in informing the public about UNIDO's activities, and UNIDO should attach particular importance to setting up information centres in the developing countries, which most needed to exchange information and receive advice.
14. With regard to the export of manufactured goods by developing countries, the least developed countries - which had hardly begun to industrialize - could not yet export ~~manufactures~~, and UNIDO should pay particular attention to their situation.
15. With regard to in-plant training programmes, specialists and technicians of less-developed countries might not be able to use the knowledge they had acquired on training courses abroad if their countries had no undertakings in the sectors in which they had been trained. It would sometimes be better policy to use the money provided for training programmes to set up in the less-developed countries production units which would provide local in-plant training.
16. Mr. SCHEJDA (Czechoslovakia) considered that the secretariat, before deciding on a project, should endeavour to obtain full information on the plans and programmes of the applicant country so as to ensure that the project fitted its needs and level of development.
17. As the report of the Working Group was a document prepared by a subsidiary body, the Board should annex it to its own report after approving it.
18. Mr. HAYOE (United Kingdom) drew the Board's attention to the questions of general interest. First, in the opinion of many delegations UNIDO's publications programme should be subjected beforehand to an analysis of the cost/benefit ratio (ID/B/WPC/2, para. 67). The United Kingdom delegation shared that view and wished the volume and nature of publications to be adapted to the demand, which could be determined by a survey.

19. Secondly, all conferences, symposia and seminars organized by UNIDO should be prepared with the utmost care. Their merits ought to be examined with care and regard to the need for them, the results expected of them, and the measures which would have to be taken afterwards.

20. Mr. HULTNER (Sweden) raised a number of questions which he considered to deserve attention. First, any repair and maintenance programme should emphasize information services and vocational training programmes, in the light of the experience of both developed and developing countries. The secretariat might usefully ask member States, by means of a questionnaire, to furnish data and make suggestions so that UNIDO might know how to direct its activities. The second question referred to the processing of primary commodities, which in his delegation's opinion should be one of the most important steps in the industrialization of developing countries. The third related to the role of small-scale industries, in which a considerable number of developing countries had shown interest. The industrialized countries could give UNIDO the benefit of their experience and show it the way. On the fourth question, Industrial Programming and Project Planning, his delegation regarded all activities in this group as crucially important to most developing countries. He would give his delegation's views on the fifth and last point, the promotion of export-oriented industries, when co-ordination matters were discussed.

21. Mr. HUSSEINI (Somalia) said that UNIDO's task was to help developing countries to establish a sound basis for their industrial activities. Emphasis should be placed on the development of small-scale industries based on local products. Where the domestic market could not absorb the whole production of those industries, UNIDO should encourage export promotion. UNIDO should strengthen its assistance to the relatively less developed countries, and not help a certain country to mint its coins.

22. With regard to industrial training, his delegation, like many others, thought that in-plant training was an effective way of building up technical competence. On the problem of finance, always a matter of concern, UNIDO should limit its activities to the fields in which it could help most effectively. On that subject, if it had not sufficient resources for UNDP and Special Industrial Services projects, little progress could be expected in industrialization.

10/1/71  
page 6

23. Mr. GUELTHIER (United States of America) said that his delegation was prepared to approve the report of the Working Group, even as it contained no guide to the direction of UNIDO's future activities. The decision to formulate priority areas and guidelines rested with the Board, which would count on his delegation's complete co-operation in completing that urgent task.

24. Mr. ASANTE (Ghana) fully supported the United States representative's views. He too could find nothing in the Working Group's report to give the Board the least idea of what the guidelines for UNIDO's future action should be. Perhaps the Executive Director could help to remedy that troublesome situation, for the Board had to make a decision before the end of the session.

25. Mr. CASILLI (Italy), referring to operative paragraph (3) of the Board's resolution 8 (II) on the establishment of a programme of in-plant training, recalled that contradictory views had been expressed on the matter in the Working Group and it had been left undecided. The decision, therefore, rested with the Board whether it was desirable or not to set up more or less permanent institutions for that purpose, in which case the developing countries would not be left any freedom of choice.

26. Mr. FROST (Switzerland), supported by Mr. STEBBINS (United States of America), Mr. VAVASSEUR (France) and Mr. LOPEZ HUINO (Cuba), did not think the Board could take any decision on training institutes without having before it the report which the Executive Director should submit to it on the matter in compliance with resolution 8 (II). He had no preconceived opinion on the establishment of permanent institutes, but was nevertheless surprised that the secretariat had anticipated a decision by the Board and provided in the 1970 programme for organization of training programmes at permanent international industrial institutes in industrialized countries (ID/B/44, paragraph 266).

27. Mr. ABDEL-HAMID (Executive Director) said that the secretariat would like to have guidance from the Board on the fundamental question - raised by the Indian delegation - of whether UNIDO should base its programme of work on the requests submitted by developing countries, or should endeavour to determine their real needs and base its projects on that judgement, even if they did not correspond to the requests. Whichever solution were adopted might have major disadvantages: if requests only were taken into consideration the over-all picture might be somewhat incoherent because the countries' genuine needs were not in fact being taken into account; on the other hand, a programme based on evaluation of needs might be insufficiently action-oriented, as some of its aspects would not be related to actual operations.



28. The Indian delegation had also commented on the coordination of work between the various departments of UNIDO, and maintained that the Industrial Technology Division should have the greatest weight. It should be remembered that the UNIDO secretariat was constructed upon the principle that there were no water-tight compartments between its various divisions. To take the example of the textile industry alone, equipment for the wool industry was selected by the Industrial Technology Division; the training of technicians was arranged by the Industrial Training Section; management problems were studied by the Industrial Management Section and financing, subsidies and other matters by the Industrial Policies and Programming Division.

29. The representative of India had also made some suggestions on the subject of the UNIDO ship, which met a well-defined need. Many developing countries had set up investment promotion centres in Europe and America; when these centres were contacted, especially in New York, it became clear that the promotion of exports of manufactures from developing countries was closely bound up with investments. UNCTAD and UNIDO had furthermore, adopted several resolutions to set up in developing countries joint ventures the cost of which would be covered by exportation of the products. The question of potential exports from developing countries had not yet been studied in sufficient detail; but the studies already effected proved that there were markets in the industrialized countries for products exported from developing countries. The project was a response to that need; the question was whether UNIDO could help developing countries to investigate those potential markets.

30. The idea was not new: Brazil was just about to launch its own floating exhibition of manufactures, and Japan had been working on such a project for several years; the secretariat had studied every aspect before undertaking the project. It had in particular obtained all the relevant information from the chief of the Japanese floating exhibition. Furthermore, the cost of the project was wholly assumed by the countries that agreed to take part in it; more than ten countries had already replied favourably. The secretariat therefore thought that it had received sufficient assurances and taken sufficient precautions. Of course the Board was entirely at liberty to object to the continuance of the project if it thought fit.

31. It had been declared dangerous for UNIDO to set up an industrial information service unless it were sure it could fully satisfy all requests. The risk, however, was worth running: the secretariat was receiving about six requests for information

a number of requests from countries at all levels, developed and developing. If a particularly large number of requests were received from a particular country, UNIDO could approach its government and consider establishing a local information centre. UNIDO was co-operating in the provision of information with the Organization for Economic Co-operation and Development (OECD), which had already set up a similar service, and also with a large number of public and private information centres throughout the world. Several requests for information had in fact led later to requests for technical assistance. The service thus met a real need.

32. It would also be useful if the Board would give some guidance on the priority which some delegations felt should be given to the less advanced among the developing countries, and on projects relating to synthetic fibres. Several developing countries were producing natural fibres which had to face serious competition from synthetic fibres. When UNIDO received a request for assistance in developing the synthetic fibre industry, the question arose whether it should refuse to give any help on the ground that the development of that sector might conflict with certain interests, or whether it should grant assistance but point out the danger to production of natural fibres represented by competition from that development. The secretariat should be given clear instructions on that matter by the Board.

33. The representatives of Brazil and Chile, referring to the two iron and steel symposia held in Prague and Moscow, had expressed the wish that the third symposium should take place in a developing country. The question was one of funds: UNIDO had received a contribution which would allow it to organize the symposium in Moscow, but could not at present afford to hold it elsewhere.

34. Several delegations had mentioned the proposed permanent training and research institutes. That question had been considered by the Board at its second session and by the Governing Council of UNDP at its meeting held at Vienna in June 1968: the feeling had been that the experimental establishment of one or two institutes would be useful. Although UNDP had not yet officially approved that project, it had indicated its willingness to participate in some degree, and the Government of the Netherlands and Poland had offered hospitality to such institutes. The secretariat had judged that the Board would rather be informed of the results of an actual experiment than receive another report setting out the advantages and disadvantages of the project.

It should be noted that the adjective "permanent" was not completely accurate: the projects, to be carried out under the Special Fund component, would include financing for three, four or five years and thus overcome the difficulties which inevitably arose from the recruiting of candidates for training and research programmes that could only be established one year in advance. There again it was for the Board to decide and to instruct the secretariat on the action to be taken on the proposal.

35. More generally, since the three hundred or so proposed projects were not likely to receive unanimous approval, the Board should indicate clearly whether it approved the work programme -- subject to any changes which the secretariat might make in consequence of the debates in the Working Group or the Board; -- whether it wished certain projects to be left out; or whether it wished any activities to be increased in a particular direction or sector. He stressed that the work programme was not the secretariat's but UNIDO's work programme, which the Board had already approved. The secretariat could therefore not be accused of exceeding its instructions and ignoring not only the approved work programme but also the objectives of UNIDO. It had carried out its work within the limits of the approval given to it.

36. The PRESIDENT stated that the different geographical groups were endeavouring to concord the report of the Working Group on Program and Co-ordination and to list its conclusions and recommendations. The Board would therefore do better to postpone any settlement of that question to the next meeting, when it could decide on a single text.

37. The Board ought, however, to ratify the Working Group's report (ID/WGPG/2 and Add.1). It could either approve the Group's report and annex it to its own report, or adopt it as its own. At its second session it had followed the latter plan and had adopted as its own the reports of Committee I and II. If that plan were followed, the Board's comments on the Working Group's report would be added at the ends of the proper chapters and the report would become an integral part of the Board's report.

38. After a discussion in which Mr. SHATEKY (Union of Soviet Socialist Republics), Mr. BILLNER (Rapporteur), Mr. ARCHIBALD (Trinidad and Tobago), Mr. LORENZI (Uruguay) and Mr. LOPEZ MULLINO (Cuba) took part, the PRESIDENT suggested that the Board should follow the procedure of adopting the Working Group's report, which would then become an integral part of its own report.

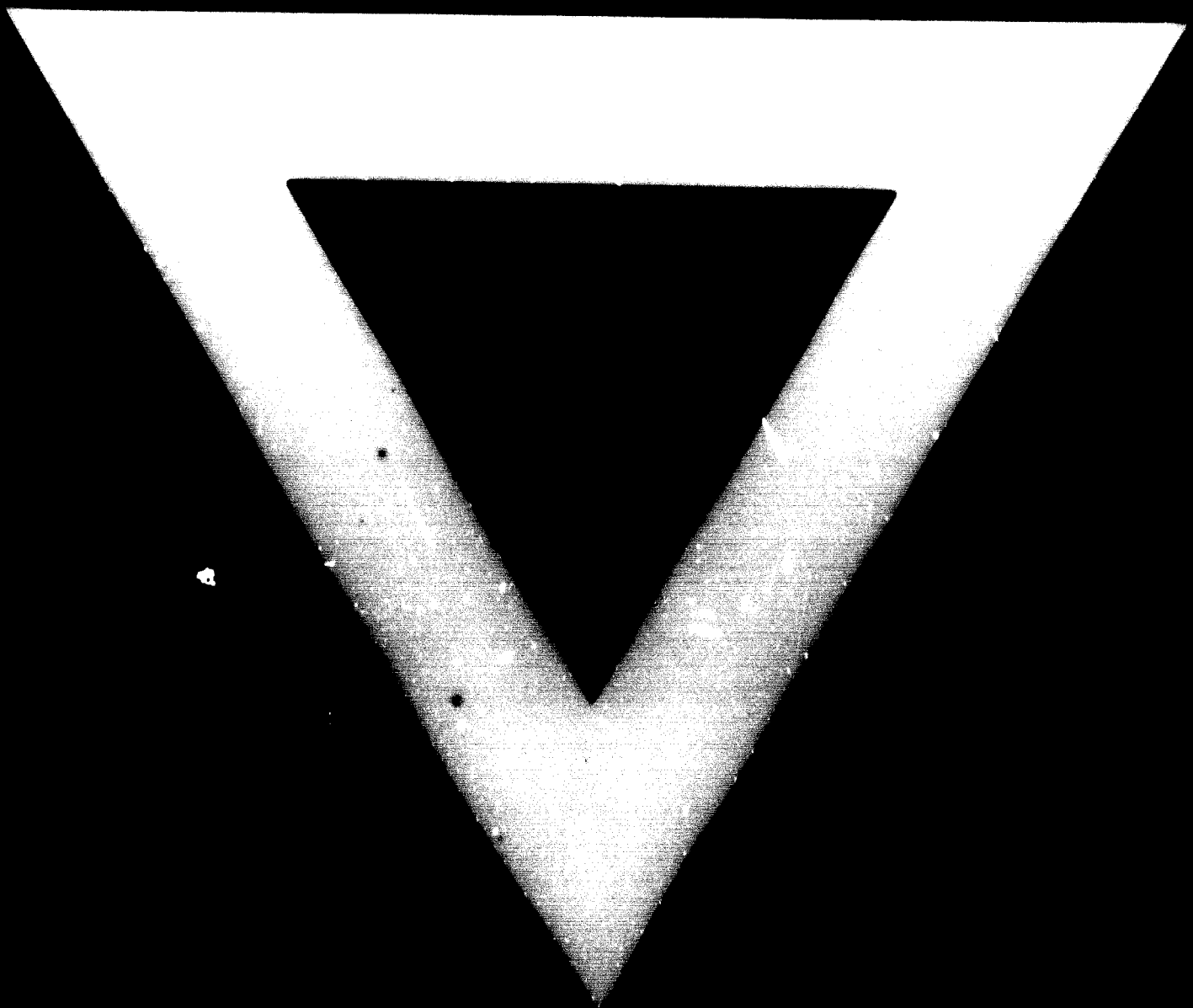
39. The President's suggestion was adopted.

40. The PRESIDENT said that the group of socialist countries had proposed an amendment to the part of the report containing the summary review of UNIDO activities in 1968 (ID/B/JGFC/2/AM.1): to add the following footnote to the first page: "The Board approved with acclamation the summary of the activities of UNIDO in 1968, seeing that comments on the work of UNIDO in 1968 and 1969 are to be found in the report of the Working Group on Programme and Co-ordination (ID/B/JGFC/2) and also in the general debate held at the third session of the Industrial Development Board".

41. The amendment proposed by the group of socialist countries was adopted.

42. The Board adopted as its own the report of the Working Group on Programme and Co-ordination on the work of its first session.

The meeting rose at 5.55 p.m.



**16. 7. 74**