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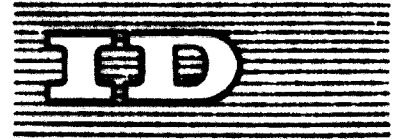
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Industrial Development Board

Fifth Session

Vienna, 24 - 28 May 1971

SUMMARY RECORD OF THE ONE HUNDRED AND TENTH MEETING

Held at the Neue Hofburg, Vienna,
on Tuesday, 25 May 1971, at 3.20 p.m.

<u>President:</u>	Mr. ASANTE (Ghana)
later,	Mr. TRIVEDI (India)
later,	Mr. CASILLI d'ARAGONA (Italy)
<u>Rapporteur:</u>	Mr. HARS (Hungary)

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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.

REPORT OF THE WORKING GROUP ON PROGRAMME AND CO-ORDINATION (ID/B/L.91)

1. The PRESIDENT invited delegations to continue consideration of agenda item 4.
2. Mrs. NORDGREN (Sweden) shared the views expressed by the delegations of France, the Federal Republic of Germany and Belgium concerning the need for an evaluation of UNIDO's activities by the secretariat, and approved of the proposal by the representative of Belgium that the question of evaluation be kept on the agenda of the Working Group and the Board.
3. With regard to documentation (paragraphs 233 and 234 of the report of the Working Group), some delegations, including the Swedish delegation, considered that the programme of work should be presented more clearly and concisely and should contain a larger number of interesting details on projects. Those delegations intended to set forth their views and wishes in a document, which would, inter alia, state that the activities should be presented in such a way as to make it possible to evaluate the results and to take advantage of the experience acquired; in Addenda 1, 2 and 3 the supporting activities should be clearly classified by sub-groups, which would also be used for operational activities. Furthermore, it would be desirable to provide, for each group of activities, a list of completed projects with a summary evaluation of each project, and to list the projects which it had not been possible to execute, with explanations of the reasons. The delegations which had prepared the document requested the secretariat to examine it and to make known their comments on it as soon as possible.
4. Her delegation attached the greatest importance to the role of co-operatives in industrial development (document ID/B/85) because it considered that small-scale industries and industrial co-operatives could help alleviate the problem of rural unemployment and make entire population groups participate in their countries' development, in accordance with the strategy for the Second Development Decade. It was, however, essential that co-operatives should be able to market their products, and they must therefore standardize their production and specialize in order to meet demand. Her delegation considered that UNIDO could make a useful contribution to the training of the staff of co-operatives.

5. Mr. STIBRAVY (United States of America), referring to the statement made at the preceding meeting by the representative of UNDP, was pleased to note that, with regard to the SIS programme, UNDP was willing to co-operate with UNIDO and to display flexibility in allocating resources for the programme. He was also pleased to learn that the new procedures adopted by UNDP were designed to break with the traditional forms of distribution of the resources between the various economic sectors, and that the representative of UNDP envisaged the possibility of the assignment of 15 to 20 per cent of UNDP resources to industrial projects. In the opinion of his delegation, UNDP should continue to be the main source of financing for UNIDO's operational activities.
6. His delegation had listened with satisfaction to the representative of FAO appealing for closer co-operation between the United Nations bodies and recalling the sectors in which relations between FAO and UNIDO were particularly well-developed.
7. He associated himself with the compliments paid to the report on co-operatives (ID/B/88), which brought out the opportunities provided by co-operatives for the developing countries and also the problems which they posed. In his opinion, the report could usefully be drawn to the attention of the developing countries.
8. With regard to the manual and case studies which it was planned to undertake, his delegation suggested that the International Co-operative Alliance, which had experience of such work, be entrusted with carrying them out.
9. He understood that the document on the use of computers and electronic calculating techniques for industrial development (document ID/B/89) had been prepared for the Economic and Social Council; no doubt the UNIDO secretariat would keep in mind any conclusions reached by the Council. With regard to the use of computers in the industries of developing countries, his delegation thought that consideration should be given to their use at the enterprise level; the probable effects of their use on employment; training; social development; the possible role of UNIDO as co-ordinator of the activities of regional, national and technical organizations in the field, and the possibilities for adapting computer techniques to the needs of the developing countries.

10. His delegation was willing to approve the report, which it had helped to prepare, while not, however, forgetting that the allocation of the necessary resources would be a topic for discussion in the Fifth Commission.

11. Mr. CZARKOWSKI (Poland) paid tribute to the efforts of the Working Group on Programme and Co-ordination, which had developed new concepts of UNIDO activities. He considered, however, that its report could be still further improved and shared the view expressed at the preceding meeting by the representative of Algeria, who would have liked to find in the report more clear and unambiguous conclusions. A prerequisite of any such improvement, however, was more thorough reconciliation of the different and even divergent views of delegations and groups of countries, and his delegation hoped that the Special International Conference would help in the search for a solution in that respect.

12. Poland would continue to support UNIDO's activities in the sphere of co-operatives by offering its experience and experts. It was also desirable, as had already been said, that UNIDO take advantage of the experience accumulated by the International Co-operative Alliance, for it seemed that co-operation between the Alliance and UNIDO would lead to good results.

13. The representative of France had remarked that it was for Governments to lay down priorities in the sectors in which international organizations were providing assistance: that was also the opinion of the Polish delegation, which considered that the question was bound up with the sovereign rights of States. International organizations could, however, lay down priorities and determine relations within their own various spheres of activity. In that connexion, his delegation fully agreed that greater emphasis should be placed on the importance of industrialization in the development process.

14. Finally, the Polish delegation agreed with the proposal that the report of the UNDP representative should be circulated as a Board document.

15. Mr. VAFA (Iran) expressed pleasure at the quality of the document on the role of co-operatives in industrial development (ID/B/88). His country considered that it was important to promote co-operatives and hoped that UNIDO would increase its assistance activities in that field.

16. Referring to the document on industrial training (ID/B/L.91), he recalled that when the Working Group had studied the question of setting up information centres, some delegations had said they were in favour of local centres while others had preferred regional or sub-regional centres. Through the lack of unanimity of views in the report and the absence of clearly defined guiding principles, it seemed that the secretariat would be obliged to execute projects at different levels, which would lead to overlapping of work and waste of resources. He had already expressed, the year before, his concern over the absence of guiding principles in the Working Group's report. He would return to that point later; at the present stage of the discussion he merely wished to say that the question of information centres was an excellent example of the kind of problems which UNIDO had to face when it tackled a question without coming to a decision.

17. With regard to the choice of the sites of the centres, it was difficult to take a judicious decision without clarifying a number of points, namely, what would be the nature and extent of the information required by the developing countries, how far would it be possible to provide that information, what administrative and particularly what linguistic problems would arise, and what financial problems would have to be taken into consideration. The only sensible solution seemed to be to leave the decision to UNIDO. The Iranian delegation proposed that UNIDO should undertake a study of that kind; if that had already been done, it would be useful to have further details on the subject.

Mr. Trivedi (India), Second Vice-President, took the chair.

18. Mr. WOOD (Kenya) thought that the Working Group's report contained ideas which the competent authorities of UNIDO could usefully take advantage of in drawing up a programme of operations during the forthcoming year. As the report did not constitute a programme in itself, however, the results obtained by the Organization would largely depend on the said authorities' competence in evolving such a programme. With regard to document ID/B/86 on the role of co-operatives in industrial development, he wished to mention that some of the largest industrial enterprises in Kenya were owned and managed by co-operatives. That was the case, for example, of the "Kenya Co-operative Creameries", the activities of which covered both farming and industry.

He considered that the co-operative formula was particularly suitable for agro-industries and that UNIDO should make an effort to promote the development of industrial co-operatives in that sector.

19. Mr. THIAM (World Intellectual Property Organization), referring to paragraph 201 of the Secretary-General's report, on the application of computer technology for development (Sales No: E.71.II.A.1), recalled that WIPO had been requested to state what form of legal protection of computer programmes at the national level was, in its opinion, most appropriate from the point of view of the developing countries and the producers of software, and what new arrangements or modifications of existing arrangements were called for. WIPO had established an advisory group of governmental experts to study those two topics. The group, which had met at Geneva from 8-12 March, had reached the following conclusions: (a) a complementary study of the problem should be undertaken at the international level, in order to eliminate existing discrepancies between national legislations; (b) international agreements should be concluded which would establish a link between national legislations and possibly lay down minimum conditions of protection; (c) the International Bureau of WIPO should be instructed to prepare or commission studies on the legal and economic aspects of the problem, with particular reference to the needs of the developing countries, and to prepare documentation based on those studies with a view to a future meeting of Government experts. He added that WIPO was keeping its report at the disposal of States or organizations that might wish to take note of it.

20. The PRESIDENT recalled that the comments made at meetings would be included in the summary records and would guide the secretariat and the Board in their work. Since the representative of the United Kingdom had said that his delegation could not agree that modifications should be made to the text of the Working Group's report at that stage, he called upon members of the Board to take a decision on the adoption of the report.

21. The report of the Working Group on Programme and Co-ordination was adopted.

CO-ORDINATION OF ACTIVITIES OF THE UNITED NATIONS SYSTEM IN THE FIELD OF INDUSTRIAL DEVELOPMENT (ID/B/83 and Add.1 and 2)

22. The PRESIDENT invited the members of the Board to consider agenda item 5.
23. Mr. GOURI (Chief, Co-ordination and External Relations Section) recalled that in its resolution 27 (IV) the Board had requested the Executive Director to report to it at its fifth session on the progress made by the Organization in developing co-ordination and co-operation with other bodies and organizations, especially at the country level. In accordance with that resolution, the secretariat had prepared a document entitled "Role of UNIDO in Co-ordination of activities in industrial development: co-ordination at the country level" (ID/B/83). In that report, the information available to UNIDO on the harmonization of industrial programmes and projects had been classified by countries and regions. In addition, the document contained two addenda devoted to the evaluation of the part played by UNIDO in the industrialization of Jamaica and Senegal.
24. In the same resolution the Board had also requested the Executive Director to submit to it, at its sixth session, the Fifth Consolidated Report on the Activities of the United Nations System in promoting industrialization during 1970. To comply with that recommendation, UNIDO had entered into consultations with the agencies concerned regarding the format of the report, its content, and the refinement of material relating to the projects to be listed. Those consultations had made it possible to agree on the number of chapters in the next Consolidated Report. Each chapter would be preceded by a preface containing an analysis of the main trends within the industrial sectors under review. The project data would cover the period January 1970 to June 1971. An effort would also be made to provide information on the performance of completed projects.
25. It was the intention of UNIDO to develop co-operation between all agencies engaged in industrial development, whether they were within the United Nations system or not. That called for emphasis on two objectives: establishment of concerted programmes of activities and provision of effective and co-ordinated services to the developing countries.

26. UNIDO had completed the first phase of its co-ordination task, which consisted of gradually eliminating duplication of headquarters and field activities within the United Nations system. For that purpose, UNIDO was arranging regular consultations with the regional economic commissions, UNESOB, ILO, UNESCO, UNCTAD, WHO and the World Bank Group.

27. In that connexion he wished to draw the attention of the Board to the note signed on 2 July 1970 concerning new arrangements for co-operation between UNIDO and ECAFE; to the agreement signed on 15 December 1970 between UNIDO and the Organization of Senegal Riverian States, and to the meeting between the chiefs of the UNIDO and UNCTAD secretariats, at which questions concerning implementation of the System of Generalized Preferences were examined.

28. UNIDO was now in the second phase of its co-ordination effort aimed at achieving optimum utilization of the meagre resources available for the promotion of industrial development. In order to achieve that, co-ordination between UNIDO and the organizations outside the United Nations system needed to be extended: in particular, dovetailing of specifically UNIDO activities with bilateral aid programmes was called for. UNIDO had initiated further industrial investment promotion meetings and had organized promotion services in connexion with industrial and trade fairs held in various regions. UNIDO had set up the World Association of Industrial and Technological Research Organizations (WAITRO) and was engaged in facilitating co-operation between regional development banks and various industrial research institutions in both developed and developing countries.

29. In conclusion, he wished to point out that the efforts made by UNIDO to harmonize the programmes of organizations contributing to industrial development could only be successful if such efforts met with the goodwill of the organizations concerned. The resources at the disposal of UNIDO itself in that sphere were at present limited to the services rendered by Industrial Development Field Advisers.

30. Mr. HABLE-SELASSIE (Economic Commission for Africa) conveyed to the President the best wishes of the Executive Secretary of ECA for the success of the present session and said that since adoption of the International Development Strategy, African countries had taken advantage of the regional and sub-regional conferences to intensify consultations amongst themselves with a view to formulating policies and measures that would enable them to meet the targets set by that strategy. Resolution 218 (X) on Africa's strategy for economic development in the 1970s, adopted in February 1971 by ECA at its tenth session, which represented the interpretation at the regional level and stressed the inter-sectoral linkages of that global strategy, entrusted industry with the mission of restructuring the domestic economy in order for it to respond to internal and external impulses efficiently.

31. Most of the African countries were now entering the second stage of their industrialization. They were today, furthermore, in a relatively better position to examine critically the effectiveness of policies pursued and to formulate new ones in the light of experience gained. ECA and OAU had, from 3-7 May 1971, organized the first conference of African Ministers of Industry in order to work out the measures to be taken to sustain the industrialization of the continent in the 1970s. After studying the policies followed by their countries and the main obstacles they had encountered in the course of the past decade, the conference had defined financial and technical assistance requirements for the 1970s, together with the priority sectors and the broad action guidelines needed. The recommendations of that conference were contained in the Addis Ababa Declaration on industrial development in the 1970s, which reasserted the determination of African countries to rely primarily on their own resources to attain their objectives, and spelled out both their resolve to pursue consistent policies and the need for coherent and concerted action at the national, regional and interregional levels. The Declaration also restated the important role that external aid could play in the industrialization of African countries and stressed that such aid, coming from diverse sources and in a variety of forms, would not bear fruit unless the recipient countries themselves took the initiative to influence global aid policies.

32. At the national level, the newly-introduced country programming procedure could be expected to enhance the effectiveness of technical assistance. An effort towards co-operation and joint endeavour was essential if the problems shared by the African

countries were to be overcome, and those countries would need to strengthen still further the links between national, multinational and international policies, all of which were closely interwoven.

33. The Addis Ababa Declaration provided a framework for technical assistance to Africa and offered the criteria and guidelines for an effective and rational aid policy.

34. Other conferences of African Ministers of Industry would be convened once every two years throughout the Second Development Decade for the purpose of reviewing progress and recommending policies and actions for sustaining industrialization.

35. The participants in the Addis Ababa conference had also discussed the issues to be raised at the Special International Conference of UNIDO, in order to establish a common position based on a full awareness of their problems and needs. They had set forth their points of view in a report and in a resolution on the Special International Conference. Both those documents should also serve as the basis for intensification of co-operation between ECA and UNIDO and for the preparation of a unified industrialization programme in the region.

36. Meeting at regular intervals, the Conference could forge closer links between bilateral and multilateral assistance and promote greater harmonization of the efforts of regional and sub-regional organizations in Africa concerned with industrialization. It could also be expected to assist increasingly in translating a world-wide structure of aid into a regional programme of priorities and actions.

37. Mr. STORDEL (United Nations Conference on Trade and Development) transmitted to the President the best wishes of the Secretary-General of UNCTAD, Mr. Perez Guerrero, for the success of the current session of the Industrial Development Board and the Meeting of the Special International Conference of UNIDO, which he would personally attend.

38. The objectives defined in resolution 2626 (XXV) concerning the international development strategy for the Second United Nations Development Decade called for accelerated industrial development of the developing countries and growing co-operation between UNCTAD and UNIDO.

39. In its resolution 2152 (XXI), the General Assembly had defined the nature of the co-operation between UNCTAD and UNIDO. UNCTAD was fully conscious of the fact that the development process was indivisible and that the efforts of the different organizations in the United Nations family would bring maximum results only if they were integrated and co-ordinated both at the stage of planning and at that of execution. Several steps had already been taken to achieve close co-operation between UNCTAD and UNIDO, i.e., the establishment of an Inter-Secretariat Committee responsible for keeping questions of mutual interest under constant review, avoiding duplication and pursuing the objectives of the United Nations in the most effective manner; and the preparation by UNCTAD of arrangements concerning the establishment of generalized, non-discriminatory and non-reciprocal preferential treatment for the exports of the developing countries in the markets of the developed countries. Those arrangements had been considered acceptable by both parties, and some developed countries might begin to implement them as of 1 July 1971. In that connexion, both organizations had undertaken to co-operate in a joint programme of assistance to the developing countries, which provided inter alia for the sending of technical assistance missions to enable the developing countries to derive increasing benefit from the system of generalized preferences. The developed and the developing countries had welcomed that initiative and expressed the hope that it would receive support from UNDP, a hope which had received encouragement from UNDP at the preceding meeting.

40. UNCTAD had been represented at several UNIDO meetings dealing with matters relevant to its field of activity. The two organizations co-operated closely in other fields such as international subcontracting, in which UNCTAD saw a means of helping the developing countries to intensify and diversify their exports, as well as a way of promoting the transfer of technology.

41. In that connexion, the UNCTAD Trade and Development Board had, at its tenth session, adopted resolution 74 (X) (endorsed by General Assembly resolution 2726 (XXV)), defining the role of UNCTAD in the field of the transfer of technology and establishing a 45-member inter-governmental group on the transfer of technology to prepare a programme of work for UNCTAD and to assist in measures at the national and international levels to overcome obstacles to the transfer of technology to developing countries. Lastly, it should be stressed that UNCTAD always took the interests of the least developed among the developing countries particularly into account.

42. Mr. Casilli d'Aragona (Italy), First Vice-President, took the chair.

43. Mr. PANGGABEAN (Indonesia) congratulated the secretariat on its excellent report on the role of UNIDO in co-ordination of activities in industrial development. He was pleased to note that that co-ordination had been effective both in the field and among the secretariats of the various United Nations agencies. The second stage would consist of expanding it to other activities, in particular those relating to bilateral assistance. He thought that the technique of sending advisers into the field to give national Governments the benefit of their opinions and to promote co-ordination of the activities undertaken in the field of industrialization by the various United Nations agencies and other institutions represented a step forward. He fully approved of the efforts undertaken by UNIDO to avoid duplication.

44. With regard to co-ordination at the national and sub-regional levels, he would restrict himself to the case of Asia and the Far East. He fully approved of the document dealing with co-ordination between UNIDO and ECAFE, which contained, among other things, a good analysis of the trends emerging in the economic development of the region, on the basis of which UNIDO was granting its technical assistance in order to give the countries of the region more effective assistance in moving from essentially agricultural economies to industrial economies. Indonesia, like many other countries in the region, would long continue to be dependent on its agriculture; it expected a great deal from the "green revolution", which should enable it to base its industrial development on the development of agriculture. Other countries were already initiating forms of development which would enable them to intensify their exports and consequently improve their balances of payments. That policy was in keeping with the international development strategy and the industrial development strategy adopted for the Second Development Decade. In that connexion, it was not sufficient simply to establish industries in the developing countries: the developed countries must also open their markets to the products of those industries. He therefore appreciated the establishment of a joint UNCTAD/GATT/UNIDO centre for co-ordination. In his opinion, UNIDO could play a vital role in promoting industrialization. For example, it could assist in selecting the products for which there was likely to be demand from the industrialized countries.

45. Mr. APOLLONOV (International Atomic Energy Agency) said that IAEA had taken an active interest in 1970 and 1971 in the industrial applications of nuclear technology, particularly in the fields of mineral prospecting and exploitation and the textile, lumber and synthetic materials industries. In consultation with UNDP/SF, it had formulated a project to help the Government of India to prepare the plans for a pilot plant for the radiation sterilization of medical products, while in association with UNIDO it had formulated a Special Fund project to assist the Government of Argentina to establish a national centre for non-destructive testing and quality control. In October 1971, it would also organize a training course on radiographic, ultrasonic and electromagnetic testing in Singapore for the Asian countries. In addition, since air and water pollution were a matter of increasing public concern, in October 1970 the Agency had organized a symposium on the use of nuclear techniques in the measurement and control of environmental pollution.
46. In co-operation with the Governments of the United States and Canada, the Agency had also organized in August 1970 a study tour on the industrial applications of atomic energy, which had enabled participants to acquaint themselves with the industrial applications of isotopes in those two countries, and a tour to the Soviet Union, France, the Federal Republic of Germany, the United Kingdom and Czechoslovakia to study the standardization of radiation dosimetry was currently taking place.
47. Regarding relations between IAEA and UNIDO, he said that co-operation between the two organizations in administrative matters, which was already excellent, would undoubtedly be even closer when the "United Nations City" in Vienna was set up. In that connexion, the two organizations had established a joint working group to consider questions of common interest.
48. Since the industrial application of nuclear energy had reached a stage at which it could contribute greatly to the industrialization of the developing countries, IAEA and UNIDO had thought it appropriate to work jointly on projects in various fields. Some of those projects, such as those relating to the establishment of a national testing and quality control centre in Argentina, a pilot plant for irradiation sterilization of medical products in India, and a national nuclear energy centre in Santiago, Chile, were already being considered and augured well for co-operation between the two organizations in the future.

49. Mr. MEILLAND (World Health Organization) said that co-operation between WHO and UNIDO, which had always been very satisfactory and fruitful, was facilitated by the complementary nature of the two organizations' activities. It was particularly important in such fields as pharmaceutical products; pesticides; occupational health and environmental pollution. With regard to the manufacture of pharmaceutical products, WHO had co-operated with UNIDO since the inception of the latter's activities. WHO briefed UNIDO consultants on the necessary medical infrastructure and on the therapeutic requirements of certain areas. It also dealt with such questions as the efficacy and safety of drugs, and issued recommendations on the manufacture and quality control of pharmaceutical products. WHO had assisted in planning the extraction of natural substances used in the manufacture of therapeutic preparations and had taken an active part in meetings convened by UNIDO. At its last session, the Executive Board of WHO had recommended that Dr. Candau, Director-General of the Organization, should be invited to continue WHO's co-operation with UNIDO in assisting developing countries to establish pharmaceutical industries. Such co-operation would probably be further extended by the compilation, through WHO's member States, of additional information on the therapeutic needs of the countries concerned and on local problems relating to the efficacy, safety and quality control of drugs. WHO's participation in UNIDO's planning of the production of pharmaceutical products would be developed, and the number of fellowships would be increased within the limits of WHO's financial resources. WHO would also continue to play an important role in drawing up formulae for drugs and organizing quality control.

50. WHO would continue its research activities on the safety and efficacy of pesticides and on the composition and assessment of new products as well as their effects on the health of human beings. DDT had been banned in several countries and the chemical industry had had to convert to other products, with the result that there was a danger that DDT might become scarce and the success of large-scale programmes for the eradication of such diseases as malaria might be prejudiced. Nevertheless, DDT had been used successfully for a quarter of a century and tens of thousands of workers who sprayed the product daily had shown no serious signs of ill-effects. It would be difficult to replace such a cheap and efficient pesticide; WHO would indicate to UNIDO the estimated requirements for various regions, so that local production could be considered in order to meet the needs of programmes for the prevention of certain diseases.

51. With regard to occupational health, no one would dispute the fact that a healthy labour force was a prerequisite for economic development. Unfortunately, the various studies conducted by WHO on the state of health of workers in certain industrial sectors had shown that there were places where the situation was far from satisfactory. Planning production was not sufficient; provision should also be made for the facilities and equipment needed to prevent occupational diseases and for the necessary financial resources. WHO would continue its close collaboration with UNIDO and the ILO in that field.
52. Lastly, UNIDO and WHO had worked together on problems connected with environmental pollution and specifically on the disposal of industrial wastes and the industrial treatment of waste products for commercial re-use. WHO was carrying out studies, training national staff and assisting in the establishment of institutions to deal with problems arising in the countries concerned. Studies on waste disposal had been carried out in a number of cities such as Teheran, Calcutta, Istanbul, Accra, Dakar, Manila, etc. In addition, consultants to advise on the use of industrial wastes had been sent to several countries. In 1968, WHO had established an international reference centre on waste disposal which collaborated with forty institutions, distributed technical information and co-ordinated research in the field.
53. The establishment of waste disposal systems required a thorough study of the geographical, demographic and other factors which needed to be taken into account, a study of the financial resources available, and large investments. The planning of viable industrial enterprises involved the study of many of the same factors.
54. WHO's long-term environmental health programme provided for joint activity with UNIDO and for the formulation of guidelines for the disposal of solid industrial wastes and the recycling of municipal wastes. It was planned to pay particular attention to the salvaging of solid wastes (metals, glass, plastics, asbestos, etc.) from the industrialized countries, which might in the near future be of interest to the developing countries.
55. Turning in conclusion to the question of air pollution, he wished to draw attention to the harmful effects of smoking and, referring to the resolution adopted on that subject by the World Health Assembly, noted that the WHO Executive Board had requested WHO to seek the assistance of the United Nations and its specialized agencies

in promoting the social change required to combat that habit. FAO had already indicated that it would extend all possible assistance in studying the possibility of replacing tobacco with other crops. WHO trusted that UNIDO would agree to cooperate with it in that respect and would take whatever action it deemed appropriate.

56. Mr. GIRARD (Switzerland) was pleased to note that co-ordination, which had been the subject of animated debates in UNIDO, as well as in other United Nations agencies, had made considerable progress. Perusal of the report on the role of UNIDO in co-ordination of industrial development activities (ID/B/83) showed that the Organization maintained standing relations with most of the United Nations agencies, whether directly or indirectly concerned with the industrialization of the developing countries, and UNIDO had managed to find satisfactory solutions to most of the difficulties encountered in its relations with those agencies.

57. He was interested to note that UNIDO was already in contact with some regional development banks, such as the African Development Bank (ID/B/83, para. 26), the Inter-American Development Bank (ID/B/83, para. 46) and the Asian Development Bank (ID/B/83, para. 75). He considered it desirable that such contacts should become permanent. Although the regional banks were not part of the United Nations system, they were undeniably playing an increasingly important part in helping the developing countries. Like UNIDO, they had operational pre-investment functions which ought therefore to be co-ordinated. For its part, UNIDO could give such institutions the benefit of its technical assistance in the initial stages of investment operations.

58. The regional banks had increased funds at their disposal, and the size of special funds, in particular, had grown considerably. The Asian Development Bank, of which Switzerland was a member, already possessed a special fund for technical assistance, one for miscellaneous purposes, and a special fund for agriculture. The Swiss delegation would therefore like to know what measures the secretariat proposed to take to achieve closer collaboration in future with the regional development banks.

59. Mr. MIRZA (Pakistan) recalled that he had already stated his position on a number of questions during the session of the Working Group. He was of course in favour of co-ordinating UNIDO's activities with those of international agencies like the World Bank, FAO, UNCTAD, or ILO, and also with regional institutions like the

regional development banks. He would also like to see co-ordination of UNIDO's activities with those of national institutions dealing with industrialization or development financing. Frequently, industrial development banks did not have enough experience to execute pre-investment studies effectively, especially when such studies were concerned with complex industries. UNIDO could help them by co-ordinating viability studies and pre-investment studies. The system of industrial field advisers was effective, but it was to be deplored that administratively and financially those advisers came under UNDP: if they were under the authority of UNIDO, that would make it easier for UNIDO to control the organization of programmes. UNIDO could increase the efficiency of its operational activities by simplifying its administrative methods, especially as regards the control of mission personnel. That matter had already been considered by the Working Group, and he hoped that it would also receive the full attention of the Board.

60. As the Executive Director had stated that UNIDO was supposed, but unable, to co-ordinate the various aspects of industrialization, his delegation wished to know what was the precise significance of that remark and how the secretariat proposed to resolve the problem.

61. Mrs. STEEG (Federal Republic of Germany) thanked the Executive Director and his assistants for the clear and informative report which they had drawn up on the role of UNIDO in co-ordination of activities in industrial development (ID/B/83). The report contained an excellent analysis of the results of UNIDO's activities and of the difficulties which still had to be overcome, and thus served as an excellent basis for evaluating the Organization's future task in that field.

62. It was largely true that UNIDO had completed the first phase of its co-ordination task, which had been to eliminate gradually the duplication of headquarters and field activities within the United Nations system. Thanks to UNIDO's activities there was effective harmonization of measures in the field to promote the industrial development of the developing countries. Co-ordination of the activities of secretariats, both of United Nations bodies and of outside organizations, had made considerable progress. Co-operation with the regional commissions of the United Nations was well under way. Co-operation with UNCTAD, aimed at enabling the least developed countries to derive the maximum benefits from the system of generalized preferences, was a sphere in which UNIDO could carry out its activities to good effect, and it was desirable that it should intensify its efforts in that sphere.

63. Her delegation attached considerable importance to co-operation between UNIDO and the World Bank Group. Her delegation therefore welcomed the progress achieved in that connexion during 1970. Much was also expected of the co-operation with the regional development banks.
64. The co-operation with the International Organization for Standardization was in accordance with the importance which the developing countries attached to standardization and which had emerged from the discussions within GATT on non-tariff barriers to trade.
65. With regard to co-ordination in the field, the United Nations had taken an important decision in entrusting the UNDP Resident Representatives with the task of co-ordinating all the operational programmes of the United Nations at the regional level. There was no doubt that UNIDO had an important role to play in that sphere too, and the Federal Republic of Germany wished to stress once again that the network of industrial field advisers should be enlarged. It fully approved of the choice of priority sectors indicated in paragraph 103 of the report.
66. Her delegation sincerely hoped that, through better co-ordination of activities in the field and the new method of country programming, UNIDO's contribution to overall programmes within the context of the Second Development Decade would continue to increase.
67. Mr. SVENNEVIG (Norway), speaking also for Denmark, Sweden and Finland, recalled that the previous year UNIDO had concluded co-ordination agreements with FAO and ECAFE. The present year's reports contained information on the co-ordination meetings which had been held between UNIDO on the one hand and FAO, ILO, UNESCO and the regional economic commissions on the other. That meant that the efforts towards co-ordination were tending more and more to become normal regular practice in UNIDO's relations with the other organizations working in connected areas. His delegation wished to express satisfaction at the progress which had been made in that field since the preceding year.
68. Paragraph 2 of report ID/B/83 stated that "UNIDO has completed the first phase of its co-ordination task, namely, to eliminate gradually the duplication of headquarters and field activities ...". His delegation did not doubt that considerable

progress had already been made, but it thought that much remained to be done, although it was difficult to imagine that duplication could be eliminated in one stroke. Continued efforts and goodwill were required from the organizations concerned, and that meant in practice that if any new project which was envisaged encroached at all upon the field of competence of another organization, it would have to be presented to that organization for comment before being implemented, while, conversely, the other specialized agencies must, where appropriate, inform UNIDO of the projects which they proposed to carry out.

69. His delegation had noted with interest the report by the Executive Director concerning preliminary consultations on work programmes and had observed that other organizations had studied the UNIDO work programme without raising any objections about any possible overlapping of activities. If each project envisaged was communicated in reasonable time to the organizations concerned, the present harmonious co-ordination would continue to function smoothly, and in that respect it was interesting to see, from paragraph 106 of document ID/B/83, that it had now been agreed that co-ordination should start at the planning stage. Co-ordination could be divided into co-ordination at the inter-secretariat level and co-ordination at the country level (that was, in fact, the title of document ID/B/83 which was before the Board, although the document also contained a chapter on the first type of co-ordination).

70. That type of co-ordination had been widely used during the previous year, both with the United Nations bodies and with other intergovernmental and non-governmental organizations. However, his delegation could find no trace in the report in question of any implementation of the recommendation which it had made the previous year, namely that UNIDO should participate in the activities of the WHO/FAO/UNICEF Protein Advisory Group. As UNIDO's activities included projects for the production of proteins, one would have imagined that the report on co-ordination would mention UNIDO's participation in the work of that Group. His delegation would like to hear the secretariat's observations on that subject.

71. With regard to co-ordination at the country level, the report described the programmes which were being carried out in various countries and were being revised during the present year, in accordance with the General Assembly resolution on country programming; his delegation hoped that the new system would function satisfactorily. It thought that the report should have laid greater emphasis on that condition and its consequences for UNIDO. The new system might not be perfect but all the organizations concerned ought to give it a fair trial. With regard to UNIDO, all operational activities should be planned within the country programming system, whether they were financed by UNIDO or from other sources. His delegation thought that it should be stated in a perfectly clear manner that that would be the case, and it would like the Executive Director to give his assurance on the matter.

72. In that respect, the Norwegian delegation would like to be assured that the twenty-two long-range programming missions planned for the current year would in no way prevent UNIDO from co-operating in country programming procedures.

73. Strictly speaking, country programming had been conceived of solely in the framework of the technical assistance activities financed by UNDP, but UNIDO should adopt an analogous formula for projects financed out of its own resources.

74. Mr. NEKIPELOV (Union of Soviet Socialist Republics) felt that the importance of the role that the General Assembly, by its resolution 2152 (XXI), had entrusted to UNIDO in the co-ordination of the activities of the United Nations system in the field of industrial development arose from a concern to make maximum use of the limited resources available to United Nations agencies for their activities in assisting the developing countries.

75. With the adoption by the General Assembly of the Development Strategy, UNIDO was called on to undertake still more important tasks in the field of the industrialization of the developing countries. It could only acquit itself of those tasks by co-ordinating its efforts and resources with those of the other United Nations agencies. By virtue of the mandate conferred upon it by the General Assembly, UNIDO was fully entitled, within the limits of its competence, to play a central role in that co-ordination effort, provided that it acted under the guidance of the Economic and Social Council, which was the supreme co-ordinating organ for the activities of the United Nations system in the economic and social field.

76. In practice, as witnessed by document ID/B/83, UNIDO had achieved certain satisfactory results in that matter. Thus, it had strengthened its co-operation with the specialized agencies and the regional economic commissions, and the regional advisers would henceforth play an extremely active role in the latter. Moreover, more intensive specialization of those advisers could only improve the assistance provided to the countries of the various regions. That specialization would also make it possible to distribute tasks better between UNIDO and the regional economic commissions. It was by intensifying its co-operation with the commissions and UNESOB that UNIDO could strengthen its activities in the regions and co-ordinate those of the other organizations concerned with industrial development. The promotion of export-oriented industries played an important role in the industrialization of the developing countries. In that respect, UNIDO must strengthen its co-operation with UNCTAD so that the principles of co-operation adopted at the first Conference on Trade and Development and the generalized system of preferences could be implemented.

77. As far as co-operation between UNIDO and the other United Nations agencies was concerned, he noted that not everything had yet been done to delimit properly their respective fields of competence and to ensure the best possible utilization of their resources. It could be noted from document ID/B/83, that the functions of joint executing agencies for a project were often defined without taking into account the real competence of each. Thus in paragraph 30 it was stated that ILO had provided the services of an electrical engineer for a UNIDO/ILO project in Ethiopia. As everyone knew, however, ILO dealt with social and labour questions and not electrical engineering. A project undertaken jointly in Iran by UNIDO and UNESCO, in which the latter agency had sent experts in applied metrology, although its field of competence was theoretical metrology, also bore witness to such confusion.

78. It was evident that co-ordinating the activities of the United Nations agencies in the field of industrialization was far from simple. Success in that field did not solely depend on the UNIDO secretariat but also on the secretariats of the other agencies. In that respect, UNIDO must be more insistent, on the basis of the mandate that the General Assembly had entrusted to it in its resolution 2152 (XXI).

79. Before concluding, the Soviet delegation felt obliged to renew its reservations regarding co-operation between UNIDO and the World Bank Group, which represented only the interests of a restricted circle of countries.

80. Finally, the Soviet delegation wished to emphasize the necessity for UNIDO to achieve better co-ordination of its activities with those of UNDP, which had at the present time been entrusted with the task of reorganizing the entire United Nations technical assistance system.

81. Mr. CZARKOWSKI (Poland) considered that, with regard to the co-ordination of activities concerning industry, UNIDO must fit itself to assume fully the central role that the General Assembly had entrusted to it under paragraphs 27 to 36 of resolution 2152 (XXI). Without underestimating the notable progress that had been made, he thought that the problem should be given more sustained attention and that more precise directives should be prepared in that respect, which use should be made of the co-ordination machinery of the Economic and Social Council. The Polish delegation was ready to co-operate in that task.

82. Mr. VENKATARAMAN (India) thanked the Executive Director and the members of the secretariat for having presented the Board with a clear picture of UNIDO's activities with regard to co-ordination. However satisfying the manner in which it dealt with its task might be, the Organization must nevertheless not regard co-ordination from a narrow viewpoint, confining itself to eliminating duplication and avoiding wastage of resources: it must take a much wider perspective. In that respect, he considered, like other representatives, that UNIDO must play a central role in the co-ordination of activities concerning industry, in accordance with the mandate that the General Assembly had entrusted to it.

83. With regard to regional co-operation, he welcomed the activities carried out by UNIDO in the ECAFE region and in particular the prominent role played by the field advisers in the various agencies and institutions in the region. He suggested that as one more reason why UNIDO should make its field advisers into co-ordination officers, and he thought, like the delegation of Pakistan, that the secretariat should have closer contacts with its field personnel.

84. With regard to the evaluation reports, one of which was devoted to Jamaica and the other to Senegal, he wished to point out that the great merit of that activity of UNIDO had been to contribute towards economic growth in general,

and industrial growth in particular, in the countries concerned. It seemed to him, furthermore, that evaluation in the field of technical assistance must lead to a whole series of interdependent activities, so that all technical assistance projects would constitute just one single identical programme. Evaluation also presupposed continuity, and accordingly the beneficiary country should make arrangements for the counterpart personnel needed to ensure the take-over.

85. Mr. SIMPSON (United States of America), commenting on certain points in document ID/B/83, noted with satisfaction the progress made by UNIDO in the field of co-ordination, but he doubted whether the "first phase of its task" had been completed. That type of activity should never come to an end. However, it seemed extremely important that organizations both inside and outside the United Nations family (paragraph 2) were more and more accepting the role of UNIDO in the co-ordination of industrial development activities, in particular within the framework of bilateral aid, which UNIDO must harmonize as far as possible (paragraph 5).

86. As regards field activities, it was encouraging to note a strengthening of co-operation between UNIDO and the regional economic commissions (particularly ECAFE), which had made it possible to mobilize all available resources. He also noted the paramount role played by field advisers in industrial development (paragraph 101). He therefore considered that the personnel recruited to assume such functions must possess the highest technical competence.

87. As far as co-operation with the World Bank (paragraph 12) was concerned, he unreservedly subscribed to the views of the representative of the Federal Republic of Germany and hoped that such co-operation would be strengthened and widened. Finally, with regard to the efforts made by UNIDO for a more rational use of its resources, he hoped that the secretariat would prepare a report on the subject.

88. In the opinion of Mr. REMOVILLE (France) the comprehensive statement that had just been made to the Board, notably that of the Federal Republic of Germany, had cast light on the complex question of co-ordination. It seemed that there was

unanimity on three points, namely, that substantial progress had been made, that co-ordination could be further improved, above all in the elimination of duplication, and, finally, that such co-ordination should be strengthened and extended.

89. On the latter point, he was gratified that UNIDO did not direct its co-ordination activities solely and exclusively towards the international institutions and organizations that were mainly concerned with the economic aspects of human development, but also directed its efforts towards organizations that, while aiming doubtless at the material advancement of mankind, also strove for man's spiritual advancement.

90. As far as the relations of UNIDO with the agencies in the former category were concerned, the strengthening of co-operation with UNCTAD was of great importance, since UNIDO could derive the greatest benefit from the excellent work of that body on commodities, manufactures and shipping. With regard to the others, it was encouraging to note that the links between the International Labour Organisation and UNIDO had considerably improved and that co-existence had been transformed into co-operation. Finally, co-operation with UNESCO, of which the representative of the Soviet Union had spoken, should lie mainly in the scientific field, because in that connexion, UNIDO's programme would need the support of that Organization, which was older and better equipped. It would be particularly useful for UNIDO, in close co-operation with UNESCO, to endeavour to promote and develop institutional links between research organizations in the advanced countries and in the countries of the Third World, in which UNESCO had shown interest, and which could be extended to the application of technology to industrial development.

91. Mr. LÓPEZ MUÑO (Cuba) said that he was all the more gratified to express his satisfaction at the progress made by UNIDO in the field of co-ordination because that programme had in previous years given rise to a considerable volume of polemics and criticism. Nevertheless, he wished to make the most explicit reservations concerning UNIDO's co-operation with the Inter-American Development Bank (IDB) and the Organization of American States (OAS).

92. Mr. AL-QUAISI (Iraq) said that he was satisfied with UNIDO's progress so far, particularly in the sphere of bilateral aid, but he thought that the Organization should be placed in a position to carry out fully the mandate with which it had been entrusted and be provided with the necessary resources to do that.

93. Mr. ABDEL-RAHMAN (Executive Director) gave further details on a number of points which had been raised during the debate. Firstly, it was not accurate to say that UNIDO had completed the first phase of its co-ordination task, for that task was expected to continue indefinitely. In actual fact, it was the co-ordination procedures and machinery which had been established.

94. Secondly, he was pleased to note the interest shown by many delegations in UNIDO's attempts to extend its activities outside the United Nations system, whether by establishing preliminary contacts with the regional banks or by co-operating with bilateral aid programmes. He liked to think, like some delegations, that closer co-operation with professional organizations, business circles and the industrial world in general could one day become an important element in UNIDO's work programme. But that new form of co-operation, aimed at providing the best services for developing countries, would naturally require the participation of the beneficiary countries in the work of co-ordination.

95. Thirdly, UNIDO's relations with the World Bank Group and the regional economic commissions had raised a number of difficulties, not all of which had been overcome. UNIDO was only beginning to outline a common work programme, and progress was slow. However, he hoped to be able to show more substantial results in due course.

96. Fourthly, referring to the statement which he had made to the Board at its fourth session (A/8016, paragraph 324), he stressed once again the importance of the role of the UNDP in co-ordinating the operational activities of the United Nations organizations, a role which was further strengthened by the long-term country planning.

97. Fifthly, in its co-ordination activities UNIDO had never pretended to be vested with any particular power nor invoked the authority of the Economic and Social Council or the Administrative Committee on Co-ordination. At all times, UNIDO's action had been confined to offering its good offices and had been inspired by a spirit of goodwill. The Organization had thus been able to establish working relations which were acceptable to all the parties concerned.

98. Lastly, he too was of the opinion that, as far as relations with a number of United Nations bodies were concerned, the period of mere co-existence had passed; UNIDO had embarked, in respect of UNCTAD, on the planning of a possible programme of joint action. However, one should not misjudge the actual scope of co-ordination of the activities of the two bodies because the role which UNIDO could play in the manufacturing industries was infinitesimal in relation to the enormous problem which the proper industrialization of the developing countries represented. The very concept of industrialization presupposed the whole gamut of industrial policies, the planning of development and of the various industrial sectors, manpower, raw materials, technology and marketing, but UNIDO had never been able, except by indirect means, to deal with co-ordination on such a scale, which covered all the policies and all the resources needed for industrialization.

99. Mr. Asante (Ghana) resumed the chair.

ADOPTION OF A NEW AGENDA ITEM

100. The PRESIDENT invited the Board, in accordance with Rule 15 of the Rules of Procedure, to adopt the following new agenda item 8, the inclusion of which had been requested by the representative of Brazil: "Special International Conference of UNIDO: (a) Information on the state of preparation of the Conference; (b) Consideration of other matters relating to the Conference."

101. Mr. DELGADO (Senegal), supported by Mr. REMOVILLE (France), pointed out that the formula which he had agreed to was: "Possible consideration".

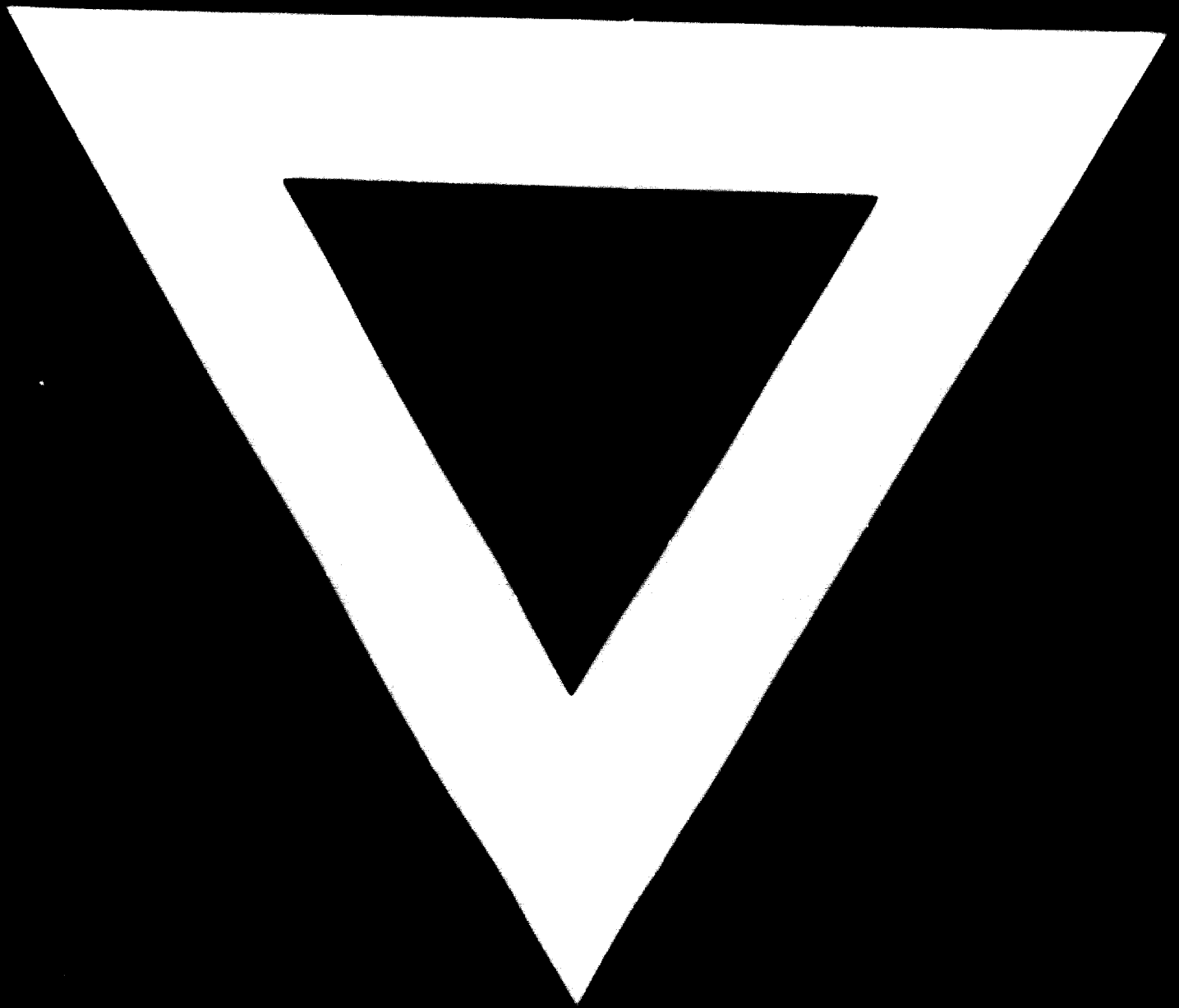
102. The PRESIDENT asked the representative of Senegal to accept the proposed text.

103. Mr. DELGADO (Senegal) agreed.

104. It was decided to add a new agenda item 8.

The meeting rose at 6.40 pm.





22.7.74