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REPORT ON ROUND TABLE MINISTERIAL MEETING ON  
INDUSTRIALIZATION OF AGRICULTURE

Varna, Bulgaria, 20-24 May 1976

prepared by the secretariat of UNIDO

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### Introduction

The Lima Declaration and the Plan of Action on Industrial Development and Co-operation emphasized the need for strengthening the co-operation between developing and developed countries and among the developing countries themselves. The Plan of Action stated that UNIDO should be a forum for such co-operation, including negotiation of agreements in different fields of industry between developed and developing countries and among developing countries at the request of the countries concerned.

At the Second General Conference of UNIDO and on other occasions, exchange of experience, joint discussions and consultations among countries with different socio-economic systems have been strongly recommended. The Lima Declaration and Plan of Action urged the promotion of an integrated industrialization process based on the potential of each country and the highest degree of interaction between industry and agriculture as well as the development of agro-based and agro-related industries.

Bearing in mind the above, the United Nations Industrial Development Organization (UNIDO) and the Government of the People's Republic of Bulgaria sponsored jointly a Round Table Ministerial Meeting for ministers of industry and/or agriculture to discuss various aspects of industrialization of agriculture. Ministers and senior government officials from 25 developing countries from Africa, Asia, the Middle East and Latin America attended the meeting. The Ministerial Meeting was held in Varna and Sofia from 20-24 May 1976.

The main objective of the Ministerial Meeting was to study the experience of Bulgaria with regard to strategy, policies, programming and institutional aspects of the industrialization of agriculture on a comparative basis with the experience of the developing countries

participating in the Meeting. Special emphasis was placed on studying the role of industry in the modernization of agriculture. An objective of the meeting was also to identify and discuss potential areas and forms of co-operation between Bulgaria and interested developing countries in the industrialization of agriculture.

The Ministerial Meeting was designed as an informal businesslike discussion on how to speed up industrialization of agriculture without producing prior to, or after, the Meeting excessive documentation or adopting resolutions. Informality, frankness, professional-level discussions and a spirit of mutual co-operation were among the basic features of the Meeting.

This was the second such meeting arranged by the Bulgarian Government and UNIDO in response to the Declaration and Plan of Action on industrialization adopted by the Second General Conference of UNIDO: the first, in October 1975, was a Round Table Ministerial Meeting on Industrialization. On that occasion, as now, the intention was to show how the host country had achieved an advanced stage of industrialization in a comparatively short period, to stimulate discussion and to exchange ideas. Such a meeting, it was felt, could help fill the gap between purely technical meetings and those organized to arrive at policy decisions.

#### I. Organization of the Ministerial Meeting

##### Agenda

The Meeting was officially opened at 10:00 a.m. on 20 May 1976 in a newly-constructed conference and residential complex near Varna. Welcoming the participants, the Chairman of the Council of Ministers of Bulgaria, Mr. Stanko Todorov, recalled that this was the second event of this kind arranged by his Government and UNIDO in the spirit of the decisions of the Sixth and Seventh Special Sessions of the General Assembly of the United Nations, last year's World Industrializa-

tion Conference in Lima and the World Food Conference. At those meetings all Governments demonstrated their determination to assist in improving conditions in the poorer countries. In the context of the present discussions, Bulgaria would be able to demonstrate how agricultural production had been increased several times by modern methods; arrangements had also been made for participants to see the results for themselves. They would also learn of the difficulties which had to be surmounted in order that enthusiasm could be transformed into deeds. The Prime Minister was convinced that the Meeting would make a positive contribution towards solving the complex problems of industrialization of agriculture.

Dr. Abd-El Rahman Khane, Executive Director of UNIDO, said that Bulgaria's experiences in the industrialization of agriculture made the place of the discussions most suitable. In his opinion the continuing imbalance of population against food made it quite clear that neither agriculture nor industry could proceed far without parallel and balanced development of the other. When agricultural products were processed, greater value added was achieved than by exporting the raw materials.

The Executive Director further reported that through its newly-established International Centre for Industrial Studies UNIDO was making worldwide studies on agro-industries, fertilizers and vegetable oil industry and was organizing a consultation on fertilizers as called for by the Lima Conference. UNIDO had for five or six years advocated the development of agro-industries through the system of complexes, an approach successfully followed in Bulgaria, concluded Dr. Khane.

The complete text of the speech of the Executive Director was published in a Press Release, IDO/630, of 20 May 1976.

The Government of Bulgaria demonstrated the priority attached to the Meeting by the attendance at the opening session of the Chairman of the Council of Ministers, Mr. Stanko Todorov, by the attendance at

the closing session of the First Deputy Chairman of the Council of Ministers, Mr. Tano Zolov, and by inviting all participants to meet the President of the State Council and First Secretary of the Bulgarian Communist Party, Mr. Todor Zhivkov, who, after the closing session, made a short presentation on some fundamental issues of industrialization of agriculture. The Minister of Agriculture and Food Industry, Mr. Gancho Krastev, led the Bulgarian delegation; UNIDO's delegation was headed by the Executive Director, Dr. Abd-El Rahman Khane; Sixten Heppling, Director of the European Office of the United Nations Development Programme (UNDP) in Geneva, and T.S.S. Aribisala, Director of the Agricultural Services Division of FAO, also attended. Mr. Gancho Krastev, the Bulgarian Minister for Agriculture and Food Industries, was unanimously elected Chairman of the Meeting, with Mr. Marius Mouambenga, Minister for Rural Economy of the Congo, and Mr. A.K.M. Hafizuddin, Minister for Industries from Bangladesh, as Vice-Chairmen.

The programme of the Meeting comprised sessions held on 20, 21 and 22 May in Varna, visits to agro-industrial complexes in the area, visits to an agro-industrial complex in the Plovdiv district (Southern Bulgaria), a visit to a tractor plant in Karlovo, and meetings with Bulgarian ministers and other senior officials as desired by the visiting ministers from the developing countries.

The working languages of the Ministerial Meeting were English, French, Spanish and Bulgarian. All working documents as well as simultaneous interpretation were available in these languages.

Ample publicity was provided by the Bulgarian information media to the proceedings of the Meeting. The Meeting was also covered by the information media of many developing countries as well as by those of some developed countries.

#### Participants

The Round Table Meeting was designed for ministers of industry and/or agriculture from developing countries in Asia, Africa, the

Middle East and Latin America. The following ministers and senior government officials attended the Meeting as heads of delegations:

1. Afghanistan Mr. Azizullah Wasifi, Minister for Agriculture
2. Algeria Mr. Mostafa Souissi, Directeur Général de l'Institut de Développement des Cultures Industrielles
3. Bangladesh Mr. A.K.M. Hafizuddin, Minister for Industries
4. People's Republic of Benin Lt. Philippe Akpo, Ministre du Développement Rural et de l'Action Coopérative
5. People's Republic of the Congo Mr. Marius Mouambenga, Ministre de l'Economie Rurale
6. Egypt Mr. Issa Shahin, Minister of Industry and Mineral Wealth
7. Ethiopia Mr. Henock Kifle, Permanent Secretary, Ministry of Agriculture
8. Ghana Col. George Minyila, Commissioner for Industries
9. Greece Mr. Ippocratis Iordanoglou, Minister of Agriculture
10. Guinea Bissau Mr. Samba Lamine Mane, Ministre d'Agriculture et d'Elevage
11. India Mr. Budha Priya Maurya, Minister of State for Industry and Civil Supplies
12. Iran Mr. Abbas Heydary, Deputy Minister of Co-operatives and Rural Affairs
13. Iraq Mr. Muhib Al-Tai, Under-Secretary, Ministry of Industry
14. Mali Mr. Sori Coulibaly, Ministre du Développement Rural
15. Morocco Mr. Salah Mzily, Ministre de l'Agriculture et de la Réforme Agraire
16. Pakistan Mr. Abdul Sattar, Permanent Representative to UNIDO
17. Somalia Gen. Mohamed Ibrahim Ahmed, Minister of Agriculture
18. Sri Lanka Mr. Tikiri Banda Subasinghe, Minister of Industries and Scientific Affairs
19. Sudan Mr. Ali Suleiman El Nur, Ambassador of Sudan to Moscow



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| 20. Syria                                 | Mr. Moursel Abou Omar, Minister of Agriculture and Agrarian Reform |
| 21. Tanzania                              | Mr. Edward Barongo, Vice-Minister for Agriculture                  |
| 22. Tunisia                               | Mr. Hassan Bel Khodja, Ministre de l'Agriculture                   |
| 23. Turkey                                | Prof. Korküt Özal, Minister of Food, Agriculture and Livestock     |
| 24. Venezuela                             | Mr. Carmelo Contreras, Minister of Agriculture                     |
| 25. People's Democratic Republic of Yemen | Mr. Hohe'd Suleiman Naser, Minister of Agriculture                 |

A total of 116 members of delegations were present at the Meeting, of which 19 were ministers of industry and/or agriculture, and 14 deputy ministers. As stated above, the subject of the discussions was the industrialization of agriculture and its importance for developing countries was reflected in the level of those participating.

#### The work programme

Selected key presentations on various aspects of industrialisation of agriculture were made by the Bulgarian Minister of Agriculture and Food Industries and by Deputy Ministers from the same Ministry:

1. The organizational and promotional role of the State in the industrialization of agriculture; formulation and implementation of a national policy on the industrialization of agriculture;
2. The interrelationship between industry and agriculture; formulation and implementation of plans for the rôle of industry in mechanization, chemicalization, and irrigation in agriculture;
3. Organizational and institutional framework in agriculture; agro-industrial complexes -- an institutional framework for integration between industrial and agricultural activities;

4. Forms of economic co-operation between Bulgaria and developing countries to promote the industrialization of agriculture.

The presentations on the above subjects were followed by discussions. The picture which emerged was a complete restructuring since 1944 of a system which had started with twelve million small plots of land and an unproductive use of labour. The results, it was stated, were deep-rooted changes in production, in the social and class structure and in the living standards and cultural levels of the co-operative farmers. Agro-industrial complexes were now responsible for 27 per cent of the country's gross national product and 30 per cent of exports.

The delegates were taken to a number of centres in the region where they saw specialized machines used for activities such as viniculture and fruit and vegetable growing. Each agro-industrial complex has a large machinery section, including (for some of the complexes) helicopters and aircraft for spraying. In animal and poultry raising a feature immediately noticed was the care taken with health and hygiene, every visitor having to go through a disinfecting process. Processing lines for cherries and strawberries were seen as well as the computer centre of one complex and the largest farm tractor factory.

The Bulgarian reports and visits brought appreciative comments and many questions on methods used, particularly concerning procedures in the early stages where small farmers were being induced to join co-operatives and larger estates were being reduced. It was pointed out that Bulgaria had introduced land reform, taking land from the big landowners, but had never nationalized the land of the medium and small landowners. They all voluntarily and gradually (from 1944 to 1958) contributed their land to the co-operatives; for some time they received a rent out of the total profits as well as being paid for work.

Delegations were in general agreement that many lessons could be learned by each of them regardless of their country's social system.

Some were concerned about the effect of labour-saving machinery on rural populations since there would be much less work. The Chairman said that problems of migration had been solved by creating industry in rural areas. Other problems discussed included those of providing the basic infrastructure with water supplies, fertilizers, power, engineering services and seed supplies.

## II. Evaluation and follow-up

The final session took place in Sofia, where Mr. Tono Zolov, First Deputy Chairman of the Council of Ministers and President of the Organizing Committee for the event, noted the businesslike, friendly, sincere and pleasant atmosphere throughout the Meeting. All delegations who spoke were in agreement in their appreciation of the Bulgarian Government's efforts, and some would have liked to have extended the talks even further.

Asked to speak on behalf of the participants, the Executive Director of UNIDO said that they had been witnesses to a happy marriage in Bulgaria between industry and agriculture. UNIDO had repeatedly expressed its conviction that integration between the two branches was essential for social progress and economic growth. This progress could be achieved under different political systems, aiming at integration of the two and bringing small farmers into the process of modern development. Agriculture alone had never been able to provide the means, and agriculturally-based countries had to resort to industry before they could introduce free education, medical care, old age pensions and other social benefits. Industrialization did not mean only the provision and operation of equipment and machinery or hardware; management systems and technological know-how, or software, were even more important.

"It is indeed going to be expensive to achieve the desired results in most developing countries", declared Dr. Khane, "but for the world

as a whole it will be even more expensive in the long run if we do not succeed."

A draft resolution introduced by Iran and co-sponsored by Pakistan asked UNIDO and the Bulgarian Government to collaborate in the preparation of a comprehensive study analyzing the Bulgarian experience in the industrialization of agriculture. It also asked the Executive Director to sponsor studies, if invited to do so, in co-operation with other countries which had achieved significant successes in this area with a view to identifying factors and technologies that might benefit other developing countries in their plans and programmes for the industrialization of rural areas and agriculture. The Executive Director pointed out that the Meeting was not required to adopt resolutions and that within UNIDO the mechanism of the International Centre for Industrial Studies could well be used for the development of industrialization models as required. Mr. Aribisala also referred to work already in progress in FAO.

Most representatives who spoke were in favour of the proposal, but the final decision was left to the Chairman. Mr. Krastev's suggestion that the substance of the draft be recorded in the final report as a consensus and to be borne in mind by UNIDO was accepted. The ministers urged UNIDO to continue to organize meetings of this type for policy-makers from developing countries, preferably in some of the countries in Asia, Africa, the Middle East and Latin America.

As a continuation of the above line of thinking, it was felt by some members of the UNIDO delegation to the Ministerial Meeting that more efforts are needed to elaborate a more refined integrated UNIDO concept on industrialization of agriculture in developing countries. Recommendations were submitted to the Executive Director for his consideration on a possible UNIDO integrated strategy through establishment of a task force with a view to developing a programme involving both industrial inputs for agriculture and industrial processing of agricultural and allied outputs.

### III. Agreements concluded

Two documents were signed during the meetings, one of which was a Memorandum of Understanding between Bulgaria and UNIDO concerning a joint programme for international co-operation in the metalworking machine-tool industry for the benefit of developing countries. Signatories were the Bulgarian Minister of Machine Building, Mr. Toncho Chakarov, and the Executive Director of UNIDO.

The Memorandum states that UNIDO aims jointly with the Bulgarian Government at providing developing countries with services adapted to their conditions. In Bulgaria the Ministry of Engineering and Metallurgy and the State Economic Association "Metalworking Machine Plants" are designated to co-operate in carrying out the programme to facilitate the establishment and development of national metalworking machine-tool industries in developing countries; to facilitate transfer and adaptation of technology and dissemination of technical information; to expand direct contacts with industrial circles in developing countries; to train technical and managerial personnel; and to promote research aiming at meeting special needs of developing countries.

The programme will operate initially until the end of 1977 and provision is made for annual updating and evaluation. Expert group meetings, training in Bulgarian establishments, studies and research are included in the programme and other possibilities for dissemination of industrial information, assistance in repair and maintenance services, advice in the context of UNIDO's operational programme, and assistance with industrial investments. A review committee will consist of three members from each party to the agreement; funds will come from normal UNIDO sources and any specific contributions the Bulgarian Government might wish to make.

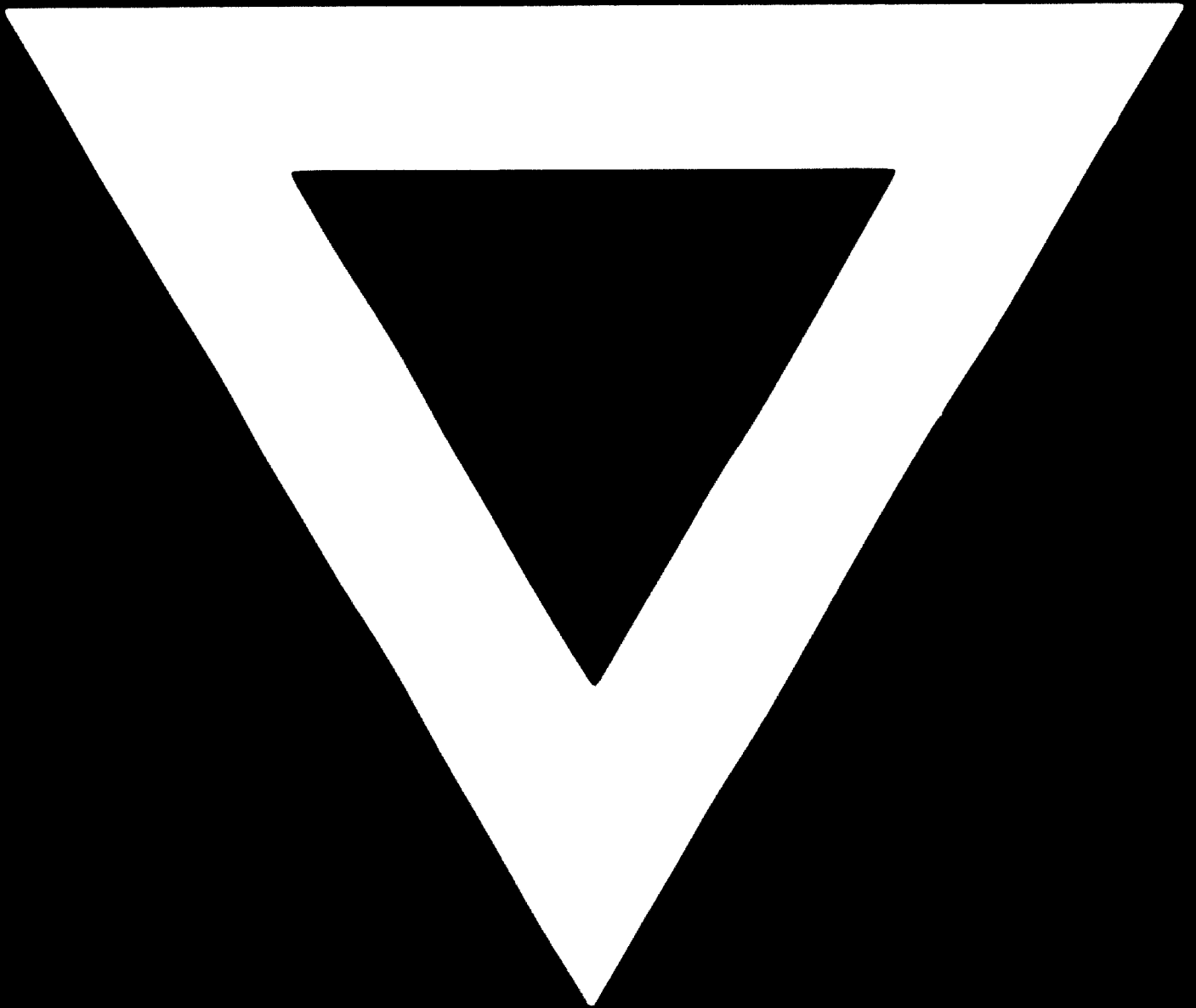
Another Memorandum of Understanding was for the establishment by Bulgaria in co-operation with UNIDO of a small factory in the Somali Democratic Republic. At the Round Table Ministerial Meeting held in October 1975, the Bulgarian Government had proposed the

establishment, in co-operation with UNIDO, of a small factory in one of the least-developed countries. It was now agreed that the Bulgarian Government, UNIDO and the Government of the Somali Democratic Republic would identify a suitable small factory to be located in Somalia and would prepare the necessary terms of reference. Tripartite consultations would be held as soon as possible, preferably in Mogadisco, and a detailed techno-economic feasibility study would be prepared not later than eight months after this.

Brigadier General M.I. Ahmed, Minister of Agriculture, signed the Agreement for the Government of the Somali Democratic Republic, Dr. Abd-El Rahman Khane for UNIDO, and Mr. N. Kalchev, Chairman of the State Committee for Foreign Economic Relations, on behalf of the Bulgarian Government.



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