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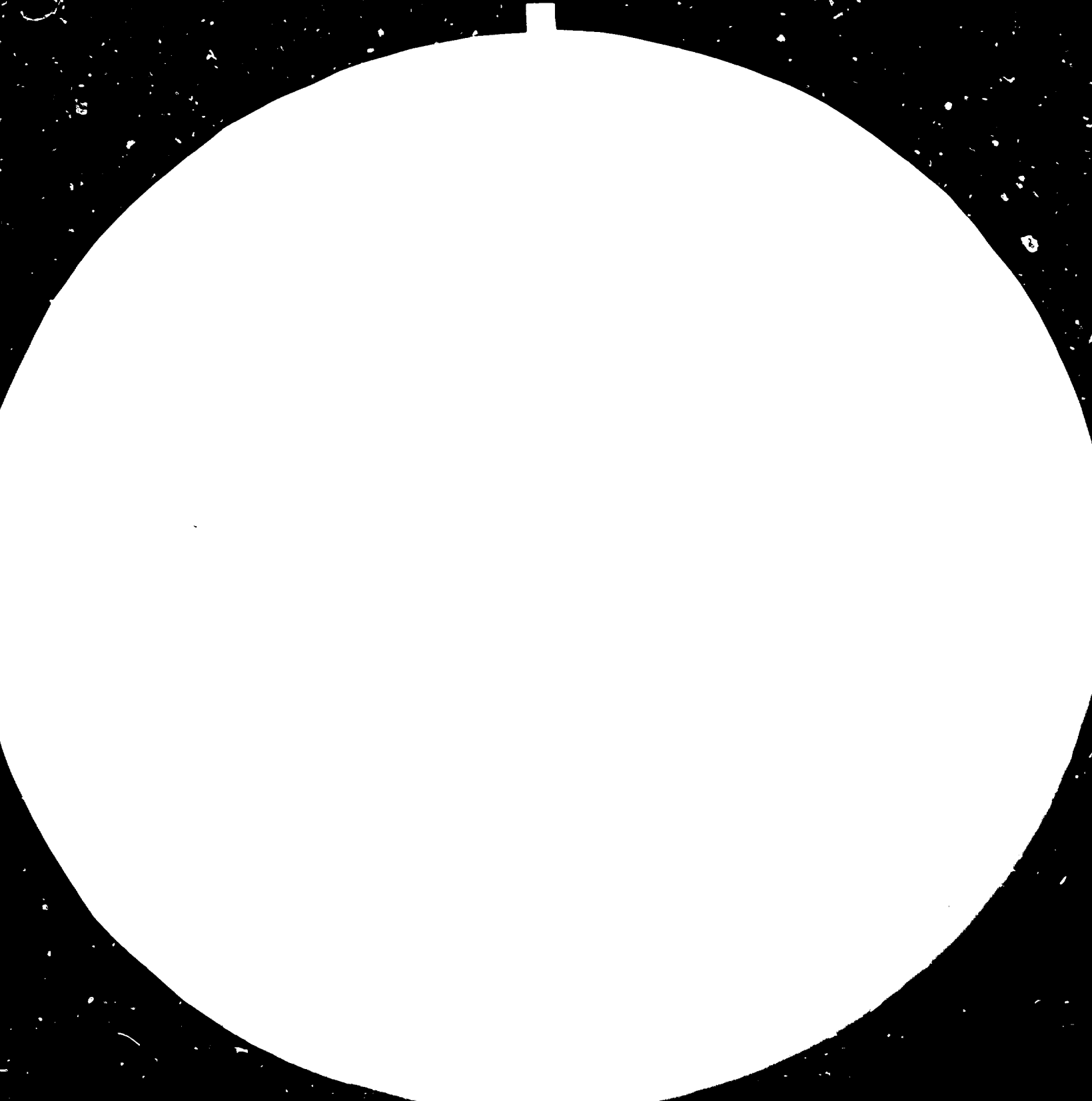
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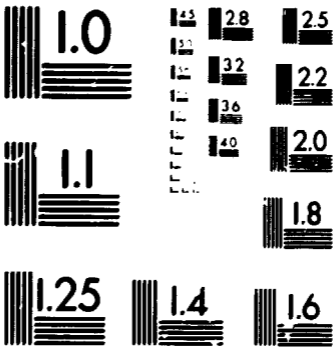
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Third Round of Discussions with the
National Committees for UNIDO

Vienna, Austria, 8 - 11 May 1984

REPORT * (Discussions with
National Committees for UNIDO.)

Prepared by the UNIDO secretariat

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I. BACKGROUND AND INTRODUCTION

The Third Round of Discussions with the National Committees for UNIDO, held in Vienna from 8 - 11 May 1984, was organized by the Governments and Intergovernmental Organizations Relations Section as a direct response to one of the recommendations adopted by the Expert Group Meeting of December 1981. *

The first two rounds of discussions held in May 1982 and 1983 sparked off new interest in the activities and functions of the National Committees for UNIDO. Interest has reached such a stage that many countries have become aware of the important role that a National Committee could play in the industrialization process.

II. ORGANIZATION OF THE MEETING

Only those National Committees are invited to these discussions which have an important UNIDO programme in the country. It also depends on their interest in UNIDO activities as well their involvement. On this basis, invitations were extended to National Committees in Egypt, Honduras, Luxembourg, Malaysia, Mauritania, Poland, Singapore, Tunisia, Uganda and Togo. From these the National Committees of Egypt, Honduras, Malaysia, Mauritania, Poland, Tunisia and Uganda participated in the discussions. Moreover, as a token of their interest, the Government of the Islamic Republic of Iran sent Mr. Mahmoud Kazemian, Director General for International Affairs, Ministry of Mining and Metallurgy and Mr. Ahmed Malayeri, First Secretary, Alternate Permanent Representative, who participated in the major part of the meeting.

Furthermore representatives from the Permanent Missions of Greece, Indonesia, Venezuela, Thailand, Democratic Yemen and Turkey also took part in the meeting. A list of participants is attached as annex I.

The Head of the Governments and Intergovernmental Organizations Relations Section welcomed the participants warmly on behalf of the Executive Director and of the Director of the Division of Conference Services, Public Information and External Relations. He detailed the role of the National Committees and added that it had not changed substantively from that which was envisaged by the Athens Symposium in 1967. Although the members of the National Committee should include representatives from relevant Ministries, public and private sector, research centres and national development banks as well as Chambers of Commerce, small working groups could be established which would permit its easy functioning. He also explained that the National Committees for

UNIDO were mainly there to promote industrialization in the country, as UNIDO was also the United Nations Organization for industrial development. He concluded by drawing the attention of the participants to the News Bulletin for the National Committees and requested them to send regular information on the activities of their Committees which could be included in it.

The participants paid a courtesy visit to the Executive Director, who expressed the hope that the National Committee representatives, after the thorough briefing which they had received on UNIDO activities, could advise their countries to make full use of the expertise available in the Organization. UNIDO's aim to assist the developing countries in achieving accelerated industrialization could only be realized if with the National Committees assistance, the developing countries could support the Organization in a more effective manner and participate in activities like the Industrial Studies, Consultation meetings etc. more effectively. He concluded by stating that he was convinced that these Committees had a very important role to play in the industrialization process of their countries.

III. SUMMARIES OF VIEWS EXPRESSED BY THE PARTICIPANTS ON THE ACTIVITIES OF THEIR NATIONAL COMMITTEES

The functions of the National Committee for UNIDO in Egypt were given to the Agency for Foreign Relations in the Ministry of Industry and Mineral Wealth since 1968. The National Committee has been functioning very well as the whole UNIDO programme in Egypt is proceeding under its supervision. If there are any problems, round table discussions are held with appropriate officials from other Ministries, after which relevant recommendations are made to the Ministry of Foreign Affairs. Meetings were held on a monthly basis to discuss the status of implementation of UNIDO projects in Egypt and reports are prepared on the status of implementation. The National Committee enjoys very good relations with the UNDP Office in the country.

Egypt did not establish a National Committee per se, as this arrangement was functioning very well. However, as most of the developing countries have established independent bodies as National Committees, the Egyptian Government is giving serious consideration to establishing one.

The National Committee for UNIDO in Honduras was re-activated in 1983. The Committee has a wide membership, which was essential as there does not exist a separate Ministry for Industry. The National Committee had certain objectives and to realize them a plan of work was prepared. Also a set of rules were established which will facilitate the working of the Committee

The Committee will provide technical support for UNIDO's activities in UNIDO and advise the Government in the field of industrial development. The main objective of the National Committee is to promote the development of each unit in the industrial sector, to achieve efficient collaboration from the enterprises involved and to ensure that the industrial sector of Honduras makes the best possible use of its resources and of those put at its disposal by UNIDO.

The National Committee sees to it that all institutions involved in the Committee co-operate with organizations like UNIDO and ensures that activities are co-ordinated so that UNIDO objectives are achieved. The National Committee has also recorded the activities of the various industrial establishments, including public and private sector as a co-ordinated whole. At present the Committee is undertaking only short-term activities, longer-term activities will be taken up only later on.

The National Committee for UNIDO in Malaysia was established in 1971 with the aim of strengthening Malaysia's participation in UNIDO's technical assistance programme and other activities in order to provide an effective channel of communication and liaison between the Malaysian Government and UNIDO. The Committee has the following terms of reference:

- Formulating Government's position in regard to UNIDO's technical assistance programme and UNIDO's overall activities in Malaysia;
- Co-ordinating the various technical assistance activities of UNIDO in Malaysia;
- Providing an effective channel of communication between the Malaysian Government and UNIDO and following up on various agreements reached and arrangements made with the organization.

The Chairman of the Committee is from the Malaysian Industrial Development Authority and it consists of 19 members from various Ministries and other Institutes and Universities. It has an advisory role and has been given consultative, executive and informative functions. It is an important channel of communication at the national level promoting close contacts between UNIDO and the public and private sectors of Malaysia.

The documents for the Fourth General Conference of UNIDO have already been distributed among the members for their comments. A meeting would be held in preparation of this Conference.

The National Committee for UNIDO in Mauritania was established in 1983. The Chairman is the Economic Adviser to the Prime Minister which shows how much importance the Mauritanian Government accords to this Committee. Representatives from the Ministries of Industry, Energy, Agriculture, Training, Foreign Affairs as well as from the Employer's Federation of Mauritania are represented in the Committee.

One of the tasks of the Committee is to focus on industrial development in Mauritania and to make UNIDO better known. The National Committee tries to co-ordinate UNIDO activities in Mauritania, so that optimum use is made of the assistance provided by UNIDO. The National Committee, in co-operation with the Employer's Federation has held seminars and meetings for encouraging businessmen to make use of UNIDO activities. In addition, an interview between the Prime Minister and the Chairman of the National Committee was televised to make the people aware of UNIDO's programmes and activities.

The Polish Committee for Co-operation with UNIDO was established in 1976. The Chairman of the Committee is the Minister of Foreign Trade and the secretariat of the Committee is attached to the Division of International Economic Organization in the Ministry of Foreign Trade in the Section dealing with UNIDO. There are three Deputy Chairmen, the first two being Vice Ministers of Foreign Affairs, Foreign Trade and the third being the Deputy Chairman in the Central Planning Commission. In addition, there are about 14 members, who are Directors from the most important industrial ministries and two each from the Foreign Trade Organization and research institutions.

The Polish Committee holds two meetings each year. The members of the Committee prepare a long-term programme for co-operation with UNIDO, at present the programme prepared for 1981-85 is being realised. The Polish Committee was responsible for the preparation of:

- programme of participation in official meetings of UNIDO, like the Industrial Development Board, the Permanent Committee, System of Consultations and other working groups;
- participation in the negotiations concerning transformation of UNIDO into a specialized agency;
- organization of training courses and seminars in Poland for developing countries;
- participation of Polish institutions and experts in UNIDO's programme of technical assistance;
- negotiations concerning the establishment of the Poland/UNIDO Investment Promotion Service.
- Polish participation in the Fourth General Conference of UNIDO for which working groups were established to crystallise views.
- preparation of the visit of the Executive Director to Poland.

The National Committee for UNIDO in Tunisia was established in 1968 and was operating well till 1977. After that the National Committee practically ceased to exist. Following the visit of the Executive Director, consideration was once again given to the re-activation of this Committee. They saw the National Committee having a co-ordinating role mainly, but on a voluntary basis. However, it was considered that the Committee could have a much wider role. The activities of the National Committee should be institutionalised and made a part of the programme otherwise the Committee will end up in being ineffective.

The Uganda National Committee for UNIDO was established in July 1983. In this short period it has held two meetings. The Committee extensively discussed Ugandan participation in the Fourth General Conference of UNIDO. All members received documentation on the Conference for their comments and their contribution would be incorporated into Uganda's contribution to the general debate during UNIDO IV.

The Committee has established an information service based on UNIDO publications which have been received by the Committee. Copies of publications were sent to prospective users on request. The registered users of this service include Government and private industrial enterprises, educational institutions, professional bodies, and the Uganda Development Bank. The users pay a small fee for this service to cover the cost of postage. This service is greatly appreciated.

The National Committee has also arranged with the Ministry of Information and Broadcasting and private newspapers to have articles published regularly on UNIDO information sheets, press releases and feature items.

As the Government is actively supporting the activities of the Committee it has allocated US\$5,000 for its activities for the coming year, for which the Committee has identified the following expenses: allowance for members attending the meetings of the Committee, information service, field trips to project sites by members of the Committee, stationery and correspondence, subscription to national magazines, and participation in international meetings.

The Uganda National Committee felt that if the Committees were properly supported and mandated they could play a major part in enhancing UNIDO's effectiveness as the main United Nations body charged with the industrialization of the developing countries.

IV. UNIDO PROGRAMMES AND ACTIVITIES

a) TECHNICAL CO-OPERATION

The Deputy Director, Division of Industrial Operations informed the participants that due to reduced contributions received by the United Nations Development Programme (UNDP), UNIDO's technical implementation decreased from US\$91 million in 1982 to US\$78 million in 1983. However, UNIDO's performance still compared favourably with those of other United Nations organizations as a number of projects were financed through the United Nations Industrial Development Fund (UNIDF). Other projects came to fruition through Government cost-sharing, trust funds, and still others while donor Governments financed associate experts. In addition, the Egyptian Government offered UNIDO the services of Egyptian experts for the Industrial Development Decade for Africa. These served as supplementary and complementary contributions.

Programme Development and Evaluation

The Head of the Programme Development and Evaluation Branch informed the participants that his Branch received all project requests and the projects/programmes were developed keeping in view the needs and aspirations of the developing countries. The programme officer in the Branch had to be aware of all factors in the country before he could formulate a project. Developing countries were not a homogeneous group as they were at various stages of industrialization. The work of the Branch was carried out in close interaction with the Division of Industrial Operations as after the project was approved it became the responsibility of that Division.

He detailed the sources of funds available for technical assistance programme of UNIDO, out of which the funds from the United Nations Development Programme provided 80%. In addition, there were funds from the Special Industrial Services (SIS), the Regular Programme of Technical Assistance and the United Nations Industrial Development Fund (UNIDF). Furthermore, certain projects were financed through cost-sharing arrangements, trust funds, and the technical assistance components of World Bank credit lines etc.

He concluded by stating that the Organization did not have capital funds to assist the developing countries and make an impact on their industrialization. It could only play the role of a catalyst. He felt that developing countries should try to employ the latest and the best technology. UNIDO could assist in this

field by bringing countries together.

In response to a question from the Mauritanian delegate, he said that the Government had the right to decide how to allocate the funds which were allocated to them in the country programme.

Industrial Planning

The Head of the Industrial Planning Section told the participants that planning was a working tool, a technique, to achieve objectives and priorities. It was important for all economies, whether market-economy or centrally planned to have an industrial master plan at a national level. Although the big transnational enterprises or at times some national groups preferred that the national economy should function without an industrial master plan, it was essential that all developing countries have one.

The developing countries should survey all available resources, establish priorities in the industrial sector and even establish a priority in projects. Then they would be in a position to tell either the foreign or indigenous investor where they would like the investment to be made. In this way, the national Government would be able to steer the course of their country's industrialization.

The objectives of industrial planning were:

- to formulate or revive industrial strategies;
- aim at drawing industrial guidelines;
- plan and develop capital goods sector;
- management of industrial development;
- assistance for the implementation of regional industrial planning.

The Branch was also organizing training in industrial planning. These were being held in Berlin and Tokyo and another two were planned in Kuwait and Bordeaux. In addition, expert group meetings were held to discuss programmes and constraints which have to be faced and overcome to implement an industrial plan. Finally, a Manual on Industrial Planning was being prepared for practical use in developing countries. It would be ready in 1985.

In response to queries from the Mauritanian delegate, the Head of the Industrial Planning Branch said that developing countries should realize that the amount allocated to each country under the Indicating Planning Figure (IPF) of UNDP, was to be utilized by the country's consent. He also stated that many more

applicants were received for the training in industrial planning, and thus only the best qualified were selected. He also assured that the Industrial Master Plan for Malaysia would be completed in time, the initial draft being ready by June 1985.

Institutional Infrastructure

A representative of the Institutional Infrastructure Branch stated that accelerating the industrialization process depended mainly upon the efficient functioning of supporting institutions concerned with the creation, operation and expansion of industrial enterprises. In developing countries, as most of the enterprises were not in a position to provide technical and engineering guidance from their internal resources the Branch was mandated to implement new and strengthen existing institutions. The main objective was to enhance the quality of manufactured goods. Their activities concentrated in

a) Quality control, standardization and metrology:

National Committees could be instrumental in assessing national standards and specifications

- Creating awareness in the Government and industry of the role and importance of these services;
- Helping in the enactment of necessary laws;

From developed and advance developing countries, the National Committees could assist in

- locating suitable equipment and suppliers thereof and helping in the determination of a minimum required institutional infrastructure.

b) Institutionalizing programmes and national competence in developing entrepreneurs for industry. While only some entrepreneurs were born with such talents, the majority required supporting institutions which would assist them in owning a manufacturing industry. This was specially true of entrepreneurs of small enterprises. An integrated network of such institutions was required to support them. He added that a two week programme to train future entrepreneurs was not enough. They needed a support system, a promotional programme and an institutional furthering programme later on.

c) Small and medium-scale industries. Projects in this area included an integral programme for development which consisted in:

- identification of necessary or existing support components
- field extension services
- infrastructural support in the form of industrial estates, common facilities or marketing services;
- subcontracting.

He remarked that the market for souvenirs was being captured by the developed countries as the developing countries did not pay sufficient attention to contemporary styling. Another important activity was an integrated rural industrialization project as most developing countries wanted to decentralize industries. These industries should be in response to rural needs and should not displace rural labour: building materials, utensils, energy production and equipment.

d) Industrial information, product adaptation for export, international and domestic sub-contracting, assistance to and participation in industrial fairs and assistance to Chambers of Commerce and Industry were some of the other activities carried out by this Branch.

Factory Establishment and Management

The Head, Factory Establishment and Management Section, presented UNIDO's programme in this area. Their activities could be divided into five sub-elements:

- a) Factory establishment: relating to project, construction- and contracts management;
- b) Direct management assistance to industrial enterprises or groups of industries - improvement of productivity and performance, utilization of capacity, production management, in-plant problem solving, financial management;
- c) Introduction of management systems: energy management, conduction of audits, promotion of methods which will result in saving of energy;
- d) Management assistance to domestic industry marketing: assist in procurement and marketing management, sales and distribution;
- e) Development of management consulting capacity: UNIDO assistance provided at national, regional and sub-regional level in setting up training programmes.

A visual display on the usefulness of micro computers was provided to the participants which demonstrated how managers could collect, store and monitor information in order to reach quick decisions.

Training Programmes

The Head, Training Branch, appealed to the National Committees to become an extended arm of UNIDO in their countries. She added that in those countries where the National Committees were active, co-operation between that country and UNIDO improved. The training programme could be divided into the following:

- Fellowships financed from the United Nations Industrial Development Fund.
- Group training programmes which were in priority areas and at time financed from potential donors.
- Identification of training needs for countries and assessment of existing institutions. Some 260 institutions have been identified which could provide training to nationals from other developing countries.

She stated that UNIDO's assistance in this field was limited to resources restraints. She also added that existing institutions should be fully utilized before new institutions were created as it avoided wasting resources. If developing countries wished to participate in training programmes by paying their expenses, they were welcome.

Feasibility Studies

The Head, Feasibility Studies, elaborated the programme in this area and said that his Branch strengthened national institutions in the developing countries which were engaged in pre-investment work, identified investment opportunities which assisted in the preparation of pre-feasibility studies in the developing countries, prepared full studies etc. The Branch also held seminars on the preparation of industrial feasibility studies. Lately pre-investment studies were conducted for those projects which were also financially sound. At present, feasibility studies were being prepared according to the Manual for the Preparation of Feasibility Studies which was being widely utilized. This also facilitated the evaluation of studies. In addition, a computer model had been finalized for feasibility analysis and reporting (COMFAR) which was very positively received. This included a complete software package - cash flow table, balance sheet, calculation of working capital, production cost, and investment cost. This assisted in making pre-investment studies easier and more transparent.

The assistance of the Branch was being increasingly sought not only by developing but also by industrialized countries like Austria, Federal Republic of Germany and Switzerland.

Agro-industries

The Head, Agro-Industries Branch, remarked that the technical assistance programme of the Branch was basically in food, leather, textile, wood and packaging. For all these industries, excepting packaging, raw materials were mainly from agriculture, fisheries, livestock etc. The predominant problems faced by developing countries in agro-industries were:

- inadequate supply of raw materials
- outdated technology
- product development according to domestic and export market requirements
- technical operation of industrial plants, starting from management, etc.
- lack of regular quality control, laboratories equipment and technical personnel.

Projects in food sector included quality control facilities, establishment of research and development centres, laboratories, pilot plants, research activities in jobba, detoxification of castor bean cake, animal feed stuff etc. and processing facilities. In the leather sector they included supporting or establishing and expanding leather development centres, improving performance of existing plants, and improving leather quality. In the field of textiles, several development centres had been established with UNIDO assistance as well as well as the programme of existing textile mills was improved. Prefabricated wooden bridges, seminars on selection of wood working machinery, management of wood products manufacturing plants have been effected in the wood sector. Also packaging development centres were established and expanded. On touching the subject of food, he stated that 40 % of food produced in developing countries was lost, so there was an urgent need to somehow prevent this enormous waste.

Metallurgical Industries

The Head, Metallurgical Industries Section, mentioned that their programme included planning, formulating and implementing projects in the following branches of industry: iron and steel industry, light non-ferrous industries, heavy non-ferrous industries, foundry industry, establishment of pilot and demonstration foundries, metal transformation technology and establishing and strengthening centres for metallurgical industries. Their functions also included establishment and operation of plants, preparation of master plans, techno-economic and marketing studies, processing of metallurgical minerals. Also assistance to existing plants was given which included technological consulting on management, production, maintenance, material supply, quality control and cost accounting of metallurgical plants, design, programming and modernisation, advisory services

on standardization of metal products, establishment of computer based or manual manage-maintenance assistance in metallurgical plants, computer application in metallurgical industries for various purposes, advisory services in energy conservation, consideration of environmental aspects and utilization of wastes from these industries. Also research in these areas was encouraged by establishment of centres, laboratories and evaluation units. He concluded by detailing the projects in Egypt, Indonesia, and Mauritania.

Engineering Industries

The Officer-in-Charge of the Engineering Industries Section, remarked that the activities of the Branch were focussed on design, manufacture and maintenance of engineering products in the following areas: agricultural machinery and implements, metal-working and machine tools industries, land-based and water-borne transport equipment industry, electronic and electrical industries and computers and advanced technology.

The activities of the Section were divided into four units:

a) agricultural machinery and rural equipment: assistance to the Sahel Institute in the development of a sub-regional programme of agricultural machinery, study on maintenance of agricultural tractors, technical evaluation of low power tractors, maintenance of irrigation equipment in sub-regional Africa, assistance to the agricultural machinery agencies, agricultural implements production expansion, agricultural machinery design and industrial extension, hydraulic handpump manufacturing

b) metal working and machine tools: design and manufacture of metal products and machinery particularly to help in improving product quality and diversification. It also included preventive maintenance, parts and components rehabilitation, streamlining and modernising of production facilities, standardisation and inspection. Technical assistance programmes included manufacturing of sewing machines, bicycle manufacturing, strengthening of industrial design services, fatigue laboratory for automotive motor industry, increase of reliability and economy of diesel engines, maintenance of oil refineries, application of alternative fuels for internal combustion engines, rehabilitation and maintenance of rice and sugar mills etc.

c) land-based and water-borne transport equipment: ship building and repair, automotive and railway engineering, construction of boats, development of welding technologies.

d) electrical and electronics equipment: process control computer centres for electric machinery and equipment, reliability and environmental testing centres, electronic and optical maintenance and repair centres, facilities to produce bipolar digital integrated circuits, tape-recorder and television factories, electronic telecommunications factories, micro-mechanics and micro electronics interfaces, micro-processor based instruments.

The Branch also devoted attention to the field of computers and energy and energy-related activities. These included utilizing of energy efficient techniques in engineering industries, rural engineering harnessing techniques, and small hydropower equipment etc.

Chemical Industries

The Head, Chemical Industries Branch informed the meeting that technical assistance activities in the field of fertilizers, pesticides and plastics in agriculture were innovative. In Egypt, the plastic development centre in Alexandria had been working so well that the Government was now opening the centre for co-operation with African countries mainly. There would be a demonstration in October/November to show what had been achieved in the field of desert agriculture.

Another innovative development was the use of bentonite, a non-ferrous mineral for agriculture and animal feed. The reason being that it retained water and fertilizers so that the farmers could save upto 30% of water and 20% of fertilizer. This was a result of the Joint Programme between UNIDO/CSSR and the information was easily available.

Other priority areas were the pharmaceuticals and building materials. In certain countries skilled technical personnel were not available to man factories. Poland had provided skilled personnel to Libya and now to Egypt and Yemen. These personnel would enable the factories to achieve their optimum result.

In the field of energy, training was given on refinery process in Angola for the SADCC countries. There was also an annual training programme provided in Austria on the same process. Other fields were coal liquefaction and biomass where training was being given to personnel from developing countries.

One of the innovative techniques discovered by UNIDO and Malaysia was the utilization of natural rubber for the base isolation of buildings to resist earthquakes. This had already been utilized in the United States. Another breakthrough was the production of composite material - rubber with polypropylene. The properties of this matter were highly in demand.

In response to the Mauritanian delegate, he stated that sand could be utilised for the production of glass. In addition it also was used as a building material together with cement.

Project Personnel Recruitment

The Officer-in-Charge of the Project Personnel Recruitment informed the participants that the Section recruited experts and consultants mainly for service in the field. Their period of service could vary from a very short period to a few years. Other categories were the associate experts who were directly from universities and were financed by their own countries. Finally, there were OPAS experts and the national experts.

The Section maintained a computerized roster of experts in various industrial fields, which was consulted whenever an expert was required. In case an expert with suitable qualifications and experience was not in the roster than job descriptions were prepared and sent to national recruitment services.

The National Committees could act as national recruiting agencies in their countries and assist UNIDO in locating suitable experts for the roster. They could also assist in expediting the decision of the Government regarding the experts suggested to them. Finally, it would be a great help if the Government could indicate their preference also for other experts submitted to them, so that if one was not available the other one could be recruited without delay.

Purchase and Contracts

The representatives of the Purchase and Contracts Service explained to the meeting that in purchasing equipment, international competitive bidding was required for purchases of US\$10,000 and above. Under that amount, equipment might be purchased from non-competitive sources.

Upon receipt of requisition of supplies, sources of supply were identified from the roster of resources which included suppliers on a global basis. In order to limit transportation costs, location was given due consideration. According to the regulations the lowest technically available offer should be taken.

Contracts or purchases above US\$40,000 had to be submitted to the Committee on Contracts for review and approval. The recipient country had to accept the contract before it could be finalised.

The National Committees were requested to provide names of suppliers, manufacturers from their countries which could be added to the computer list.

b) INDUSTRIAL STUDIES

The representatives of the Division for Industrial Studies informed the participants that the Division was established as a direct result of the Lima Conference. At that time, there was a genuine interest in the rapid industrialization of the developing countries. Unfortunately, the present trends show that instead of the 25% of the world manufacturing capacity, the developing countries would most probably only achieve a maximum of 15% by the year 2000.

The purpose of the industrial studies was to analyze the economic and industrial development, develop new approaches to industrial development of developing countries, and to work out new forms of co-operation between the North and South and also between the developing countries themselves. The goal of these studies was to enter into direct contact with the policy makers in the developing countries in order to achieve practical results.

The Global and Conceptual Studies Branch assessed industrialization perspectives, estimated in global terms the requirements of industrialization, and what policies were required to achieve various goals for industry. It also carried out policy-oriented research which served as the basis for UNIDO policy and provided UNIDO input to United Nations policy. One of the major contributions of the Branch was the creation of a global economic model on data basis. Also a global report on industrialization was in its final stages.

The Regional and Country Studies Branch carried out economic research at the country level focussing on medium- and long-term prospects for industrial development and concentrated on strategies, plans and policies as well as structural adjustment aspects. These studies aimed to serve national policy makers and the UNIDO technical assistance programme. They were prepared in co-operation with economists and institutions in the country and gave attention to the existing resource potentials of the country. The results of the studies were then discussed in seminars and workshops.

The Sectoral Studies Branch serviced mainly the System of Consultations in preparing the background material for these consultations. These studies covered sectors which comprised 75% of the industrial production in the developing countries. The work was carried out at three different levels. The first was the preparation of a global or world-wide study, which described the situation in the sector, where production capacities were located, where the consumers were, how the trade flow went, differences between the developed and the developing countries and the problems in the developing countries.

The second stage provided elements of industrial strategy for the particular sector. Here problems were dealt in greater depth and the possibility of mini-plants was looked into. The third stage dealt with concrete proposals for North/South and South/South co-operation.

The National Committees could assist in a major way by providing feedback on these studies.

In response to a lively discussion and questions put by the representatives of Egypt, Mauritania, Poland and Tunisia, the Head of the Sectoral Studies Branch admitted that the industrial studies needed to be widely disseminated. If the National Committees could provide the Secretariat with a list of institutions studies could be sent directly to them. He added that the studies produced were being utilized by the Consultations as well as by the technical assistance programme.

c) SPECIAL PROGRAMMES

Energy and Industrialization

The Special Assistant to the Executive Director on Energy informed the participants that energy was being dealt with by the whole United Nations, as energy was causing a major financial drain on the resources of the developing countries. It was however fundamental to modern society and for that reason was being consumed more in industrialized countries than in the developing countries. As energy was so important, developing countries should keep four objectives in view:

- Developing countries should establish an integrated energy-industry policy as a basic guideline for their direction, their programmes and their planning;
- Each developing country should assess its energy-resource endowments and establish its priorities. For example, only 9% of the available hydropower had been developed in the developing countries and 4% of exploratory drilling was being carried out there.
- Increased provision by developing countries to the capital goods and services for energy development. If major equipment was produced in developing countries, then the costs would be halved.

- Industrial energy management and conservation. By minimising wastage of energy, performance could be improved and costs reduced.

UNIDO was at present devoting attention at plant level as well as at the ministerial level. He added that the Unit had compiled an analysis of the actions taken by various Governments to increase energy efficiency, investment, tax credits, low interest loans, subsidies, grants, and information services. This analysis would serve as a basis for workshops with senior Government officials to examine how successful these different approaches have been and what steps could be taken in their countries.

Investment Co-operative Programme

The Deputy Director, Investment Co-operative Programme Branch informed the participants that the major function of his Branch was to identify industrial investment projects in the developing countries and promote them in the developed countries. Donors were identified from the developed countries in the private sector by establishing contacts with the industrial corporations, chambers of commerce and industry, development financing institutions etc. About 400 - 500 projects were identified each year and then screened and completed in Headquarters. Subsequently the projects were sent to the Investment Promotion Offices to be promoted. These offices exist in New York, Tokyo, Paris, Brussels, Zürich, Vienna, Warsaw and Cologne.

As these Services did not exist in all countries, the Branch had prepared a roster of resources, which could be consulted. In addition, investment promotion meetings were organized to bring sponsors and prospective entrepreneurs together. Such meetings had been held in Morocco, Sri Lanka, Bangladesh, China, Senegal, Zambia, Peru and Egypt. Before holding such a meeting, a folder of projects was prepared which was subsequently sent to entrepreneurs. On an average, each project had at least 3 prospective entrepreneurs.

Finally, training was also given to trainees from developing countries on how to approach entrepreneurs. Approximately, 30 persons were trained each year.

Responding to the questions from Egypt, Honduras and Polish National Committee representatives, he stated that due to the Industrial Development Decade for Africa, more importance was being given to Africa. The difference between the studies prepared by the Feasibility Studies Branch and the Investment Co-operative Programme was that while Feasibility studies were prepared on request from Governments, the pre-investment studies were mainly for small- and medium-scale projects.

Assistance to Least Developed Countries

The Chief of the Least Developed Countries Section gave a brief background as to how certain countries came to be known as the least developed countries. The major problem faced by all such countries was they had a very low level of economic development. He informed the participants that the Substantial New Programme of Action for the LDCs in 1980s referred to all sectors requiring development. However, the final responsibility for development rested with the country itself.

The Least Developed Countries Section was the focal point for all activities related to these countries. Programme development and operational activities for the LDCs were being undertaken by this Section together with other activities. He concluded by stating that the least developed countries received a special allocation from the resources available as a whole to UNIDO.

In response to queries put forward by the Indonesian and Mauritanian delegates, he stated that the programme of the Branch was based on the Substantial New Programme of Action and that implementation review at country level with potential donors was carried out. He also informed the Mauritanian delegate that at present the Branch dealt with 30 countries which were recognized as the least developed countries by the General Assembly. Mauritania, although not included in these countries, was receiving special attention from UNIDO.

Technology Programme

The representative of the Development and Transfer of Technology Branch informed the participants that the Branch was dealing mainly in promotional activities relating to the formulation of technological planning and policies at the national level, development of indigenous technological capabilities in each country, building up of institutions and activating existing institutions, and appropriate choice of technologies. The supporting activities included flow of technological information and technological advisory services including extension services.

The Branch was recently concentrating on the utilisation of advanced technologies in conventional industry areas to upgrade them. They also focussed on defining tasks of countries in response to technological advances. Efforts were also being made to sensitize the awareness of the implications of advanced technologies.

In micro-electronics, UNIDO tried to assist regional networks for co-operation in this field. A number of studies were also completed on software development and software production in order to promote it as an industry in the developing countries.

He also detailed the new publications issued by the Branch which included Monitor on Materials, How to start Manufacturing Industries, Technology Information Exchange System etc. Another field where the Branch was involved was the development of small hydropower, and creation of regional centres of mini-hydropower. The Branch was also active in the field of energy conservation for small- and medium-scale industries where plant level surveys were carried out.

He requested that the National Committees could supply information on technologies required by their countries as well as technologies available for exporting to other countries. They could also organize national seminars on advanced technologies on electronics or micro- biotechnologies.

In response to the question from the Tunisian representative, he stated, that UNIDO assisted in licensing agreements between the developed and the developing countries, and identifying if alternative technologies existed. UNIDO could also review the terms and conditions of the agreement. In advanced technologies, UNIDO tried to sensitize the policy makers.

Industrial Information

The Chief of the Industrial Information Section informed the participants that the Section acquired industrial information from industry, from UNIDO technical reports and through the Industrial and Technological Information Bank's (INTIB) access to other data bases. This industrial information was available free on request.

The Section had prepared an industrial thesaurus which included all key words of industry. This information was located and classified according to industrial sectors.

The UNIDO Newsletter included a resume of the activities of UNIDO, its publications and offers and requests for available technology. This Newsletter was published monthly and was sent to 35,000 addresses.

He concluded by stating that responses to queries would be given without going through bureaucratic procedures. The Section could assist in establishing

industrial information centres in their countries and could also provide technical assistance if the request was made through the official channels.

In response to the query put by the Mauritanian delegate, he stated that the Section could assist Mauritania in establishing an industrial information centre, if the request was made through the official channels. Subject to the availability of resources, it could be done. Another possibility was that a few Mauritanian nationals could be sent to UNIDO Headquarters for training. If Mauritania was ready to finance it, UNIDO would welcome it.

The Honduran delegate suggested that a regional meeting of National Committees be held in Honduras so that information on UNIDO services and activities could be provided there. Honduras would be willing to host it which was welcomed by UNIDO. This matter could be discussed further.

Economic Co-operation between Developing Countries

The Chief of the Section for Economic Co-operation between Developing Countries stated that his Section concentrated on organizing Solidarity Ministerial Meetings, follow-up on these meetings, joint programmes for specific sectors and follow-up on consultations and other operational projects.

The Solidarity Ministerial Meetings were being held on a regular basis, about two meetings annually, mainly for the benefit of the least developed countries. Since last year, the results of these meetings were being evaluated and the implementation of the commitments made during these meetings were being followed up. These meetings had become an effective approach to promote co-operation among developing countries in favour of the least developed countries.

Five sectors had been identified where attention was focussed: food processing industries, agricultural machinery and fertilizers in the agro-industry sector, petrochemicals, building materials and energy.

In response to questions asked by the representatives of Indonesia, Mauritania and Poland, he stated that if travel was as a follow-up for the Solidarity Meetings, UNIDO could finance it, provided there were funds. He also stated that UNIDO was not a financial institution and thus it could assist by promoting co-operation between developing countries and provide experts. As for the results of the Solidarity Meetings, they were being evaluated.

Industrial Development Decade for Africa (IDDA)

The Chief of the Co-ordination Unit for the Industrial Development Decade for Africa said that the purpose of the Decade was to promote greater awareness within Africa of the importance of industrialization and to see how it could be built into the economic development plans and programmes. In addition, international attention needed to be mobilised, both technical and financial, to re-inforce the efforts already undertaken in Africa for this purpose.

The role of the National Committees for UNIDO and the National Co-ordinating Committees for the Decade in Africa was very similar. They should mobilize national awareness to the programme of the Decade within the Government, the business community and within institutes such as universities etc. These Committees could easily perform this function as their membership was drawn from these circles. For popularizing the Decade, UNIDO together with ECA and OAU had prepared posters, movies, and video cassettes, which National Committees could request.

The National Committees for UNIDO or the National Co-ordinating Committees for the IDDA could provide guidance in the formulation, co-ordination and monitoring of the implementation of the programme for the Decade. For this purpose UNIDO in co-operation with ECA and OAU was organizing National Workshops on the IDDA for the promotion of industrialization.

The National Committees could assist in the diffusion of UNIDO programmes and activities in the countries. All documentation sent from UNIDO should reach the end-users so that they could be informed well on all matters related to industrialization.

Finally, the National Committees could draw UNIDO's attention to developments in the country which were related to the Decade. This information should concentrate on the following:

- investments in industry, contracts signed, national policy developments affecting the Decade;
- needs and requirements of the country with regards to the Decade;
- mobilization of financial resources for the IDDA and industrialization in Africa

The National Committees should mobilize financial resources by influencing the Government, the UNDP and the bilateral aid agencies so that the industrial sector received more resources. These activities were of special significance for Africa, but they could be performed elsewhere as well.

System of Consultations

The representative of the Negotiations Branch described the background of the Consultations and said that although consultations took place in various fora, i.e. in OECD, CMEA, etc. only in the Consultations organized by UNIDO were all countries represented. The System of Consultations did not conduct abstract discussions. Only pertinent issues which were sensitive were discussed.

Participants to these Consultations were decided by the individual Governments and could include representatives from the Government, trade unions, industry, research institutes, consulting groups, consumers groups etc. Decisions reached in these Consultations were by consensus.

Consultations had been held in 13 sectors which covered 50% of industries. They included iron and steel, petrochemicals, pharmaceuticals, fertilizers, training of industrial manpower, industrial financing, wood and wood products industries, food processing, leather and leather products and capital goods industry. New sectors included fisheries and non-ferrous metals industry.

During the meeting, the world-wide study prepared by the Secretariat on that particular sector was discussed by people active in that industry and representing various economies. The meeting discussed existing problems and future trends in that sector. Such a meeting could be of particular use to a developing country which wished to start an industry in that particular field.

The spin-offs of these Consultations were many. They provided contacts on an informal and private basis, contacts between businessmen, new types of technical assistance, identification of new projects, model contracts and guidelines. These model contracts and guidelines had been approved by consensus by the Consultations and the developing countries could utilise these in purchasing big plants as 97% of these clauses were common, for the remaining 3% there were two models to choose from.

d) ADMINISTRATION

Personnel Policies/Recruitment for Secretariat

The Head of the Personnel Services said that the guidelines for recruitment to the Secretariat originated from the United Nations Charter. They stipulated that only the most suitable, the most efficient and the highest qualified persons should be recruited for the Secretariat. Recruitment was also based on geographical distribution. In recruitment no discrimination

was practiced between candidates from developed and developing countries, or against women or any category of people. In fact, the General Assembly had recommended that women should be 25% of the Secretariat by 1985, which could not be realized as at present they formed only 16% of the Secretariat. Staff members could also be seconded to the Organization by their national Governments.

National Committees could be of great assistance to the Secretariat by requesting suitably qualified nationals to apply for a post in the Secretariat. These candidates could be included in a roster which was always consulted whenever a post became vacant.

In response to queries put by the representatives of National Committees from Malaysia and Poland, he stated that not every staff member wished to have a permanent contract. Regarding the recruitment process, he added that it was very long and could not be reduced due to many factors. Applications should still be submitted even though the deadline had passed.

Financial Administration

The Head, Financial Services, informed the participants that the Service administered financial transactions like hiring of experts, purchases of equipment etc. for the technical assistance programme of UNIDO. The funds for technical assistance came from funds provided by the UNDP as well as the UNIDF. A positive point in favour of the Organization was that a major part of the contribution had been utilized and failures had been relatively few.

He added at present the programme budget was submitted to the Permanent Committee and the Industrial Development Board for consideration before being submitted to the General Assembly for approval. This procedure would change once UNIDO became a specialized agency. Then the General Conference would have to approve the programme of the Organization.

In response to queries put by the representatives of Malaysia and Venezuela, he stated that each country should have good projects which were realistic and implementable to make the maximum use of resources allocated to the IPF. He added that when UNIDO became a specialized agency, his Service would have an additional duty as it would have to collect the assessed contributions from member States. There would be a new assessment for countries if UNIDO did not have 158 member States.

e) FOURTH GENERAL CONFERENCE OF UNIDO

The Chairman of the Task Force for the Preparation of the Fourth General Conference and Director of the Division for Industrial Studies commented that Industry was the dynamic element in the process of development and for that reason industrialization should receive a high priority. The continuing recession together with global food problems and a change in the attitudes of many countries provided a background to the Conference.

Efforts would be made to convey the viewpoint that it was time that medium- and long term perspectives be considered at the national level and that opportunities and possibilities be utilised more effectively. Certain important elements like technology, human resources development and substantive co-operation among developing countries could be effectively utilised to revive and accelerate the growth of industrialization. A strong plea would also be made to change the way of thinking which could then be related to development in human resources of technology, as enormous changes had taken place.

He concluded by stating that for the Fourth General Conference of UNIDO to be successful, all countries would have to participate more effectively and there the National Committees could be of great help. This was very important as at present the world found itself at crossroads, and without a decided involvement of the countries, the situation would become even worse than what the statistics indicated.

In response to the question of the Mauritanian delegate, he stated that Mauritania could concentrate in developing human resources and secondly that it could establish priorities to develop capacities for production according to its resources.

V. CLOSURE OF THE MEETING

The Head of the Governments and Intergovernmental Organizations Relations Section thanked the participants for having participated in this meeting which had generated several ideas. He was pleased to note that the National Committees were becoming more effective and that in Tunisia they were going to re-activate their Committee in the near future. In order to improve the flow of information, the UNDP Offices had been requested by the Secretariat to allocate space in their offices, a specified corner where UNIDO documentation could be displayed. He told them that the Secretariat would be sending them the documents list so that they could indicate their requirements, which the Secretariat could then send to them.

Regarding the structure of the Committees, he indicated that a National Committee per se could be more effective as then sufficient attention could be devoted to important matters. He recognized the fact that each National Committee would have a different work programme as each country had its own priorities. He made a plea to them that they remain in close touch with the Secretariat and all efforts would be made to assist in solving problems. He assured them that the UNIDO Secretariat was at their disposal.

Another important factor in making a National Committee effective was the degree of interest evinced by the Government in its activities.

The representatives of the National Committees were very appreciative of the thorough briefing they had received on UNIDO programmes and activities. They added that with this they would be able to inform their Government on the vast spectrum of UNIDO activities. They were also very pleased to have had the opportunity to discuss the status of on-going and pipeline projects in their countries carried out by UNIDO. Finally, the discussion on activities of the various National Committees generated new ideas which would also assist them in making their Committees more active. Another possible activity suggested by the Egyptian delegate was that all National Committees should prepare monthly implementation reports on on-going projects in their countries. This would permit the Government to keep an overview on UNIDO programme in the country and also assist the Secretariat in removing problems or bottlenecks thus preventing delays in implementation. The representative of the Uganda National Committee commented that if the Committees were properly supported and mandated they would be able to play a major role in enhancing UNIDO's effectiveness at the national level.

ANNEX I

List of Participants

Egypt:	Dr. Mahmoud Samy Darwish, Representative Egyptian National Committee for UNIDO
Honduras:	Lic. Salvador Melgar Ascencio, Chairman National Committee for UNIDO in Honduras
Malaysia	Ms. Nurfauziah, Representative National Committee for UNIDO in Malaysia
Mauritania:	Mr. Abdoul Thiam, Permanent Secretary National Committee for UNIDO in Mauritania
Poland:	Mr. Marek Kukulski, Executive Secretary Polish Committee for Co-operation with UNIDO
Tunisia:	Mr. Tahar Belhadj Slimane, Representative Tunisian National Committee for UNIDO
Uganda:	Mr. S.M. Sempebwa, Permanent Secretary Uganda National Committee for UNIDO

Representatives from the Permanent Missions participating in this meeting

Democratic Yemen
Greece
Indonesia
Iran
Thailand
Turkey
Venezuela

ANNEX II

List of Senior UNIDO Officials who addressed the Participants

Mr. G.S. Gouri, Director, Division of Industrial Studies and Chairman, Task Force for Preparation of UNIDO IV

Mr. E. Epremian, Special Technical Adviser, Special Assistant to the Executive Director (on Energy)

Mr. S.N. Ndam, Chief, Co-ordination Unit for the Industrial Development Decade for Africa

Mr. H. May, Deputy Director, Division of Industrial Operations, Head, Chemical Industries Branch

Mr. S. Manjundan, Deputy Director, Division of Industrial Operations, Head, Factory Establishment and Management Section

Mr. K. Ahaed, Head, Personnel Services

Mr. E.T. Balazs, Head, Metallurgical Industries Section

Mr. W. Behrens, Head, Feasibility Studies Branch

Mr. P. Cuevas-Cancino, Chief, Industrial Information Section

Mr. M. Islam, Deputy Director, Investment Co-operative Programme Branch

Mr. B. Kozissson, Head, Sectoral Studies Branch

Mr. G. Latortue, Head, Industrial Planning Section

Ms. I. Lorenzo, Head, Training Branch

Mr. M. Luqman, Head, Governments and Intergovernmental Organizations Relations Section

Mr. H. Pichler, Head, Financial Services

Mr. K. Sepic, Head, Agro-Industries Branch

Mr. N.N. Tandon, Head, Programme Development and Evaluation Branch

Mr. J. Gomez-Saez, Chief, Section for Economic Co-operation among Developing Countries

Mr. M.H.A. Handy, Officer-in-Charge, Institutional Infrastructure Branch

Mr. N. Ionescu, Chief, Least Developed Countries Branch

Mr. L. De Souza Leite, Senior Recruitment Officer, Project Personnel Recruitment Section

Mr. H.W. Pack, Senior Industrial Development Officer, Development and Transfer of Technology Branch

Mr. N. Ramm-Ericson, Senior Industrial Development Officer, Regional and Country Studies Branch

Mr. N.C. Richardson, Senior Industrial Development Officer, Negotiations Branch

Mr. H. Seidel, Senior Industrial Development Officer, Engineering Industries Section

Mr. H. Stelling, Procurement Officer, Purchase and Contract Service

Mr. S. Morozov, Contract Officer, Purchase and Contract Service

Ms. F. Bennani-Baiti, Industrial Development Officer, Programme Development and Evaluation Branch

Ms. G. Roces, Industrial Development Officer, Programme Development and Evaluation Branch

Mr. R. Ross, Industrial Development Officer, Factory Establishment and Management Section

Mr. W. Xie, Industrial Development Officer, Programme Development and Evaluation Branch

Mr. K. Billand, Associate Industrial Development Officer, Programme Development and Evaluation Branch

Mr. I. Djibo, Associate Industrial Development Officer, Programme Development and Evaluation Branch

Ms. M.A. Martin, Associate Industrial Development Officer, Least Developed Countries Section

