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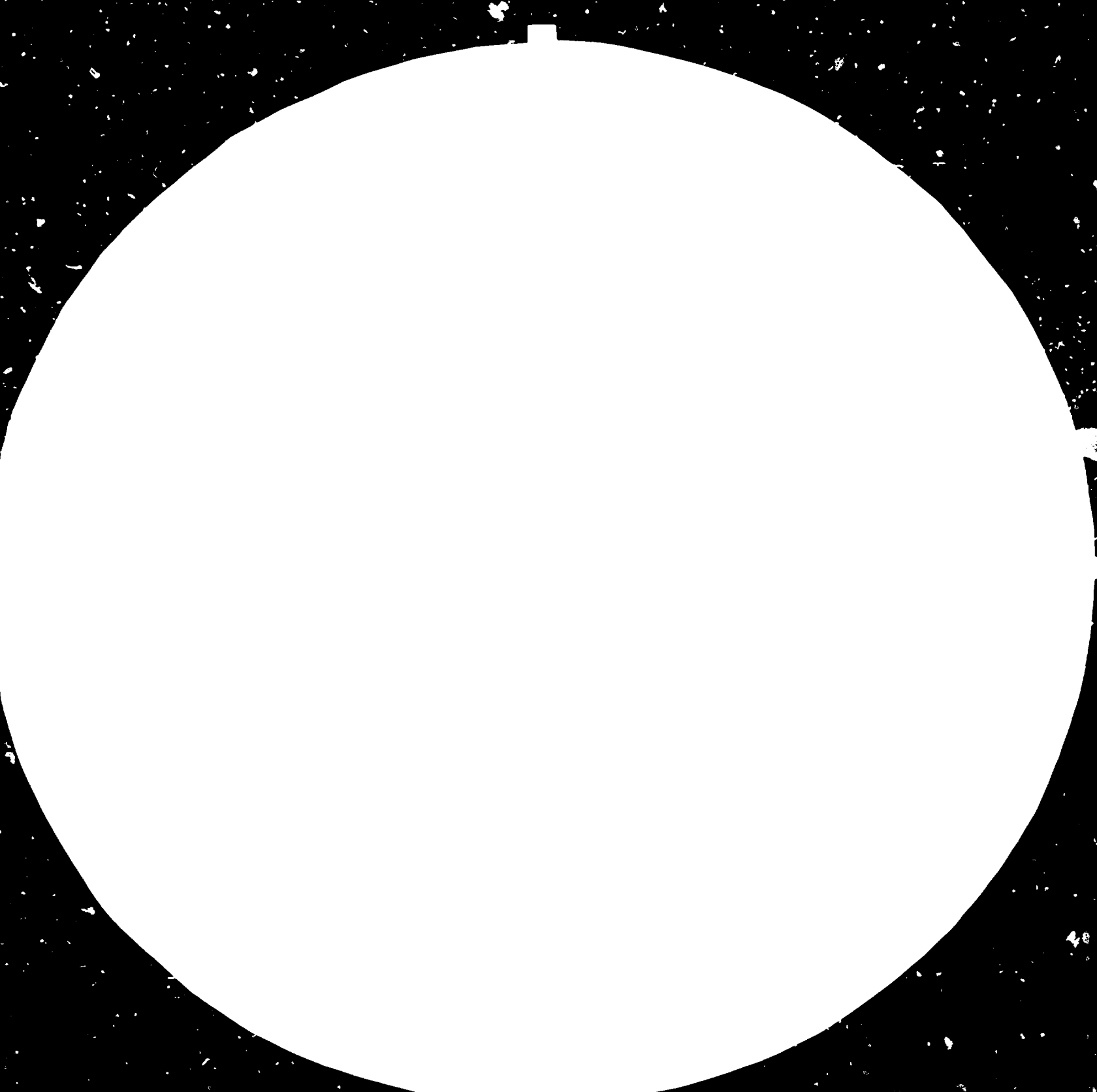
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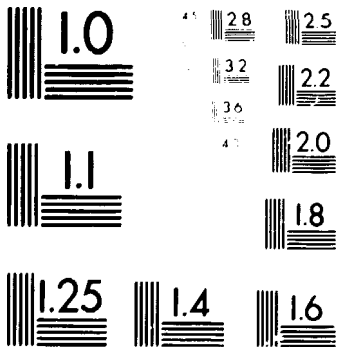
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HIGH-LEVEL LATIN AMERICAN CO-ORDINATION MEETING
PRIOR TO THE FOURTH GENERAL CONFERENCE OF UNIDO IV.
FINAL REPORT */

Havana, Cuba, 22 - 25 May 1984

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Latin American Co-ordination Meeting
Prior to the Fourth General Conference
of UNIDO - Havana, 22 to 25 May 1984.

RC/IV UNIDO/DF No. 1
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HIGH-LEVEL LATIN AMERICAN CO-ORDINATION MEETING
PRIOR TO THE FOURTH GENERAL CONFERENCE OF UNIDO
FINAL REPORT

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CO-ORDINATION MEETING PRIOR TO THE IV GENERAL CONFERENCE OF UNIDO
(incomplete)

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/ Not available in the English version /

I. INAUGURATION

1. The High-Level Latin American Co-ordination Meeting prior to the Fourth General Conference of the United Nations Industrial Development Organization (UNIDO) was held in Havana, Cuba, May 22-25, 1984, in compliance with Decision 157 of the Latin American Council.

2. On behalf of the Cuban Government, Héctor Rodríguez Llompart, Chairman of the State Committee for Economic Co-operation of the Republic of Cuba, gave the opening speech at the inaugural session held on May 22 and chaired by Dr. Carlos Rafael Rodríguez, Vice-President of the Council of State and of the Council of Ministers of the Republic of Cuba. Dr. Abd-El Rahman Khane, Executive Director of UNIDO, and Ambassador Sebastián Alegrett, Permanent Secretary of the Latin American Economic System (SELA), also addressed this session, and the texts of their speeches are included in Annex 4.

3. The Bureau of the Latin American Co-ordination Meeting was made up of the following members: Chairman: Marcos Lage, Minister of the Iron and Steel and Machine Industry of Cuba; First Vice-Chairman: Mauricio de María y Campos, Under-Secretary of State for Industrial Development of Mexico and Head of the Mexican Delegation; Second Vice-Chairman: Ambassador Juan Carlos Beltramino, Head of the Argentine Delegation; and Rapporteur; Dr. Luis Narváez, Under-Secretary of International Economic Relations of Ecuador. The Meeting was attended by representatives and Observers of regional and international organizations, whose names are listed in Annex No. 5.

II. ADOPTION OF THE AGENDA

4. The Meeting adopted the following agenda:

Provisional Agenda

- I. Election of the Bureau.
 - II. Adoption of the Provisional Agenda.
 - III. Analysis of items included on the Provisional Agenda of the IV General Conference of UNIDO in the light of the present world economic crisis and with particular regard to the specific problems of Latin America and the actions required to solve them.
 - IV. Adoption of the Latin American position vis-a-vis the Ministerial Meeting of the Group of 77, to be held in Vienna, Austria, in July 1984 and the IV UNIDO.
 - V. Consideration and approval of the Final Report of the Meeting.
5. It was agreed to set up two working parties: the first, chaired by Mauricio de María y Campos, Under-Secretary of State for Industrial Development of Mexico, was to draft a declaration on the industrialization of Latin America, and the second, headed by Ambassador Juan Carlos Beltramino, of Argentina, was to consider Items III and IV of the Agenda.
6. After expressing his appreciation of the confidence placed in him by the Latin American Co-ordination Meeting, the Chairman invited the delegations to make general comments on the items to be dealt with.

7. The Ecuadorian delegation proposed that the Latin American Co-ordination Meeting send a message through its Chairman, in support of the joint statement issued by the Presidents of Argentina, Brazil, Colombia and Mexico concerning the problem of the foreign debt and its prejudicial effects on the countries of the region. Following this proposal, the Venezuelan delegation made a statement regarding that country's position on this issue. The meeting expressed its satisfaction with this proposal and unanimously agreed on the text appearing in Annex No. 1.

8. The Ecuadorian Delegation thanked the other delegations for their support of the proposal and pointed out that the Quito Declaration and Plan of Action provide a basis for dealing with the subject of the foreign debt and that the meeting of Foreign and Finance Ministers proposed by the Presidents in their statement would furnish the opportunity to analyze the substantive transformations to be introduced in the trade and finance policies of Latin America and the Caribbean.

9. The Chairman subsequently gave the floor to Carlos J. Moneta, Alternate Director of Consultation and Co-ordination of SELA, who presented Document SP/RC/IV/UNIDO/DT No. 3, "Latin America and the Caribbean and the Fourth Conference of UNIDO", which the Permanent Secretariat had prepared as a contribution to the deliberations of the Co-ordination Meeting.

10. As a result of the work done by the first working party, the meeting considered and adopted "The Havana Declaration on the Industrialization of Latin America," the text of which is contained in Annex No. 2.

11. Likewise, the Meeting examined and approved the texts prepared by the Second Working Party, which are contained in Annex No. 3 and which are considered to reflect the joint stand of the Member States of SELA with regard to the IV General Conference of UNIDO.

12. The participants in the Latin American Co-ordination Meeting stressed the fact that its eventual results would contribute significantly to a better co-ordination of the conclusions reached at this meeting.

13. In this regard, the meeting considered that it was necessary to provide continuity and co-ordination for SELA's activities relative to the process of Latin American industrialization, since this factor is a basic element in the Latin American development strategy. To this end, the Meeting felt that it would be advisable for the Latin American Council, to draw up specific proposals for action to be taken by the region in the field of industrialization, bearing in mind the documents produced by this Co-ordination Meeting, the eventual results of the Fourth General Conference of UNIDO and the possibilities for mobilizing Latin America's vast potential by strengthening intraregional economic co-operation and taking a joint stand with regard to external affairs. In this regard, the Meeting recommended that the necessary efforts be made to co-ordinate with ECLA, UNIDO and other competent regional and subregional organizations.

14. In view of the importance attached to the meeting's work in relation to the preparatory activities to be undertaken by the Group of 77, by the Industrial Development Board and in the informal consultations among regional groups in Vienna, prior to the IV UNIDO, the Chairman of the Latin

American Co-ordination Meeting was asked to present the latter's Final Report to the President of the Group of 77, the Chairman of the Industrial Development Board and the Executive Director of UNIDO, with the request that it be circulated among the Member States of UNIDO for their information.

III. CLOSING SESSION

15. The Chairman of the Latin American Co-ordination Meeting, Mr. Marcos Lage, Minister of the Iron and Steel and Machine Industry in Cuba, took the floor in the closing session, and after congratulating the Argentine delegation on the occasion of their national day, expressed his satisfaction with the results of the meeting. Since the documents produced reflect the constructive spirit and the will to seek joint solutions to the dramatic economic crisis which Latin America is currently undergoing. Thus, the Havana Declaration on Latin American Industrialization will enable the region to help to strengthen UNIDO by means of constructive suggestions. Subsequently, the Chairman, speaking on behalf of all the delegations, thanked the Executive Director of UNIDO and the Permanent Secretary of SELA for their valuable contributions. He also congratulated the SELA Secretariat and the staff of the Conference Centre on their efficiency.

16. The Mexican Delegation, on behalf of all the delegations, thanked the Cuban people and government for their warm hospitality and the SELA Secretariat and International Conference Centre staff for their excellent support. The Delegation of Jamaica, on behalf of the English-speaking delegations joined the previous speaker in his expressions of gratitude.

17. The Permanent Secretary of SELA emphasized the importance of the agreements reached, congratulated the Chairman and delegations on their work and thanked ECLA and UNIDO for their invaluable contribution. In his opinion, this work reflects the increasing solidarity demonstrated by the agreements reached in Latin America in response to the present critical circumstances. In this context, he pointed out the existence of a general trend in Latin America towards the adoption of global policies designed to harmonize national and regional interests. Likewise, the Havana Declaration on Industrialization serves as a necessary link - represented by the Quito Declaration and Plan of Action - between the response to short-term problems and the adoption of measures, such as the ones relating to industrialization, which contribute to satisfying the region's long-term interests and needs.

Following these remarks, the Chairman officially closed the Meeting.

ANNEX No. 1

DECLARATION OF THE HIGH-LEVEL LATIN AMERICAN CO-ORDINATION MEETING
PRIOR TO THE IV GENERAL CONFERENCE OF UNIDO
IN SUPPORT OF THE JOINT STATEMENT OF THE PRESIDENTS OF
ARGENTINA, BRAZIL, COLOMBIA AND MEXICO
DATED 19 MAY 1984

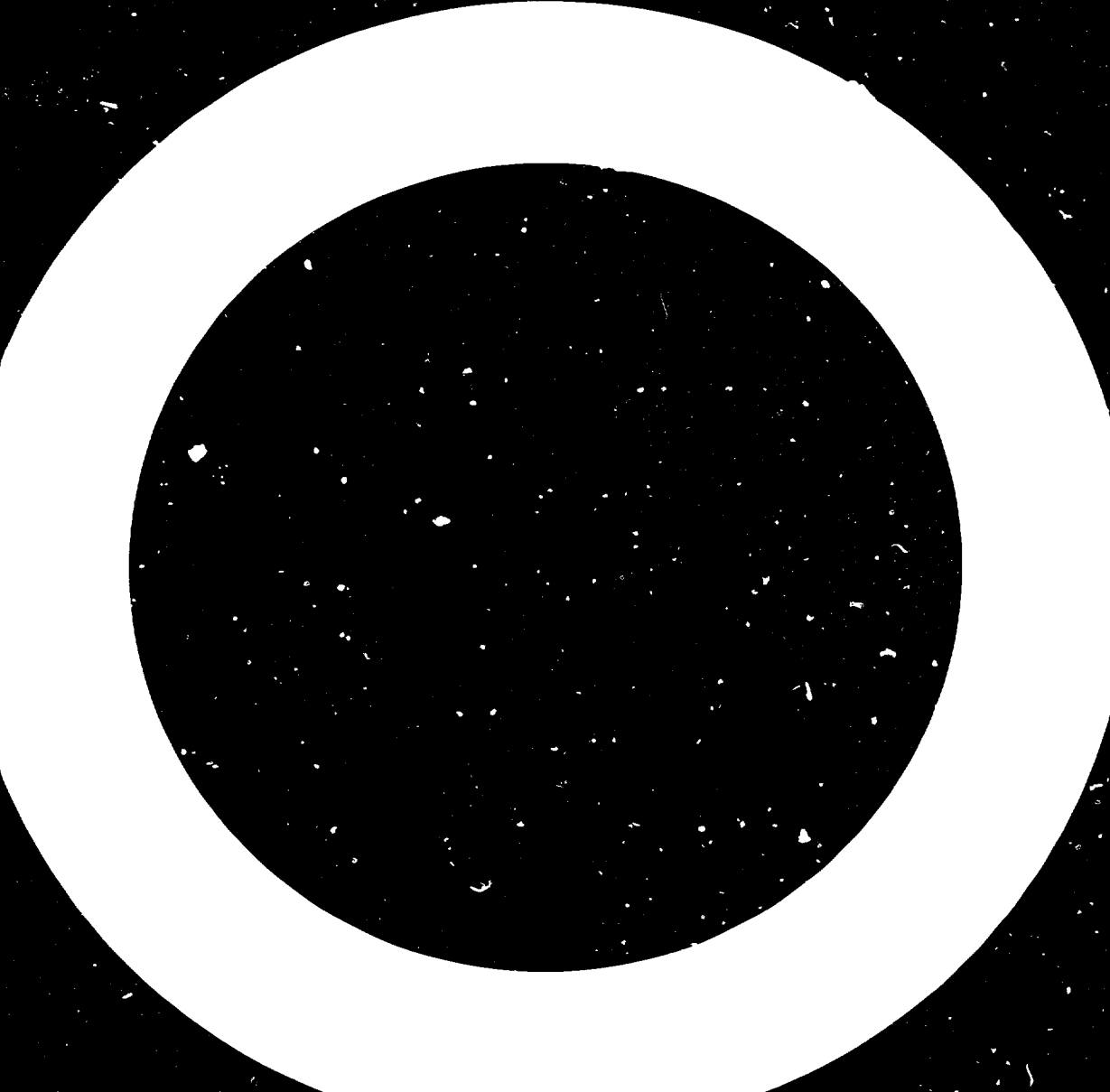


"The Representatives of the Latin American and Caribbean countries participating in the Latin American Co-ordination Meeting convened by the Latin American Council of SELA, prior to the Fourth General Conference of the United Nations Industrial Development Organization, (UNIDO), have taken note of the joint Declaration of the Presidents of Argentina, Brazil, Colombia and Mexico dated 19 May 1984, on the problem of the foreign debt and its negative impact on the countries of the region, and firmly support this initiative".



ANNEX No. 2

HAVANA DECLARATION ON
LATIN AMERICAN INDUSTRIALIZATION



The Representatives of the Latin American and Caribbean countries, met in Havana, Cuba from May 22 to 25 1984, in accordance with the provisions of Decision 157 of the Latin American Council of the Latin American Economic System (SELA), for the purpose of adopting a common stand vis-a-vis the Fourth General Conference of the United Nations Industrial Development Organization (UNIDO), agree upon the following:

DECLARATION

I. The Quito Declaration: basic statement

1. We reaffirm the postulates and principles embodied in the Quito Declaration and Plan of Action adopted by the Heads of State of Latin America and the Caribbean, or by their personal representatives, in January 1984 and emphasize that the unprecedented socio-economic crisis described in those documents has produced particularly negative effects on the Latin American industrialization process.

II. The evolution of the Latin American industrialization process.

2. During the past three decades, although the growth of the Latin American economy, headed by the industrial sector, was more rapid than that of most of the developed countries, industrialization has not, generally, modified the external vulnerability of Latin American economies.

3. In view of the great industrial heterogeneity of the countries of the region, we wish to point out a series of internal and external factors which have contributed, to a greater or lesser

degree, to the crisis which this sector is undergoing in the region. The main internal factors include the lack of efficient co-ordination within the industrial sector and between this sector and the other productive sectors and the lack of an adequate link between the State and the productive sector, both public and private. The main external factors, particularly in recent years, include a reduction in the flow of funds, increasingly high interest rates, greater protectionism on the part of the industrialized countries, the low external demand and the obstacles placed in the way of the industrial rationalization and reconversion efforts made by the countries of the region.

4. The above-mentioned external factors reflect the unfair, inequitable nature of the structure currently prevailing in international economic relations, which, to a large extent, conditions the critical situation of the Latin American economies. In this context, we reject the trend toward bilateralism to the detriment of multilateral co-operation.

5. In addition to these factors, the existence of a disjointed, imitative and externally vulnerable industrialization model has prevented the region from solving its main social problems: extreme poverty, the concentration of income and inequality of opportunities.

6. We note with deep concern that the principles and aims contained in the Lima and New Delhi Declarations have yet to be attained. The economic policies of the developed countries have had a decisive effect on these results, and in some of these countries there has even been a reverse trend in the limited progress made in international co-operation.

III. The impact of the crisis on Latin American industrialization

7. In recent years, Latin America's industrialization process has been seriously affected by the international economic and financial crisis; by unilateral "open-door" policies; and, more recently, by the economic adjustment policies to which some countries of the region have agreed with the IMF, at a high social cost.

8. Some of the basic features of the change in the developed countries' industrial and technological model have proved to be unsuitable for present and future needs and for the development of the region's potential.

9. The negative impact of the crisis on regional development has been reflected in certain areas such as: unemployment rates; the decrease in real personal income; the reduction in the level of economic activity, especially in industry and imports; the decrease in investment levels; the increase in the foreign debt; the appearance of additional obstacles to the maintenance of adequate flows of exports; and a sharp reversal of the flows of capital. As a result, the region is faced with the risk of the disindustrialization process observed in recent years being consolidated.

10. The growing protectionism in industrialized countries hinders the attainment of a more just and equitable international division of labour, restricts access of the developing countries' exports to their markets and reduces our countries' development possibilities, affecting even the growth of imports.

11. The present crisis has no parallel in history and differs remarkably from that of the thirties. It has revealed the interaction between countless economic, political and strategic factors and has emphasized the close relationship between short and long-term factors. Whilst, at present, the regional industrialization process is significantly contingent upon the long-term solution

to the acute problem of the foreign debt, the design and implementation of adequate policies and measures to coping with critical short-term problems demand a thorough redefinition of the region's industrial profile.

12. The problems stemming from the foreign debt particularly the burden of its service, have become a formidable obstacle to our countries' development. The successive increases in interest rates, the prospect of new increases and the growing protectionism of industrialized countries have created a somber panorama for the region as a whole. Our countries have expressed their firm determination to overcome the imbalances and restore the necessary conditions for renewing and strengthening economic growth and improving their peoples' standard of living, but it is imperative for the governments of the creditor countries, the international financial agencies and international private banks to adopt an attitude of joint responsibility in solving the problem of the foreign debt, bearing in mind its political and social implications. As a result, flexible, realistic criteria are required for the renegotiation of the debt, including payback periods, grace periods and interest rates compatible with the recovery of economic growth.

IV. Strategies and guidelines for Latin America's industrialization policies

13. Latin American industrialization strategies and policies should benefit from past experience, from the lessons to be learned from the present crisis and from the challenges posed by the transformations witnessed by the developed countries in the industrial and technological field. The reduction of external vulnerability should be a central element in the efforts towards a new Latin American industrialization strategy.

14. To attain this goal, it is essential to facilitate the internal co-ordination of the industrial sector; strengthen its links with the other sectors producing goods and services; and encourage fruitful links between the State and entrepreneurial activities and among large, medium-sized and small enterprises, thereby promoting a new industrial strategy based on the effective mobilization of the human, natural and material resources of the countries of the region and on the expansion of the domestic market. This would help to satisfy the people's basic needs and increase the participation of our economies in world markets. At the same time, autonomous technological development should be encouraged. It is a question of tackling the present crisis by replacing uncritical imitation by creative learning, both at the national level and through regional co-operation.

15. We reaffirm that development should be considered as an integral process designed to achieve socio-economic objectives and goals guaranteeing the effective participation of the population in the process and benefits of development. For this purpose, substantial structural changes are required.

16. We stress the fact that despite the present and foreseeable difficult circumstances, the Latin American and Caribbean countries fully intend to emphasize the achievement of an independent, self-sustained industrialization process in their development programmes.

17. We also affirm the need for industrial development to be based on solid, innovative national efforts guaranteeing effective leadership in the industrialization process, and the advisability of foreign investments, and particularly the activities of transnational corporations duly supervised and oriented towards

national development aims, serving as an effective complement, rather than a disruptive factor in national efforts.

18. Apart from their longer-term goals, the countries of the region have deemed it imperative to initiate immediate actions to alleviate the most pressing problems faced by their economies, particularly in the depressed manufacturing sector. Although some countries have succeeded in mobilizing a considerable number of support and promotion mechanisms for the industrial sector to defend its production plants and employment, we consider that special emphasis should be placed on such aspects as a better distribution of income, increased savings and domestic investments and the establishment of appropriate mechanisms for incorporating new technological advances.

19. We underline the need for urgent changes in the present unjust structure of international economic relations. In this regard, it is important to reactivate international co-operation on a new basis, particularly through Global Negotiations. This demands a change in the political will of the developed countries, in order to reach important agreements with regard to co-operation among developed and developing countries.

20. We state that it is our legitimate hope that a considerable share of the substantial resources that would become available if the dangerous, unproductive arms spiral were halted and reversed, be allotted to international economic co-operation goals which are of benefit to all countries. In this respect, we reaffirm that the problems of peace and development are essentially linked, since development cannot be attained without peace, and peace will always be precarious without development.

Likewise, we reiterate our opposition to the application by certain industrialized countries of coercive economic measures against countries of the region, and we reaffirm the statements in this regard which are contained in Decisions 112, 113, 148 and 181 adopted by the Latin American Council of SELA and in Resolution 38/197 of the United Nations General Assembly.

V. Regional and interregional co-operation

21. We reiterate the urgent need to avail ourselves of the region's enormous potential by strengthening co-operation among the Latin American and Caribbean countries. This is indispensable in order to make important advances in the field of industrialization, not only through industrial complementarity but also by formulating joint co-operation programmes which could be implemented with the rest of the developing world, paying particular attention to the problems of the less advanced countries.

22. We reiterate the need to continue the adequate implementation of the programmes for economic and technical co-operation among developing countries, within the framework of the Caracas Programme, especially in the field of industrialization. This co-operation takes on particular importance now, in view of the crisis which the economies of the developing countries are undergoing and the lack of progress in international economic co-operation.

23. In this context, we feel that it is necessary to study the matter of industrial development within the framework of regional fora such as SELA and ECLA, both on an overall basis and by sectors, with a view to designing new concepts and strategies. Particular care should be taken to avoid the defects of the import substitution model; to take into account world trends in manufacturing development and the forms of insertion of our

economies in the context of an adequate world industrial restructuring and redeployment; to avoid indiscriminate, unilateral "open-door" policies; and to provide continuity in the promotion of exports, all of which would help to cope the developed countries' approach to the international division of labour. All this will lead to an improvement in co-ordination and consultation regarding industrial policies, and increasing regional co-operation in such areas as industrial complementarity, the creation of multinational enterprises and the development of joint technological research programmes.

24. In this regard, the co-operation which UNIDO can provide in these actions and in the search for alternative solutions to the problems afflicting the region in its industrialization process is of particular importance.

VI. The Fourth General Conference of UNIDO

25. We state that the Fourth General Conference of UNIDO, to be held prior to the necessary transformation of this organization into a specialized agency, should serve as a negotiating forum for the harmonization of interests and the co-ordination of positions designed to rapidly further co-operation in the field of industrial development. This would help to bridge the ever-widening gap existing in this field among the developed and the developing countries.

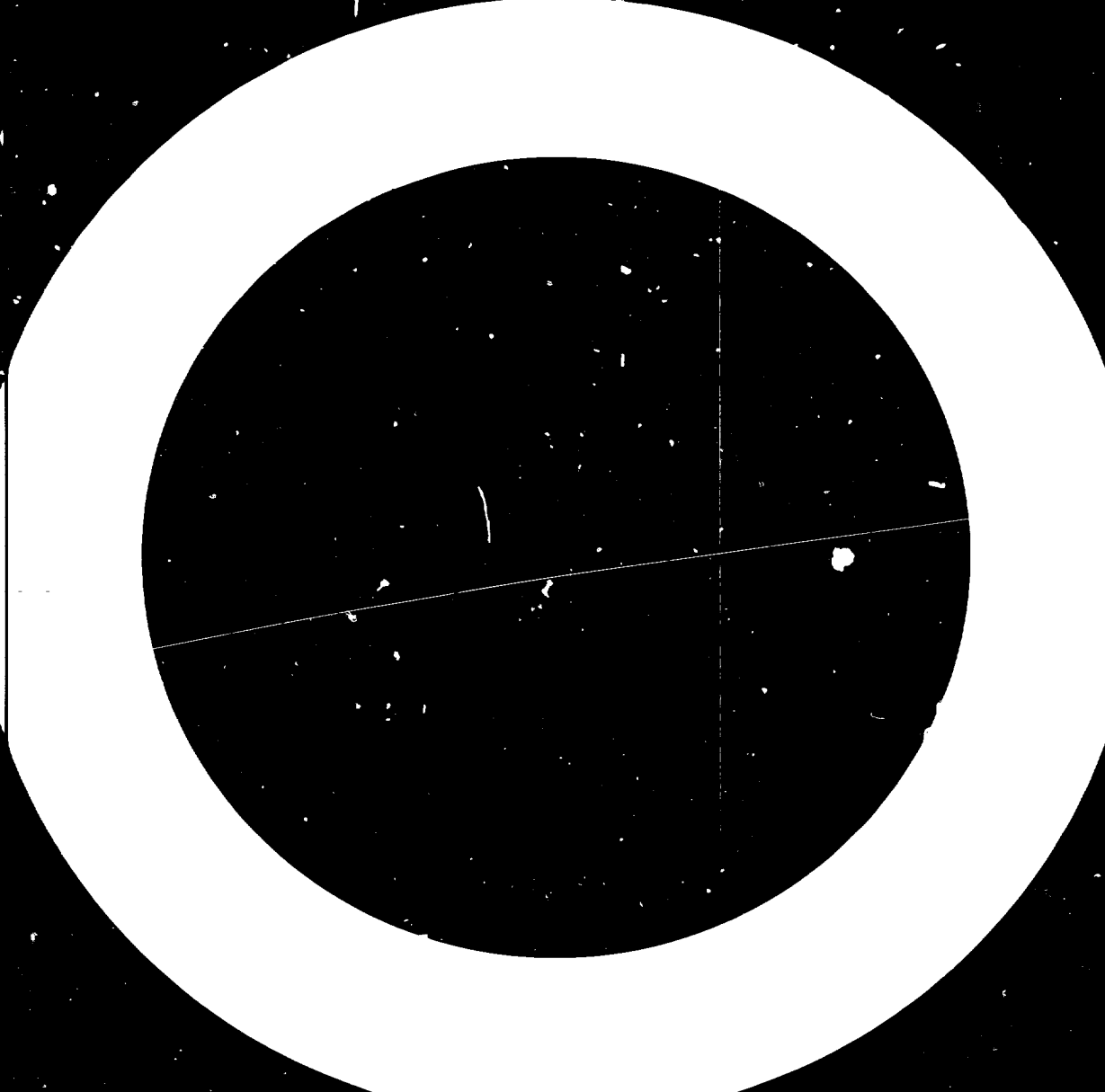
26. In formulating their common stand vis-a-vis the Fourth General Conference of UNIDO, Latin America and the Caribbean express their staunch solidarity with the peoples of Africa and Asia and emphasize their firm belief that the developing countries as a whole will approach this important Conference with a sound, united and action-oriented platform.

27. Lastly, we emphasize the advisability of evaluating the results of the Fourth General Conference of the United Nations Industrial Development Organization at the next meeting of the Latin American Council of SELA, bearing in mind the proposals made in this Latin American Co-ordination Meeting and the agreements reached within the framework of the Group of 77.



ANNEX No. 3

COMMON STAND OF SELA MEMBER STATES
REGARDING THE FOURTH GENERAL CONFERENCE
OF UNIDO



Item 4:

THE LIMA AND NEW DELHI DECLARATIONS AND PLANS OF ACTION:
RETROSPECTIVE AND PERSPECTIVE.

a) Review of progress and constraints

The adverse international economic situation has been aggravated particularly for the developing countries, by an acute crisis of a structural nature, involving external factors, such as the reduction in the flow of funds, increasingly high interest rates, greater protectionism on the part of the industrialized countries, the low external demand, the obstacles to the industrial rationalization and reconversion efforts of the countries of the region and the application of coercive economic measures against developing countries. Added to these are internal factors such as the inadequacy of the productive structure, the lack of efficient co-ordination within the industrial sector and between this sector and the other productive sectors and the lack of an adequate link between the State and the public and private productive sectors.

Consequently, the region expresses its deep concern over the present state of international co-operation and particularly over the limited progress made in achieving the principles and objectives set forth in the Lima and New Delhi Declarations. The economic policies of the developed countries have had a negative influence in this regard, and in some of those countries, there has even been a reverse trend in the limited progress made in international co-operation.

b) Prospects for the achievement of the Lima target

As a result of the discussions on the prospects for achieving the Lima aims, the region considers it necessary -

- i) To reaffirm the validity of principles, aims, decisions and goals established in the Lima and New Delhi Declarations and Plans of Action;
- ii) To launch a new appeal to the developed countries to put an end to their protectionist measures and policies, to modify the present unequal terms of trade in favour of the developing countries, to lower the interest rates, to increase their official aid for the benefit of the developing countries and to initiate without further delay, the Global Negotiations which are at a standstill due to their lack of political will, in order to obtain immediate solutions to the most pressing problems of the developing countries, with special emphasis on industrialization;
- iii) In view of its vital importance, to promote regional and interregional co-operation among the developing countries in the industrial field;
- iv) To request the UNIDO Secretariat to keep up a permanent analysis and review of the implementation of the Lima and New Delhi Programmes of Action; to carry out the pertinent evaluations and report periodically to the Industrial Development Board in this regard; and
- v) To reaffirm the Latin American and Caribbean countries' interest in having UNIDO provide continuous and effective co-operation with the industrialization efforts which the countries of the region are making to overcome the crisis which they are currently undergoing. To this end, UNIDO should complement and reinforce the activities of the regional agencies, particularly those of ECLA and SELA.

Item 5 a) Human Resources

The Latin American and Caribbean countries consider that:

- It is necessary to promote the establishment in the different countries, of mechanisms for the supply of information on industrialization policies, to facilitate effective planning of the development of the human resources required for industrial development. Likewise, technical and management training programmes should be promoted, involving both the mobilization of financial resources and technical assistance from the developed countries through UNIDO.
- National efforts should be complemented with permanent contacts between educational and training centres in various countries and with the implementation of extraregional training programmes.
- Furthermore, the firm support of the developed countries is required for the establishment and development of regional and sub-regional manpower training centres, together with a larger contribution from those countries to the United Nations Industrial Development Fund.
- Whenever an industry or technology is transferred to a developing country, the technological training of human resources for said industry should be included in the transfer.
- Despite women's growing participation in the development process in the countries of the region, their economies should be strengthened by a greater participation of women in the industrialization effort. This goal can be achieved by providing training designed to improve the preparation of participants in projects in which women take part, especially in the production and management technology areas.

- UNIDO should co-operate with the national planning agencies in drawing up inventories of the human resources required for the national industrial development programmes.

Item 5 b) Strengthening of scientific and technological capacities

The Latin American and Caribbean countries consider that:

- The ever-widening technological gap between the developed and the developing countries should be closed in order to foster the latter's industrialization and economic development. There is an urgent need to achieve a substantial improvement in efforts and results, in order to guarantee a transfer of technology which is of real, effective benefit to the developing countries and which bears in mind national interests and needs.

- The developed countries which are members of the organization should be urged to offer additional financial resources for the activities involved in the strengthening of the potential and scientific technical structures of the developing countries. This should be done without affecting the bases of the latter's industrial, economic and social development, which should serve as an effective means to ensure the strengthening of essential scientific and technological capacities for our countries' industrialization.

- The signing of agreements and the creation of international centres for pure and applied sciences for industrialization are another suitable means for promoting industrialization in the developing countries and co-operation between the latter and the developed countries.

UNIDO should

- Intensify the development of programmes for the transfer of technology from the developed to the developing countries, in conditions favourable to their comprehensive development, and

between Governments and small and medium-sized enterprises in developing countries and between the latter and the developed countries, including high technology areas.

- Encourage the establishment of a framework of national action policies in the field of technology for industrialization, and technological development strategies, of both national and regional level.

- Promote the compilation and dissemination of technological information and of world technological trends through the existing international agencies and systems.

- Further and facilitate, through specific operational mechanisms, the technological development of the developing countries in priority sectors such as high technology, new branches of technology and the technology of new materials, and the maintenance of up-to-date information on the structural and technological transformations taking place in the developed countries.

- Promote the establishment of regional and subregional centres in the developing countries, for the generation, development, transmission and adaptation of technology, and support the programmes that are carried out in the existing centres.

Item 5 c) Raising of financial resources for industrial development

The Latin American and Caribbean countries believe that:

- In view of the imperative need to overcome the present negative impact of serious repercussions on the developing countries' economies and industrialization process, which is aggravated by the large foreign debt and the onerous conditions of flows of external financing, payments to be made by the developing countries should represent a reasonable percentage of their exports and be bearable for their economies and industrialization.

To this end, the payback and grace periods should be considerably extended; interest, spread, commissions and other expenses related to financial debts should be drastically reduced; and measures should be taken to avoid the constant rates, which increases the developing countries' foreign debt; makes the debt service more and more difficult, reduces credit possibilities and substantially obstructs the industrialization process. The debt renegotiation process should exclude drastic adjustment policies involving a high social and economic cost and should be accompanied by essential trade measures designed to provide export products with a better access to the developed countries' markets, and by the elimination of the growing protectionist and discriminatory practices employed by some of them.

Lastly, they reiterate that the responsibility for the problem of the foreign debt should be shared by the debtor and creditor countries, private banks and the multilateral financial agencies.

- At the same time, additional adequate flows of external and internal resources should be promoted with a view to ensuring orderly, sustained reindustrialization in the developing countries. This calls for joint action aimed at obtaining new financial resources in better conditions, in order to achieve industrial reactivation, including a study on the creation of new formulas for obtaining resources and channelling adequate flows of financing to the developing countries, to cover their industrialization needs.

In this respect, it is essential that additional resources be provided to contribute to the industrial development process in the developing countries, with emphasis on the following priority areas for regional development: agroindustry, capital goods and the development and assimilation of technologies suited to national needs and interests of the developing countries. Likewise, new forms of agreements with the respective Governments should be studied in the areas of co-production, joint ventures, financing for foreign trade, the incorporation of technologies through licensing and engineering contracts, among others.

- International financial co-operation should be strengthened in order to increase interregional trade in manufactures, encourage the creation of regional multinational enterprises and facilitate technological co-operation.

- UNIDC should co-operate, within the limits of its attributions, with the regional agencies, in compliance with the mandates of the Quito Plan of Action, and, within the framework of the UNIDO System of Consultations, periodic consultations on industrial development financing should continue to be held in order to identify ways and means of mobilizing additional financial resources for industrial development.

- The developed countries which have not yet met the goal of setting aside 0.7 percent of their gross national product for official development assistance as of 1985, should be urged to do so, and such contributions should be considered as donations, with no conditions or strings attached.

Item 5 d) Energy and industrialization

The Latin American and Caribbean countries consider that:

- Greater importance should be attached to the relationship between energy and industrialization in general and the different branches of industry; the energy co-ordination and co-operation functions within the domain of OLADE should be strengthened at the Latin American regional level and UNIDO should be encouraged to support OLADE's programmes.

- Support should be given to the local manufacture of energy equipment, for which there are possibilities in the region, and to the corresponding transfer of technology.

- UNIDO should continue to develop programmes for technical co-operation in the field of energy and industrialization, in favour of the developing countries.

- The co-operation among developing countries in this sphere should include:

- . the formulation of strategies for developing energy resources.
- . the strengthening of information networks on energy and industrial technologies.
- . financing and personnel training.
- . exchange of experiences for energy conservation.
- . the establishment of multinational capital equipment enterprises to provide consultancy, engineering and other related services in the field of energy.

Item 5 e) World industrial restructuring and redeployment

The Latin American and Caribbean countries consider that the industrial restructuring and redeployment process should take into account the national objectives of the various countries concerned and that co-operation between developed and developing countries should be encouraged in order to achieve a more balanced and equitable world production.

It is believed that:

- The developed countries' industrial restructuring and redeployment, which is the result of technological and other transformations, should not adversely affect the developing countries.

- The developing countries should do their utmost to attain the self-sustained development of their industrialization, reducing their industries' vulnerability to a minimum; increasing their production capacity and adapting them to technological changes and to the needs of the domestic, regional and international markets, whilst guaranteeing an equitable distribution of income to their populations.

- A permanent dialogue and consultation should be kept up between developing and developed countries, in order that the industrialization process take place in an orderly manner and to the benefit of both parties, but particularly that of the developing countries, through the strengthening of the System of Consultations and the holding of informal consultations among regional groups within the framework of UNIDO.

- Efforts among developing countries should be coordinated in order to achieve broader and more effective industrial co-operation among them, analysing the events affecting the world economy with a view to counteracting their negative effects.

- In view of the foregoing, the following elements should be considered within the framework of UNIDO:

The need for the transnational corporations participating in industrial restructuring and redeployment to act in accordance with the national aspirations, priorities and aims of the developing countries and to be controlled and governed by the relevant legal provisions, in order that they constitute an effective complement, rather than a disruptive factor in national efforts.

- The strengthening and development of the System of Consultations, which, once the general principles of co-operation have been defined, should work towards the formulation of multilateral agreements on the frames of reference for sectoral co-operation, avoiding any practice which may have an adverse effect on this multilateralism.

- The creation of an advisory service in the UNIDO Secretariat on the subject of industrial restructuring.

- The establishment of a set of special interrelated programmes designed to facilitate the adjustment of present industrial structures.

- The promotion of regional multinational enterprises to implement industrial projects of common interest.

- The adequate development of small and medium-sized industries and the establishment of specialized programmes and institutions in this field.

- The selective promotion of capital equipment industries for the primary, construction, communications and energy sectors.

- An intensification of the analysis of the changes occurring in the overall world production structure and in that of the industrial subsectors.

- The reinforcement of redeployment and investment promotion services, in order to set up a network of national centres.

Item 5 f) Industrialization in the raw materials area

The Latin American and Caribbean countries believe that:

- The developing countries should industrialize their local resources as much as possible, with a view to achieving self-reliant economic development, reducing external dependence and attaining a greater share in the international trade of industrial goods. This would demand the reinforcement of national control over the activities of the transnational corporations, in order to eliminate those negative effects which are incompatible with the national objectives and priorities of the developing countries.

- Efforts should be made towards the establishment of industrial complementarity agreements, long-term trade agreements and the development of multinational enterprises among developing countries.

- It would be advisable to aim at the necessary coordination between the industrial processing of raw materials and other industrial and economic sectors at national level.

- The developed countries should eliminate the protectionist barriers and tariff phasing applied to the developing countries' industrialized products.

Item 5 g) Rural Development

The Latin American and Caribbean countries believe that:

- Comprehensive rural development calls for an individual industrialization strategy for each country, in keeping with its needs and resources, and requires adequate co-ordination with national industrialization. In this respect, any actions taken in one sector or another should take into account their reciprocal effects.

- The establishment of industrial development centres and service centres, the promotion of manpower training, the existence of national capacities to assimilate advanced technologies and to generate their own technologies and financing are basic elements in the drawing up and implementation of an agroindustrial development programme comprising co-operative actions at national, regional and international levels.

- Co-operation among developing countries and between the latter and the developed countries is useful and viable in the field of agroindustrial development.

- The establishment of Action Committees for Regional Food Security in other developing regions, similar to those set up within the framework of SELA, bearing in mind specific regional characteristics, would provide a valuable instrument for the attainment of self-reliance in food supplies.

- Rural development within the UNIDO field of activity should be confined to rural industrialization, leaving other aspects of said development to organizations such as FAO, the

United Nations Social Development Commission and others, and ensuring adequate co-ordination between them. UNIDO should also intensify its research and technical assistance activities in this field.

Item 5 h) The least developed countries

The Latin American and Caribbean countries believe that:

- The least developed countries should receive more attention from the international community which should even adopt innovative measures in the field of financing, technical assistance and trade.

- UNIDO could help these countries in such areas as the formulation of policies and plans, global studies of their resources, the drawing up of industrial projects, technological training and the development of pilot plants, by means of the complete application of the New Substantial Programme of Action in favour of the least developed countries.

Item 5 i) Strengthening of economic co-operating among developing countries

The Latin American countries are of the opinion that the lack of political will on the part of certain developed countries has prevented the developing countries from increasing their share in world industrial production. It is likewise deemed advisable to strengthen economic co-operation among developing countries, based on conditions of equality, mutual benefit and solidarity.

At subregional and regional level, it is considered advisable to:

- Strengthen economic integration systems and define the role to be played in them by industrial and agricultural programming.
- Encourage the setting up of regional multinational enterprises with capital from each region. Such enterprises can count on a substantial participation of both public and private capital.
- Use the purchasing power of the public sector to promote trade, industrial complementarity and technological development and to increase the utilization of the installed capacity.
- Establish economic co-operation programmes for the relatively less developed countries, in order to reduce present disparities.
- Establish regional or subregional specialized technological centres.
- Promote the training of human resources in national, regional and subregional centres.

- Achieve the consolidation of industrial consultancy capacity.
- Strengthen financial co-operation between the relevant regional and subregional organizations.
- Establish trade preferences and complementarity agreements, among the countries of each region, for the purpose, among others, of facilitating the manufacture of capital goods.

Co-operation in the industrial area, among developing countries of different regions, is also considered to be of importance, and in this regard, attention is drawn to the possibilities afforded by the creation of Action Committees for co-operation among developing countries.

UNIDO should:

- Strengthen the contribution it has been making through the Programme for Industrial Co-operation among Developing Countries, giving it priority in its global activities.
- Offer its support in the execution of the industrialization mandates contained in the Caracas Plan of Action of Co-operation among Developing Countries.
- Organize meetings and promote industrial branches and investments, to sponsor such negotiations as may facilitate the creation of multinational joint ventures among developing countries.

- Promote greater participation in the Technological Information Exchange System (TIES) and draw up model agreements and contracts to facilitate the creation and development of multinational joint ventures among developing countries.
- Assist in the establishment of co-operation mechanisms for the development of technological capacities.
- Support the definition and implementation of specific mechanisms for co-operation among developing countries.
- Prepare in co-ordination with the countries concerned, an inventory of their needs and their capital goods production potential for the year 2000; update the yearbooks on existing engineering offices and technology and supply information on the national and regional centres for the dissemination of information and the training of specialized personnel.
- Substantially increase its technical and administrative contribution to the developing countries' activities and promote the mobilization of financial resources for those activities.
- Provide assistance in the identification and formulation of industrial projects of interest to the developing countries.
- Follow up those elements which may serve to provide the least developed countries with specific technical assistance within the context of economic co-operation among developing countries.

Item 6:

THE INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA.

In the course of its deliberations, the Latin American Co-ordination Meeting expressed its firm support of the Industrial Development Decade for Africa.

Item 7

UNIDO'S CO-ORDINATING ROLE IN THE UNITED NATIONS SYSTEM,
IN THE FIELD OF INDUSTRIAL DEVELOPMENT.

The Latin American Co-ordination Meeting reiterated the opinion of the Latin American and Caribbean countries, namely that, in consultation and co-operation with other United Nations organizations, UNIDO should be the main instrument for negotiating, co-ordinating and applying efforts with a view to developing industrialization within the system. It considered that it was of the utmost importance that in the performance of its tasks and in line with the objectives for which it was created, UNIDO set the guidelines for the actions to be in the promotion of international co-operation for industrialization at national, regional and world levels. In this regard, and in order to avoid duplication of efforts, it is essential that UNIDO provide efficient inter-institutional co-ordination within the United Nations System.

Other recommendations

1. The Latin American Co-ordination Meeting considers that, as an expression of international co-operation for development, the Fourth General Conference of the United Nations Industrial Development Organization should respond adequately to the industrial development needs of all the developing countries. In this regard, it has paid particular attention and assigned particular importance, in its deliberations, to the following areas:

- i. Raising of financial resources for industrial development;
- ii. World industrial restructuring and redeployment;
- iii. Strengthening of economic co-operation among developing countries;
- iv. Strengthening of scientific and technological capacities for industrial development in developing countries;
- v. Development of human resources;
- vi. Energy and industrialization.

2. The Latin American Co-ordination Meeting considers that since Latin America and the Caribbean have no Director in the UNIDO Secretariat at present, it is absolutely essential that this legitimate aspiration, which has been expressed repeatedly, be satisfied and that the necessary steps be taken for the region to be adequately represented at Directorial level, in accordance with a strict and equitable geographical distribution.

3. The Latin American Co-ordination Meeting recommends that the Fourth General Conference, once its work has been concluded, arrange for the regional groups to hold informal consultations in Vienna under the leadership of the Chairman of the Industrial Development Board, for the purpose of examining the main aspects of industrialization and that the Chairman inform the Industrial Development Board of the results of said consultations.

