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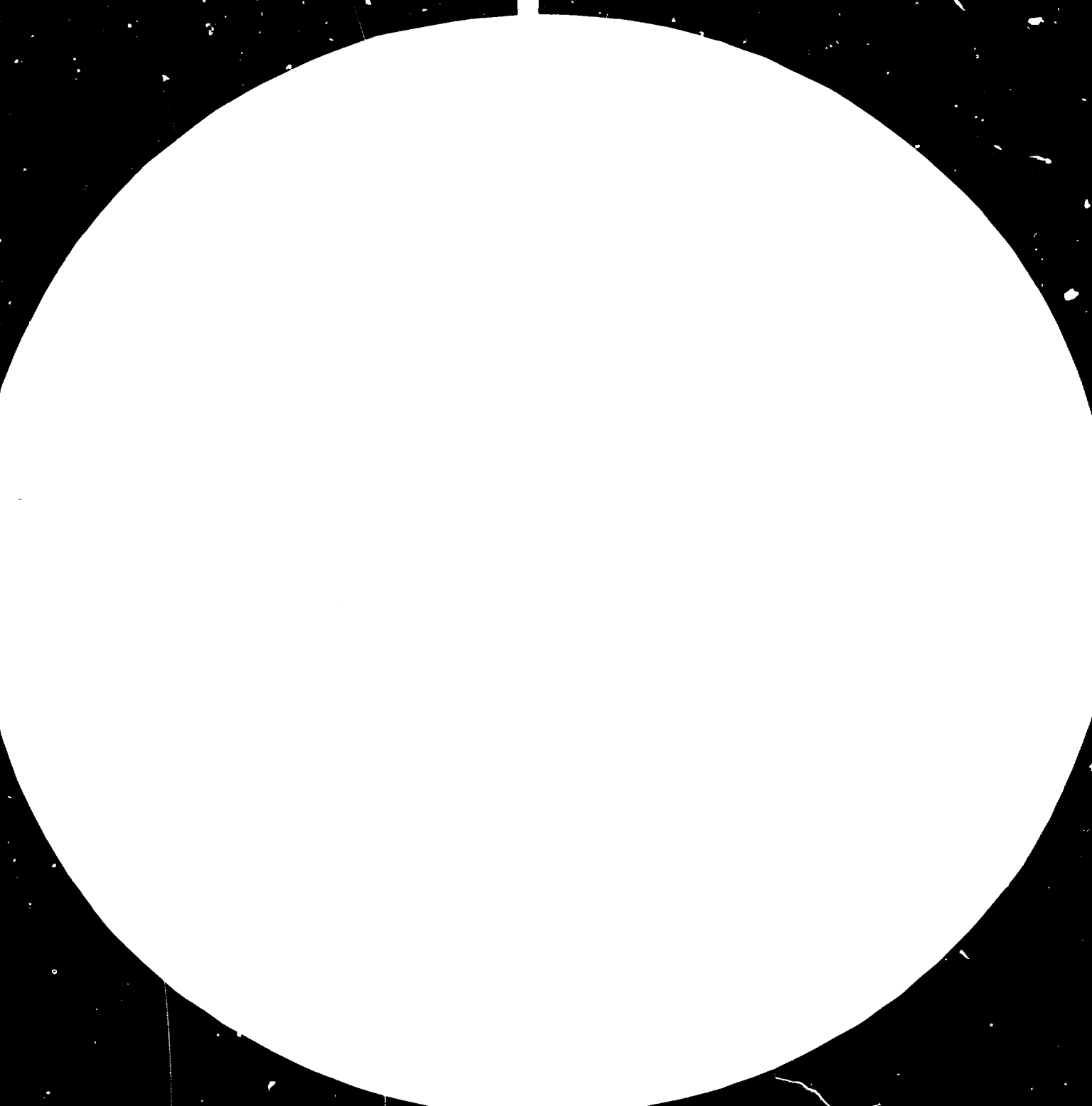
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THIRD GENERAL CONFERENCE OF UNIDO

New Delhi, India, 21 January – 9 February 1980

**REPORT
OF THE
THIRD GENERAL CONFERENCE
OF THE
UNITED NATIONS
INDUSTRIAL DEVELOPMENT
ORGANIZATION**



with
09572



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GENERAL

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14 May 1980

ENGLISH

United Nations Industrial Development Organization

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New Delhi, India, 21 January–8 February 1980

REPORT OF THE THIRD GENERAL CONFERENCE OF THE UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Corrigendum

Chapter VI, paragraph 349

For the existing text substitute

G. Special measures in favour of Zaire

349. UNIDO should take special measures, within its field of activity and in co-operation with the Organization of African Unity, the Economic Commission for Africa, the United Nations Conference on Trade and Development and other international organizations, to speed up the implementation of resolution 110 (V) on particular problems facing Zaire, adopted at the fifth session of UNCTAD and endorsed by the United Nations General Assembly at its thirty-fourth regular session in resolution 34/193.

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THIRD GENERAL CONFERENCE OF UNIDO

Background to the Conference

1. The Lima Declaration and Plan of Action on Industrial Development and Co-operation, adopted by the Second General Conference of UNIDO, in March 1975, recommended that the General Conference of UNIDO should be institutionalized, and be convened every four years. Also, the functions of the General Conference were outlined.^{1/}
2. The Lima Declaration and Plan of Action was endorsed by the General Assembly at its seventh special session in resolution 3362 (S-VII) of 16 September 1975.
3. In September 1976, the Industrial Development Board recommended to the Assembly that it decide in principle at its thirty-first regular session to convene the Third General Conference of UNIDO in 1979 on the basis of the mandate proposed in paragraph 70 of the Lima Declaration and Plan of Action, and that a final decision be taken by the Assembly at its thirty-second session, particularly in the light of the progress in the establishment of UNIDO as a specialized agency.^{2/}
4. The Assembly, in resolution 31/164 of 21 December 1976, decided in principle and in response to the Board's recommendation, to convene the Third General Conference in 1979. It requested the Board to act as an intergovernmental preparatory committee for the Conference, beginning with its eleventh session.
5. In June 1977, the Board, in its capacity as Intergovernmental Preparatory Committee for the Third General Conference of UNIDO, recommended to the Assembly that the Conference be held for a period of three weeks in September and October 1979 and that the venue of the Conference be New Delhi.^{3/}
6. Subsequently, the Assembly, in resolution 32/164 of 19 December 1977, decided on the date and venue of the Conference as proposed by the Board and accepted with appreciation the offer of the Government of India to act as host to the Conference.

^{1/} A/10012, chap. IV, para. 70.

^{2/} Official Records of the General Assembly, Thirty-first Session, Supplement No. 16 (A/31/16, Part Two, para. 20).

^{3/} Official Records of the General Assembly, Thirty-second Session, Supplement No. 16 (A/32/16, para. 139).

7. A year later, the Assembly, in resolution 33/77 of 15 December 1978, decided, inter alia, to convene the Conference in New Delhi from 21 January to 8 February 1980 and endorsed its provisional agenda, which had been submitted to the Assembly in draft by the twelfth session of the Board.^{4/}

8. In May and November 1979, the Board, at its thirteenth session and first special session respectively, finalized its work as the Intergovernmental Preparatory Committee. It had thus met four times in that capacity since 1976.

9. During its thirty-fourth session, the Assembly adopted a resolution entitled industrial development co-operation and Third General Conference of UNIDO (resolution 34/98 of 14 December 1979). In this resolution, the Assembly, inter alia, urged the Governments of all States to participate actively in the Conference, to review the implementation of the Lima Declaration and Plan of Action and to adopt appropriate policies and programmes for the development of a strategy for further industrialization as an indispensable element of the development process in the 1980s and beyond. It recommended that the Conference adopt concrete measures to provide a major substantive input in the field of industrialization for an international development strategy for the third United Nations development decade. Other recommendations to the Conference covered such fields as the restructuring of world industrial production; financing at substantially increased levels, for the industrial development of developing countries; the United Nations Industrial Development Fund; technological measures; processing of agricultural and mineral commodities; development of agro-based and agro-related industries; and development of manpower training.

Introduction

10. The Third General Conference of UNIDO was held at New Delhi, India, from 21 January to 9 February 1980. The Conference held 21 plenary meetings and adopted the present report at its 21st plenary meeting on 9 February 1980.

11. The present report is herewith submitted, through the Economic and Social Council, to the General Assembly.

Inaugural ceremony

12. The Inaugural Ceremony was presided over by the Secretary-General of the United Nations.

Summary of statement by the Secretary-General

13. The Secretary-General, Mr. Kurt Waldheim, considered it fitting that the first major international conference of the 1980s should be devoted to the industrialization of the Third World. For those countries to achieve economic independence, a new global strategy was required based on equity, sovereign equality, interdependence, common interests and co-operation among all States.

^{4/} Official Records of the General Assembly, Thirty-third Session, Supplement No. 16 (A/33/16, para. 104).

14. Notwithstanding the efforts of the United Nations to promote social and economic development, in 1977 the developing countries, which contained 70 per cent of the world's population, accounted for only 9 per cent of world manufacturing output and executed only 5 per cent of world research and development. The major cause for those disparities lay in market distortions, which was strengthened by the existing pattern of industrialization.

15. Sufficient resources and know-how existed, but there were constraints in the distribution and use of technologies. The developing countries desired to use non-renewable resources for the benefit of their countries but that was felt by some to entail a setback for the developed countries. On the contrary, that aspiration offered an opportunity to help sustain the growth of the industrially advanced countries while accommodating the needs of the Third World.

16. Collective self-reliance among Third World countries was necessary not only to secure a greater utilization of their resources but also to strengthen their position in the framework of global interdependence.

17. Progress towards the New International Economic Order must be the major objective of the Conference. It should consider strategies to improve co-operation between developing and developed countries, which called for a new international division of labour based on an equitable exchange of specialized industrial products; the strengthening of the technological capability of the developing countries; and an acceptance of their manufactures by the advanced countries.

Summary of statement by the President of the thirty-fourth session of the General Assembly

18. The President of the thirty-fourth session of the General Assembly, Mr. Salim Ahmed Salim, stated that the attainment of the Lima target on industrialization in the developing countries, recommended by the Lima Declaration and Plan of Action, should be considered within the context of three interlinked issues.

19. First, the inequitable distribution of industrial output and productive capacity between the developed and the developing countries that continued unabated. Secondly, the meagre industrial capacity of the low income countries - only 10 developing countries accounted for over 70 per cent of the growth in Third World manufactures since 1966. Thirdly, the inappropriate pattern of Third World industrialization, together with the question of appropriate technologies.

20. Appropriate industrialization could only be achieved by appropriate technologies, the products and production methods of which were consonant with the needs, incomes and local tastes of a people and suited to their skills. Such technologies were applicable not only to developing countries but also to industrialized countries to conserve energy and non-renewable resources, avoid rapid job displacement and avoid damage to the ecology.

21. Changes were required, in particular, in the levels of world finance and exchange. The task of the Conference therefore was to facilitate the restructuring of world relations aimed at the establishment of the New International Economic Order and to contribute to the preparation of the new international development strategy for the third United Nations development decade, which is expected to be adopted by the General Assembly at its special session on development to be held later in 1980.

22. The successful conclusion of the negotiations on the conversion of UNIDO into a specialized agency, and the adoption of a constitution, represented an important follow-up to the recommendations of the Second General Conference.

Summary of statement by the Prime Minister of India

23. The Prime Minister of India, Mrs. Indira Gandhi, welcomed the participants to Delhi, and extended her good wishes to the Conference.

24. She said that the industrialization of the developing world was an inevitable process and to keep it peaceful required the redeployment of industrial capacity from the developed to the developing countries. The developing countries must not waste national resources or try to adopt alien forms of industrial organization. The development and absorption of technology must be in tune with society which made productive sharing of technologies among developing countries particularly relevant. India felt it a duty and a privilege to share its considerable knowledge and experience.

25. Industrialization should, without disturbing the ecological balance, link all sectors of the economy, each sector having its own importance, and help to eradicate unemployment and rural poverty.

26. The 1 per cent increase in the share of world manufacturing activity by the developing countries since the Second General Conference of UNIDO was a sad reflection on international co-operation. A reaffirmation must be made by the world community to take pragmatic measures to attain the Lima target. New mechanisms would have to be created to facilitate increased financial and technological flows and developing countries must themselves produce industrial goods to meet the increasing demands of their peoples.

Summary of statement by the President of India

27. President Neelam Sanjiva Reddy of India extended a cordial welcome to the participants of the Conference.

28. The Lima Declaration and Plan of Action agreed upon at the Second General Conference of UNIDO had been a watershed in international economic development and particularly significant was the acceptance by the world community that the developing countries should have a just and fair share in international economic assets.

29. He said that Mahatma Gandhi had based his life and philosophy on the need for restoring human values in everyday life. If the pressures and weaknesses of the existing system were to be rectified, human dignity and moral virtues would have to be restored. Nowhere was that more necessary than in the process of industrialization which was attended by immense social and economic trauma. Such development should include a synthesis of the traditional and modern, of machine and cottage craft, of science and the needs of the common man.

30. The Conference would appropriately be reviewing the process of industrialization in the last decade and identifying suitable strategies for industrialization for the 1980s and beyond; it should seek co-operation not confrontation. The problems faced were universal and the solutions would be of universal benefit.

Summary of statement by the Executive Director of UNIDO

31. The Executive Director, Mr. Abd-El Rahman Khane, thanked the Government of India for hosting the Conference, and for the lavish hospitality and excellent facilities provided. He was grateful to the distinguished personages, the President and the Prime Minister of the Republic of India, the President of the General Assembly of the United Nations and the Secretary-General of the United Nations, who had addressed the Conference and thanked the participants for their attendance and co-operation.

32. Referring to the circumstances during which the Conference was convened, he expressed the hope that instead of discouragement and despair, the present critical juncture in world affairs would stimulate in all concerned a firm determination to search relentlessly for bold solutions to the problems facing the world community.

33. In his special report (ID/CONF.4/17), he had attempted to present a synthesis of the views of UNIDO concerning the issues before the Conference and to sum up on-going activities of the UNIDO Secretariat. He commented on a few crucial issues such as energy, which was critical for industrialization and should be given urgent attention; trade in manufactures for which a target had been proposed in the study Industry 2000 - New perspectives (ID/CONF.4/3); the need to increase international financial flows, for which recommendations had been made in Conference documentation; the participation in the process of accelerated industrialization of the least developed, land-locked, island and most seriously affected developing countries, for which the Conference should consider special measures; and the need for the development of scientific, technological and industrial skills in the developing countries.

34. He suggested that in view of the growing recognition on the part of the international community in this latter field, the developing countries might set themselves a target of allocating at least 1 per cent of their gross national product to research and development over the forthcoming development decade.

35. He hoped that the Conference would demonstrate the political will to deal constructively with the main issues referred to, on the basis of the practical proposals submitted by the Secretariat, and, at least, give the United Nations system a mandate to implement speedily the proposals that it adopted. Failure to achieve co-operation might force the developing countries to fall back on collective self-reliance and autarkic development that could lead to confrontation and endanger world peace.

Speeches and messages to the Conference

Speeches by Heads of State or Government

Bangladesh

36. President Zaiur Rahman of Bangladesh stated that the developing countries sought a new and just world order based on co-operation to benefit all. He believed in a global strategy and concerted effort to banish hunger and poverty. Science and technology had made advances in many fields and raised the living standards in some parts of the world, but over a billion people in the developing world continued to live in poverty. Although efforts had been made

to overcome that, they were hampered by a lack of adequate resources. The need for adequate transfer of resources from the developed to the developing countries was now widely recognized and accepted by the world community; however, global inflation and adverse terms of trade had seriously impeded the efforts made. He linked the difficulties of the developed countries to a life-style based on high and wasteful consumption.

37. The developing countries had both the will and capacity to overcome those problems and the world as a whole had the resources and technology to help them. Because of its command over technology and virtual control over industrial production, finance and marketing, the North must provide the steam for that global growth.

38. He expressed disappointment that the goals of the Lima Declaration and Plan of Action remained unfulfilled, and stated that new initiatives and policies must be formulated in terms of specific targets of development of industries in individual nations.

39. He discussed the situation in his own country, and said that for developing countries such as Bangladesh, industrialization should be explicitly agro-supportive in nature and cater to the needs and aspirations of the rural sector.

Austria

40. The Federal Chancellor of Austria, Mr. Bruno Kreisky, stated that co-operation between developing and industrialized countries was as important as peace and co-existence between differing social systems. To be successful, development co-operation must have a realistic economic basis. A grand strategy was needed to promote economic development in the developing countries and the prime requisite was the development of the infrastructure, which would reduce the costs of industrial production and give a considerable impetus to the economy.

41. The development of a modern infrastructure would require vast sums of money and a special co-operative mechanism might be put into effect to help raise funds through joint action by the industrialized and oil exporting countries. The existence of generally accepted and appropriate projects would increase willingness to finance them and developing countries should, therefore, be given generous technical assistance for the preparation of feasibility studies.

42. After the Second World War, the Marshall Plan played a decisive role in the rapid recovery of the European economy and, although current conditions were quite different, a similar plan was needed for developing countries where, for example, counterpart funds generated by payments in the national currency of the recipient country for goods and services supplied would accumulate and then be available to that country for other economic purposes. Willingness to adopt such a programme would be likely to usher in the first successful stage of the North-South dialogue.

43. Though many might regard such a proposal with scepticism, many ideas that had seemed unrealistic before had been realized, and Austria would continue to attempt to initiate a pilot project. If three or four fairly small European industrialized States and two or three oil-producing countries were to come together with a few developing countries in order to implement concrete development proposals, a contribution might be made to the solution of global problems.

Messages to the Conference

China

44. Premier Hua Guofeng of the State Council of China sent his congratulations on the convening of the Conference and expressed the hope that the Conference would make a positive contribution to the strengthening of international economic co-operation, the promotion of industrial development in the developing countries, and efforts for the establishment of the New International Economic Order.

Poland

45. President Henryk Jablonski of the State Council of Poland stated that his country regarded the necessary changes in the world economic order as a natural, long-term process which could be achieved by the joint endeavours of all groups of States. Efforts to that end should always be inspired by the higher cause of preserving peace and improving political and economic relations between nations.

Tunisia

46. President Habib Bourguiba of Tunisia was convinced that the work of the Conference would constitute an essential factor in the building of a more responsible and fraternal world.

Cuba

47. President Fidel Castro of Cuba expressed his conviction that the Conference would take decisions on industrialization to make it a central element of the international development strategy for the third United Nations development decade.

Chapter I

ATTENDANCE AND ORGANIZATION OF WORK

48. The Third General Conference of the United Nations Industrial Development Organization took place at New Delhi, India, from 21 January to 9 February 1980.

A. ATTENDANCE

49. Representatives of the following 133 States took part in the Conference:

Afghanistan	Guatemala
Algeria	Guinea
Angola	Guinea Bissau
Argentina	Guyana
Australia	Haiti
Austria	Holy See
Bahrain	Hungary
Bangladesh	India
Belgium	Indonesia
Benin	Iran
Bhutan	Iraq
Brazil	Ireland
Bulgaria	Israel
Burundi	Italy
Byelorussian Soviet Socialist Republic	Ivory Coast
Canada	Japan
Central African Republic	Jordan
Chad	Kenya
Chile	Kuwait
China	Lao People's Democratic Republic
Colombia	Lebanon
Comoros	Lesotho
Congo	Liberia
Cuba	Libyan Arab Jamahiriya
Cyprus	Liechtenstein
Czechoslovakia	Malawi
Democratic People's Republic of Korea	Malaysia
Democratic Yemen	Mali
Denmark	Malta
Ecuador	Mauritania
Egypt	Mauritius
Equatorial Guinea	Mexico
Ethiopia	Mongolia
Fiji	Morocco
Finland	Mozambique
France	Nepal
Gabon	Netherlands
Gambia	New Zealand
German Democratic Republic	Nicaragua
Germany, Federal Republic of	Niger
Ghana	Nigeria
Greece	Norway
	Oman
	Pakistan

Papua New Guinea	Switzerland
Peru	Syrian Arab Republic
Philippines	Thailand
Poland	Togo
Portugal	Trinidad and Tobago
Qatar	Tunisia
Republic of Korea	Turkey
Romania	Uganda
Rwanda	Ukrainian Soviet Socialist Republic
Samoa	Union of Soviet Socialist Republics
San Marino	United Arab Emirates
Sao Tome and Principe	United Kingdom of Great Britain and Northern Ireland
Saudi Arabia	United Republic of Cameroon
Senegal	United Republic of Tanzania
Seychelles	United States of America
Sierra Leone	Upper Volta
Singapore	Uruguay
Somalia	Venezuela
Spain	Viet Nam
Sri Lanka	Yemen
Sudan	Yugoslavia
Suriname	Zaire
Swaziland	Zambia
Sweden	

50. The United Nations Council for Namibia was also represented at the session.
51. Observers from the following four organizations and national liberation movements also attended the session:

Palestine Liberation Organization
South West Africa People's Organization
African National Congress (South Africa)
Pan-Africanist Congress of Azania

52. The Secretary-General of the United Nations attended the inaugural ceremony of the Conference. The United Nations Secretariat was represented as follows:

Office of the Director-General for Development and International Economic Co-operation
Department for International Economic and Social Affairs
United Nations Centre on Transnational Corporations
Economic Commission for Africa
Economic Commission for Latin America
Economic Commission for Western Asia
Economic and Social Commission for Asia and the Pacific
United Nations Commission on International Trade Law
United Nations Committee on Science and Technology for Development
United Nations Conference on Trade and Development
United Nations Environment Programme
United Nations Conference on Human Settlement (HABITAT)
International Trade Centre UNCTAD/GATT

53. The following four United Nations bodies were represented at the Conference:

United Nations Children's Fund
United Nations Development Programme
United Nations Institute for Training and Research
World Food Programme

54. The following seven specialized agencies were represented:

International Labour Organisation
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
World Health Organization
World Bank
International Monetary Fund
World Intellectual Property Organization

55. The Conference was also attended by representatives of the contracting parties of the General Agreement on Tariffs and Trade.

56. Observers from the following 25 intergovernmental organizations participated in the Conference:

- African Development Bank
- Arab Organization for Standardization and Metrology
- Asian Development Bank
- Asian Productivity Organization
- Central African Customs and Economic Union
- Central American Bank of Economic Integration
- Commonwealth Secretariat
- Council for Mutual Economic Assistance
- Economic Community of the Great Lake Countries
- Economic Community of West African States
- European Economic Community
- International Centre for Settlement of Investment Disputes
- International Organization for Legal Metrology
- European Investment Bank
- Gulf Organization for Industrial Consulting
- Industrial Development Centre for Arab States
- Inter-Arab Investment Guarantee Corporation
- International Centre for Public Enterprises
- Latin American Economic System
- Mano River Union
- Organization for Economic Co-operation and Development
- Organization of Africar Unity
- Organization of Arab Petroleum Exporting Countries
- Organization of Petroleum Exporting Countries
- Permanent Secretariat of the General Treaty of Central American Economic Integrations

57. Observers from the following 24 international non-governmental organizations also participated in the Conference:

- Afro-Asian People's Solidarity Organization
- Arab Iron and Steel Union
- Asian Environmental Society
- Baha'i International Community
- International Chamber of Commerce
- European Federation of National Engineering Associations
- International Confederation of Free Trade Unions
- International Co-operative Alliance
- International Christian Union of Business Executives
- International Council of Societies of Industrial Design
- International Federation of Pharmaceutical Manufacturers Associations
- International Organization of Consumer Unions
- International Organization of Employers
- International Organization for Standardization
- International Union of Architects
- International Union of Independent Laboratories
- Natural Resources Defence Council
- Society for International Development
- Union of International Fairs
- World Association of Industrial and Technological Research Organizations
- World Confederation of Labour
- World Council of Management
- World Federation of Trade Unions
- World Peace Council

B. OPENING OF THE FIRST PLENARY MEETING AND ELECTION OF THE PRESIDENT

58. The 1st plenary meeting was declared open by the Acting President, Mr. Rafael Pinto (Peru)^{5/} at 3 p.m. on 21 January 1980.

59. At that plenary meeting, the Conference elected by acclamation Mr. P.V. Narasimha Rao, Minister of External Affairs (India) as President of the Conference. Upon taking the Chair, the President made a statement in the course of which he thanked the delegations for the honour conferred on his country and upon himself in electing him as President. He further noted that only a few weeks previously the General Assembly had decided to launch a global round of negotiations at its forthcoming special session on development. What was now required was a bold new approach and a fresh determination to lay the foundations of enduring international economic co-operation. It was to be hoped that the results of the Third General Conference of UNIDO would represent a significant stride towards that goal.^{6/}

C. ADOPTION OF THE AGENDA

60. During the consideration, at the 1st plenary meeting, of the provisional agenda (ID/CONF.4/1), it was decided to add the words "most seriously affected" to item 5(b)(iv). The Conference accordingly proceeded to adopt the following agenda (ID/CONF.4/1/Rev.1 and Corr.1):

1. Opening of the Conference.
2. Organization of the Conference:
 - (a) Election of the President;
 - (b) Adoption of the agenda;
 - (c) Adoption of the rules of procedure;
 - (d) Election of officers other than the President;
 - (e) Organization of committees;
 - (f) Credentials of representatives to the Conference.
3. General debate (statements by heads of delegations).
4. Review and appraisal of the world industrial situation, with specific reference to the industrialization of the developing countries:
 - (a) Review of progress in the implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation;
 - (b) Review and appraisal of major policies, problems and obstacles affecting the implementation of the Lima Declaration and Plan of Action and steps taken and proposed to resolve them.
5. Strategy for further industrialization as an essential element of the development process in the 1980s and beyond:
 - (a) Adoption of appropriate industrialization policies and strategies aimed at achieving the Lima target;

^{5/} At the Second General Conference of UNIDO in 1975, the President of the Conference had come from Peru. For statement by the Acting President, see ID/CONF.4/SR.1, paras. 1-3.

^{6/} For statement by President, see ID/CONF.4/SR.1, paras. 11-16.

- (b) Recommendations for policies, procedures and frameworks to foster, develop and strengthen:
 - (i) Domestic industrial processing of natural resources;
 - (ii) Industrial skills;
 - (iii) International co-operation in the field of transfer and development of industrial technologies with a view to increasing the technological capabilities of the developing countries;
 - (iv) Improved mechanisms for industrial co-operation to promote the flow of integrated technical and financial assistance to developing countries, including regional co-operation and special measures for the least developed, land-locked, island, and most seriously affected countries;
 - (c) Industrial co-operation among developing countries: recommendations on policies, procedures and strategies;
 - (d) Redeployment of industries from developed to developing countries;
 - (e) System of consultations;
 - (f) Creation of appropriate industrial structures in developing countries, with a view to accelerating their economic growth and increasing their share in world industrial production in order fully to realize their economic potential within their national interests, in accordance with the Lima Declaration and Plan of Action and the resolutions of the seventh special session of the General Assembly;
 - (g) Role of foreign investment, including that channelled through transnational corporations, in promoting industrial growth in accordance with national objectives of economic and social development and regulations and other conditions applicable to such investment.
6. Institutional arrangements:
- (a) Review of the effectiveness of co-ordination and follow-up on matters concerning industrial production, international industrial co-operation and related issues covered by other organizations within the United Nations system;
 - (b) Review of the effectiveness of the institutional arrangements for the United Nations Industrial Development Organization, with reference to the long-range strategy for the Organization, to meet the challenge of industrialization in the 1980s and beyond.
7. Conclusions and recommendations.
8. Adoption of the report of the Conference.
9. Closure of the Conference.

D. ADOPTION OF THE RULES OF PROCEDURE

61. Following the recommendations of the Intergovernmental Preparatory Committee^{7/} and the proposals submitted by the UNIDO Secretariat,^{8/} the Conference, at its 1st plenary meeting, decided that it would adopt, as its rules of procedure, the rules of procedure of the Industrial Development Board, with the exception of rule 17, paragraph 2 (Credentials Committee), rule 18 (Election of officers, composition of the Bureau) and rule 19, paragraph 1 (Rotation

^{7/} Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 16 (A/34/16, para. 118(c) and (e)).

^{8/} ID/CONF.4/L.1 and Corr. 1.

of officers). For procedural questions that were not regulated by the rules of procedure of the Industrial Development Board, the Conference decided that the rules of procedure of the General Assembly should apply to the proceedings of the plenary and its committees, unless those organs decided otherwise.

E. ORGANIZATION OF COMMITTEES

62. On the recommendation of the Intergovernmental Preparatory Committee,^{9/} the Conference, at its 2nd plenary meeting, on 22 January 1980, decided to set up two main committees and a drafting committee. At the same meeting, the Conference allocated the items of its agenda as follows:

		<u>Agenda items</u>
Plenary	-	1, 2, 3, 8 and 9;
Committee I	-	4, 4(a) and (b), 5, 5(a), (b)(iv), (f) and (g);
Committee II	-	5, 5(b)(i), (ii) and (iii), 5(c), (d) and (e), 6, 6(a) and (b).

The Conference also decided that item 7 should remain on the agenda, but should not be allocated to any body or committee until after informal consultations had been held.

F. ELECTION OF OFFICERS OTHER THAN THE PRESIDENT

63. At the 1st plenary meeting, on 21 January 1980, the Conference proceeded to elect its officers other than the President, pursuant to the recommendations submitted to it by the Intergovernmental Preparatory Committee.^{10/}

64. The Conference elected unanimously nine Vice-Presidents from the following States: Australia, Germany, Federal Republic of, Indonesia, Mexico, Pakistan, Peru, Tunisia, Union of Soviet Socialist Republics and United States of America.

65. It unanimously elected Mr. Zdzislaw Fiejka (Poland) as Rapporteur-General. At the same meeting, the Rapporteur-General made a statement in which, inter alia, he thanked the delegations for the honour bestowed on his country and himself in electing him Rapporteur-General of the Conference.^{11/}

66. The Conference then unanimously elected the following officers of Committees:

Committee I

Chairman:	Mr. N. Kamanda (Zaire)
Rapporteur:	Mr. J. Manz (Switzerland)

^{9/} Official Records of the General Assembly, Thirty-fourth session, Supplement No. 16 (A/34/16, para. 118(a) and (b)); ID/B/3.1/5, para. 28(a).

^{10/} ID/B/3.1/5, para. 28(b).

^{11/} For statement by Rapporteur-General, see ID/CONF.4/SR.1-21/Corr.1.

Committee II

Chairman: Mr. C.U. Haxthausen (Denmark)
Rapporteur: Mr. Y.M. Al-Khanati (Iraq)

Drafting Committee

Chairman: Mr. H. Montealegre (Nicaragua)
Deputy Chairman: Mr. G. Thomas (German Democratic Republic)

67. The above-listed 16 officers, together with the previously elected President, constituted the Bureau of the Conference.

G. CREDENTIALS OF REPRESENTATIVES TO THE CONFERENCE

Establishment of Credentials Committee

68. At its 2nd plenary meeting, on 22 January 1980, the Conference, pursuant to the recommendations of the Intergovernmental Preparatory Committee,^{12/} decided to establish a Credentials Committee with the same composition as that of the General Assembly at its thirty-fourth session. The Conference thus appointed the following nine States to the Credentials Committee: Belgium, China, Congo, Ecuador, Pakistan, Panama, Senegal, Union of Soviet Socialist Republics and United States of America.

69. At its 13th plenary meeting, on 29 January, the Conference appointed Chile to take the place of Panama, which was not participating in the Conference.

Action by the Conference

70. At its 20th plenary meeting, on 8 February 1980, the Conference considered the report of the Credentials Committee (ID/CONF.4/19) which was introduced by its Chairman.^{13/} An amendment to the report was introduced by the Secretary of the Committee.^{14/}

71. At the same meeting, the Conference adopted the report, as amended, and approved the recommendations contained therein.

Report of the Credentials Committee

72. The Credentials Committee held its 1st meeting on 29 January 1980, to elect its Chairman.

73. Miss E. Dever (Belgium) was unanimously elected Chairman.

74. At the 1st meeting, the Secretary of the Committee gave an informative report on the status of credentials submitted as of 29 January 1980.

75. At its 2nd meeting, on 6 February 1980, the Committee had before it a status report on credentials, prepared by the Secretary of the Committee, as of the date of the meeting, according to which:

^{12/} Official Records of the General Assembly, Thirty-fourth session, Supplement No. 16 (A/34/16, para. 118(b) and (c)); ID/B/S.1/5, para. 28(c).

^{13/} For statement of Chairman of the Credentials Committee, see ID/CONF.4/SR.20, paras. 1-2.

^{14/} Cf. ID/CONF.4/SR.20, para. 3.

- (a) Credentials issued by Heads of State or Government, or by Ministers for Foreign Affairs, had been submitted by the representatives of the following 115 States: Afghanistan, Algeria, Angola, Argentina, Australia, Austria, Bangladesh, Belgium, Benin, Bhutan, Bulgaria, Burundi, Byelorussian Soviet Socialist Republic, Canada, Central African Republic, Chad, Chile, China, Congo, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Democratic Yemen, Denmark, Ecuador, Egypt, Equatorial Guinea, Ethiopia, Fiji, Finland, France, Gabon, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Guatemala, Guinea, Guinea Bissau, Holy See, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Japan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Liberia, Libyan Arab Jamahiriya, Liechtenstein, Malaysia, Mali, Malta, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Sierra Leone, Singapore, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Switzerland, Thailand, Togo, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, United States of America, Upper Volta, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaïre and Zambia.
- (b) The appointment of the representatives of the following 13 States had been communicated by cable from the respective Ministers for Foreign Affairs or other competent Ministers: Bahrain, Brazil, Colombia, Comoros, Gambia, Guyana, Haiti, Lesotho, Malawi, Samoa, San Marino, Seychelles, Trinidad and Tobago.
- (c) The appointment of the representatives of the following 4 States had been communicated by letters, notes verbales or cables from the Permanent Representatives or embassies concerned: Cuba, Jordan, Somalia, Syrian Arab Republic.
- (d) No communication had yet been received from the following State participating in the Conference: Papua New Guinea.

76. The representative of Pakistan reiterated the reservations regarding the acceptance of the credentials of the Afghan delegation made by his country's delegation during the debate on credentials at the sixth emergency special session of the General Assembly. The representative of the United States of America said that his delegation associated itself with the statement of the representative of Pakistan.

77. The representative of China said that his Government maintained the position it had adopted at the sixth emergency special session of the General Assembly with regard to the credentials of the Afghan delegation.

78. The representative of the Union of Soviet Socialist Republics said that the credentials of the delegation of Afghanistan had been submitted in full accordance with the Constitution and laws of that country and in full compliance with the rules governing the submission of credentials; it regretted that the issue had been raised in the Committee.

79. With regard to the credentials of the other States, enumerated in sub-paragraph 75(a) of the present report, the representative of the Union of Soviet Socialist Republics confirmed the position of his Government, which it had adopted in analogous circumstances in other United Nations organs, particularly the United Nations General Assembly.

80. The Chairman proposed that the Committee report to the Conference that the credentials of the representatives mentioned in sub-paragraph 75(a) above were in order, and that, as an exceptional measure, the communications of those States listed in sub-paragraphs 75(b) and (c) should be accepted in lieu of formal credentials pending receipt of such formal credentials by the Executive Director of UNIDO, as well as that the representative of the State indicated in sub-paragraph 75(d) should also be permitted to continue to participate in the Conference.

pending the receipt of formal credentials by the Executive Director. Consequently, the Chairman proposed that the Committee decide to recommend to the Conference that all delegations present at the Conference should be seated.

81. It was so agreed.

82. At the request of the Chairman, the Secretary of the Committee gave a brief report on the status of the United Nations Council for Namibia. He recalled that the Third General Conference of UNIDO had been convened in accordance with General Assembly resolution 33/77 of 15 December 1978, in operative paragraph 3(d) of which the Secretary-General had been requested to invite the Council to participate in the Conference, in accordance with paragraph 3 of General Assembly resolution 32/9E of 4 November 1977. In the latter resolution, the Assembly had requested all United Nations organizations and conferences to grant full membership to the Council in its capacity as the legal administering authority for Namibia.

83. The Secretary reported further that, on 31 May 1979, the Council had been invited to participate in the Conference and had accepted the invitation in a telegram to the Executive Director dated 9 January 1980.

84. At the 13th plenary meeting of the Conference on 29 January 1980, the representative of the Council had requested the Conference to grant it full rights of participation in the Conference, similar to those of participating States. The Bureau of the Conference had decided to refer the request to the Credentials Committee for consideration.

85. The Secretary also reported that the request of the Council for full rights of participation in the Conference accorded with the relevant provisions of the above-cited General Assembly resolutions whereby the Conference would be authorized to grant the Council's request for full rights of participation in the work of the Conference. Those conclusions, the Secretary stated, had been confirmed by the United Nations Office of Legal Affairs.

86. The representative of the United States of America, speaking on behalf of his own country and also on behalf of Canada, France, Germany, Federal Republic of, and the United Kingdom, said that those delegations were opposed to the seating of the Council as a full member of the Conference on the grounds that the Council was not a nation State. If the matter had come to a vote at the Conference, he stated, those delegations would have abstained.

87. The representative of the Union of Soviet Socialist Republics said that the Council was participating in the work of the Conference, at the invitation of the Secretary-General, as the legal administering authority for Namibia. The position of the Council's representative, he said, was that it should have full membership status in accordance with General Assembly resolutions 32/9E of 4 November 1977, 33/77 of 15 December 1978 and 34/92 of 12 December 1979. The Council, he stated, had already so participated in the general conferences of the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). He further stated that the work of the Council's delegation at the Third General Conference of UNIDO had been fruitful and that his delegation supported its request for full membership.

88. The representative of Chile said that if there had been a vote on the Council's request for full membership, his delegation would have voted in favour.
89. The representatives of China and Congo also supported the Council's request for full membership.
90. At the proposal of the Chairman, the Committee agreed to recommend to the Conference that it grant full rights of participation in the Conference to the United Nations Council for Namibia.
91. At the 3rd meeting, on 7 February 1980, the Chairman proposed that the Committee approve its report. The Chairman further proposed that, in accordance with accepted practice, any changes in the information related to the credentials of participants as reflected in the report would be reported to the Conference directly by the Secretary of the Committee after consultations with the Chairman.
92. The Committee agreed to the above proposals of the Chairman.

Chapter II

SUMMARY OF THE GENERAL DEBATE

A. INTRODUCTION

93. The Conference began consideration of agenda item 3 (General debate) at its 2nd plenary meeting, on 22 January 1980. A total of 18 meetings were devoted to the debate during which 146 interventions were made. 105 speakers represented sovereign States participating in the Conference and 41 spoke as observers. The Conference concluded its consideration of agenda item 3 at its 19th plenary meeting, on 1 February 1980.

94. The General Debate is covered in some 250 pages of the Summary Records of the Conference;^{15/} it would therefore be inappropriate to reflect the interventions in detail in the present Report. A number of the themes covered by one or more speakers are set out in paragraphs 98 to 128 below. Those paragraphs should not, of course, be taken as reflecting the views of the Conference as a whole.

95. Immediately preceding the opening of the General Debate, the President gave the floor to the representative of Cuba in his capacity as Chairman of the Ministerial Meeting of the Group of 77 - held at Havana, 17-22 December 1979, preparatory to the Third General Conference of UNIDO - who drew attention to a declaration adopted at that Meeting.^{16/} In the course of the General Debate, a joint statement entitled "Strategy for the industrialization of the developing countries, international industrial co-operation and principal orientations for UNIDO's activities in the 1980s",^{17/} was introduced on behalf of a group of socialist countries.

General observations

96. All participants expressed their deepest thanks to the Government and people of India for hosting the Conference and for their warm welcome and gracious hospitality. They were grateful for the excellent facilities that had been provided. Congratulations were offered to Mr. Narasimha Rao, the Foreign Minister of India, on his election to the presidency of the Conference. Under his wise and able guidance, the delegates felt sure of success in their responsible tasks. The Secretariat of UNIDO was complimented on its preparations for the Conference, and on its intellectual input, as reflected in the wealth of documentation before the Conference.

^{15/} Cf. ID/CONF.4/SR.2-19.

^{16/} For statement of Chairman of the Ministerial Meeting of the Group of 77, see ID/CONF.4/SR.1, paras. 36-43.

^{17/} ID/CONF.4/CRP.14.

Commemoration of the thirty-second anniversary of Mahatma Gandhi's death

97. At its 14th plenary meeting, on 30 January 1980, the Conference observed two minutes of silence in tribute to the memory of Mahatma Gandhi.

B. THE CONFERENCE IN THE CONTEXT OF THE ECONOMIC AND SOCIAL CONDITIONS OBTAINING IN THE WORLD AT THE OUTSET OF THE 1980s

98. The Conference was meeting at a time of serious economic crisis characterized by a persistent and corrosive inflation, instability in the international monetary system, high and continually rising unemployment, the waste and increasing cost of energy and the squandering of enormous resources on armaments.

99. The situation with respect to the developing countries was particularly acute. The opinion was expressed that the two United Nations development decades had failed in their objectives. The target set by the Second General Conference of UNIDO at Lima in 1975 - a 25 per cent share for the developing countries in total world manufacturing output by the end of the present century - was far from attainment. Unless present rates of growth were increased, the share might not exceed 13 per cent by the year 2000; the good intentions and objectives of the Lima Declaration and Plan of Action were far from realization. In spite of the many forums convened to find solutions, it was stated, "the rich became richer and the poor poorer"; more than one quarter of the world's population was growing steadily poorer.

100. True, certain developing countries had made substantial advancement in the last decade. Their real economic growth rates had outpaced those of the developed countries by nearly 60 per cent on average since 1973. The volume of developing countries' trade had increased at an average rate of 7.5 per cent over the past five years, compared with a 4.5 per cent rate for the developed countries. Those figures, however, masked great differences among individual developing countries. The more industrialized among them greatly surpassed the general trend, whereas in the least developed countries the real economic growth rate during the last decade had averaged just 1 per cent annually. Eight hundred million people, or about 40 per cent of the population of the developing countries continued to live in absolute poverty; roughly a billion people lacked at least one of the basic necessities of food, water, shelter, education or health care.

101. The critical situation in the developing world was ascribed to a number of factors which included inappropriate industrial development policies, market protectionism in many developed countries, the activities of the transnational corporations, the lack of political will for greater co-operation, shortage of investment capital, the inadequacy of official development assistance, tremendous waste of resources on armaments, the continued existence of the old system of international economic relations and the lingering consequences of the weak economic structure erected in the developing countries under the colonial system. While for many this latter aspect was a matter of history, for many others it continued to be a factor adversely influencing their economic development and social situation.

102. One view was expressed that the present economic crisis with its world-wide repercussions was due to the perpetuation of the old economic system and the inflation exported from the North; in another view, it was caused by rapidly increasing energy prices. It was pointed out, however, that whereas the developed countries might weather the crisis, the developing countries were much less able to withstand the impact of inflation. The gap between developed and developing countries was widening at a particularly rapid rate on the African continent where most of the least developed countries were situated. Moreover, it was stated, no substantial change in the world economic panorama could be expected in the early 1980s.

C. TOWARDS AN INDUSTRIAL STRATEGY FOR THE THIRD DEVELOPMENT DECADE

103. The opinion was also voiced, however, that while the Third General Conference of UNIDO was meeting at an anxious moment in human affairs, characterized by economic uncertainty and social unrest in many parts of the world, it was at precisely those moments that such conferences could be of greatest value. The Third General Conference provided an unparalleled opportunity to reassess and harmonize national and global attitudes and policies in the field of industrialization.

104. One encouraging sign for the 1980s was the growing recognition of the urgent need for structural economic changes. The view was expressed that global interdependence now required the co-ordinated efforts of developing and developed countries to lift the world economy from the present morass. Negotiations taking place indicated that co-operation rather than confrontation was the accepted norm of the international community in its attempts to establish a New International Economic Order. The view was expressed that the North-South dialogue was at an impasse but that further progress could be achieved if the spirit of co-operation prevailed. In relation to interdependence and common interest, emphasis was placed on the need for equal relationships. The view was postulated that what was needed was dynamic structural change within an open and flexible system conducted in a purposeful manner in a global context. It was maintained that the necessary changes would place a heavy responsibility on Governments. Economic co-operation among the developing countries represented a new dimension of international co-operation for development and demonstrated the developing countries' desire to achieve national and collective autonomy. It was also pointed out that the countries of the Council for Mutual Economic Assistance had managed to maintain economic growth throughout the 1970s and had further evened out their levels of economic development.

Reaffirmation of the need for accelerated industrialization

105. The need to accelerate the industrialization of the developing countries was repeatedly stressed. Such development was required in order to consolidate national independence, enhance economic and technical capability, provide for social progress and offer greater opportunities for international co-operation. Different approaches were suggested, however, in respect to the international action needed to achieve that goal.

106. In one view, endogenous industrialization should be promoted in the developing countries. It would entail, foremost, the development of small- and medium-scale industry and improvement in the distribution of the benefits of industrial growth to the population. Within that

concept, rural industrialization and the development of agriculture were emphasized. Other targets should include the supply of food, clothing, medical services, education and shelter. Parallel to that would be the development on the national level, of infrastructure and human resources, including management and entrepreneurship. In addition, economic co-operation among developing countries would be vital. The developing countries' own efforts, however, must be supplemented by multilateral and bilateral assistance.

107. In another view, a more comprehensive and progressive global industrialization programme for the developing countries was needed: a permanent restructuring of world industry, including redeployment in favour of developing countries, was called for. Structural change in all countries was important to the acquisition of new capacities by the developing countries. However, it was pointed out, the developing countries did not seek to change the industrial structure at the expense of the industrialized countries. The required change should occur in an orderly manner, based on a global strategy. If that were to be achieved, structural adjustments in the industrialized countries must be promoted, but in addition, the developing countries themselves should create the conditions conducive to restructuring.

International security and industrialization

108. It was acknowledged that bringing about the requisite changes in world industry would take time and concerted action on the part of all concerned. It was also noted that other prerequisites would have to be met. In this respect, the relationship between peace, international security, détente and disarmament on the one hand and industrial development on the other was stressed. It was asserted that the two subjects were inseparably linked. The world was currently spending more on armaments in a year than the developing countries would require during the next decade. Unfortunately, an increasing number of developing countries were being dragged into the arms race, and the diversion of resources for non-productive purposes was becoming an increasingly powerful brake on their economic and industrial progress. It was pointed out that the developing countries needed a peaceful international environment for the smooth development of their national economies. The Conference was being held at a time when the international climate had become tense and peace and security were under threat. Hence the emphasis on efforts to maintain peace by all countries.

Approaches to structural change and international industrial co-operation

109. The restructuring of world industry, it was acknowledged, must be carried out on a democratic basis. Further, the interests of the transnational corporations and their subsidiaries operating in the developing countries did not always coincide with the national interests of the developing countries, and that should be borne in mind.

110. Successful restructuring, it was opined, called for long-term strategies and programmes at both national and international levels. The view was also expressed, however, that the detailed planning of structural change on a global scale would be impossible to implement; any redeployment should be the work of market forces rather than of Governments and international organizations. Nevertheless, it was noted, even in market economy countries, Governments could influence industrial development, as witness the textile, shipbuilding, and other industrial sectors.

111. While high inflation, low economic growth rates and protectionist measures were seen by some to be inescapably linked, the view was postulated that to achieve a new international division of labour, parallel approaches were needed to combat inflation, industrial adjustment and the transfer of technology and finance. The claim that delay in redeployment in favour of developing countries was due to lack of infrastructure, suitable projects and skilled manpower in those countries, was unacceptable to the developing countries.

112. A number of approaches to international industrial co-operation were postulated. These related to trade, access to technology, new forms of production co-operation, finance and training.

113. Import substitution alone, it was stated, was no successful strategy. Export orientation was seen to be an essential element of industrialization strategy. It was emphasized, however, that the markets of the developed market economy countries could not be expected to absorb future surpluses of manufactured goods originating in the developing countries, and although there were considerable possibilities for trade with the socialist countries, great opportunities lay in trade among the developing countries themselves, with their vastly differing endowments. There was, for example, significant potential for joint investment ventures between capital-exporting and other developing countries. Such potential, however, it was suggested, would not be realized by the spontaneous operation of market forces; it would have to be consciously pursued. It was also pointed out that long-term intergovernmental agreements were an important instrument in assisting developing countries to set up viable multi-sectoral economies.

Co-operation in productive capacity creation

114. The subject of direct foreign investment was widely debated. Developing countries spoke of the serious problems caused by transnational corporations, the activities of some of which threatened their economic independence, increased their technological dependence and were incompatible with the objectives of their social and economic development.

115. The position was also taken that while the developed market economy countries fully recognized the right of the developing countries to determine the basic conditions on which foreign enterprises might operate, an appropriate climate should be established for co-operation with such foreign enterprises which would benefit all parties concerned. In that context, it was also stated that co-operation could be furthered through the establishment of internationally agreed guidelines for direct foreign private investment and transfer of technology. It was also pointed out that those principles should not infringe upon the inalienable rights of States to sovereignty over their natural resources and economic activities.

116. The view was also expressed, however, that joint ventures with partners from developing countries should be based on mutually advantageous investment and procurement agreements concluded within the framework of intergovernmental co-operation.

Energy utilization and industrialization

117. The critical importance of adequate energy supplies for successful industrialization was stressed and the following views were highlighted:

- The need to conserve energy and avoid its wasteful use;

- The need to intensify research for, and increase investment in new, renewable and conventional sources of energy; and
- The need to adopt a non-discriminatory approach to the peaceful exploitation and use of nuclear energy.

Co-operation in development financing

118. Numerous interventions made in respect to development financing ranged from a call for the transfer of resources on a massive scale to specific proposals for the financing of infra-structural development and project preparation. The need to mobilize additional international financial resources to support the industrialization efforts of the developing countries was also underscored. These matters were pursued in greater detail in the main committees of the Conference and are reflected in the reports of those committees.

Co-operation in human resources development

119. The central role played by human resources in development was stressed. When skills were not developed, many investments remained underutilized. Capital investment projects must therefore be accompanied by larger technical assistance inputs to improve local skills and administrative structures. Willingness to co-operate in human resources development was widely voiced at the Conference, through the provision of technical and financial aid, or a combination of the two. Regional co-operation in the utilization of labour resources, it was stated, would be of benefit to all concerned.

120. Effective action was urged to offset the brain-drain from developing to developed countries.

Co-operation among developing countries

121. The concept of economic co-operation among developing countries was widely supported. Among the areas identified for such co-operation were trade, investment, technology transfer, access to labour markets, research and training. Particular stress was laid on regional co-operation schemes. The formation of the Andean and ASEAN groups of countries was cited as an example of successful regional strategy. The creation of regional co-operation centres along the lines of those functioning in the more industrialized countries, both market economy and socialist, was postulated.

International co-operation to benefit the least developed countries

122. It was widely held that particular attention should be devoted to the least developed, land-locked and island developing countries, as well as to the most seriously affected countries. Those countries, some of which had not shared at all in the increased industrial growth of the developing countries as a group, needed the co-operation of the whole international community.

123. Science and technology, which had become powerful forces for social change, had particularly important roles to play in speeding up social and economic development in the industrially least developed countries. Any international industrialization strategy should therefore make provision for proficiency in science and technology, the development of indigenous scientific and technological potential, a modern educational system, and the training of specialists.

D. GENERAL RECOMMENDATIONS FOR INDUSTRIALIZATION POLICIES

124. The following paragraphs present general views on industrialization policies. These matters, including technology transfer, were pursued in greater detail in the main committees of the Conference and are reflected in the reports of those committees.

Sovereign rights of developing countries

125. It was stressed that only an approach that took into account political, social, cultural and economic aspects could lead to the adoption of a beneficial strategy for industrialization. The choice of strategy was the sovereign right of the developing countries. Occupation forces, it was noted, prevented the setting up of national industries. In the same context, it was observed, occupation forces could deprive a country of its non-renewable natural resources.

Choice of policies

126. There were no rigid models for industrialization, it was observed, but numerous alternatives existed. The choice of the system - planned economy or not - lay with the individual country. Public or private sectors could be developed, or a mixed economy pursued. The view was expressed that public enterprises, operated in a business-like manner, discharged multi-dimensional objectives of a social character. It was postulated that the primary responsibility for developmental initiative remained with the Government and that industrial development should be based on planning and long-term strategies.

Need to focus on human resource development and industrial skills

127. Training was seen to be essential to the industrial development of developing countries. It provided the most effective vehicle for technology transfer and the creation of endogenous technological capability. Centres were needed for training cadres to operate factories; as was on-the-spot industrial training in developing countries. In order to upgrade manpower skills, vocational training and educational programmes should be adapted to the real needs of the developing countries. In many countries there was a discrepancy between the qualifications produced by the educational systems and actual requirements. Consideration must therefore be given to the need for a close link between training and the industrial skills needed. Training in the establishment and operation of industrial co-operatives was also stressed.

128. In keeping the social impacts of industrialization in mind, special attention should be given to the integration of women in the industrialization process.

Chapter III

REPORTS OF COMMITTEES I AND II AND THE WORK OF THE DRAFTING COMMITTEE: ACTION BY THE CONFERENCE

A. COMMITTEE I

Action by the Conference

129. At its 21st plenary meeting, on 9 February 1980, the Conference considered the report of Committee I (ID/CONF.4/20), which was introduced by the Chairman of that Committee.^{18/}

130. At the same plenary meeting, the Conference adopted the report of Committee I.

Report of Committee I

131. The Conference, following the proposal made by the Industrial Development Board in its capacity as Intergovernmental Preparatory Committee, decided that Committee I should deal with Conference agenda items 4, 4(a) and (b), 5, 5(a), 5(b)(iv), 5(f) and 5(g).

132. The Committee held 12 meetings during the period 23 January - 7 February 1980: following a meeting on the organization of work, eight meetings were devoted to consideration of agenda items 4(a), 4(b), 5(a), 5(b)(iv), 5(f) and 5(g). In addition to adopting the final report of the Committee, three other meetings were devoted to the review of certain chapters and paragraphs of the draft New Delhi Declaration and Plan of Action which had been allotted to the Committee for its consideration and subsequently discussed in an informal working group. The Committee's findings were transmitted to the Drafting Committee.

133. The Chairman, Mr. Ngongo Kamanda (Zaire), and the Rapporteur, Mr. J. Manz (Switzerland), were elected by the plenary of the Conference. The three Vice-Chairmen, Mr. M. Sultan (Bangladesh), Mr. M. P. U. Obaro (Nigeria) and Mr. V. Novotny (Czechoslovakia), were elected by the Committee itself.

134. According to the decision of the Bureau of the Conference, the general debate of the agenda items allotted to Committee I was followed by discussions in an informal working group. The present report does not refer to those discussions, but focuses on the main aspects of the general deliberations of the Committee.

135. Documents relating to agenda items 4(a) and (b), 5(a), 5(b)(iv), 5(f) and 5(g) were referred to in the Annotated Provisional Agenda of the Conference, ID/CONF.4/1/Add.1, in addition to which a number of conference room papers were made available (ID/CONF.4/CRP.6, ID/CONF.4/CRP.8-11, ID/CONF.4/CRP.14-16 and 16/Add.1).

^{18/} For statement of Chairman of Committee I, see ID/CONF.4/SR.21, para. 80.

Item 4

Review and appraisal of the world industrial situation,
with specific reference to industrialization of the
developing countries:

(a) Review of progress in the implementation of
the Lima Declaration and Plan of Action on
Industrial Development and Co-operation

136. Many delegations felt that progress towards attaining the Lima target was slow and disappointing. Although in the years that had elapsed since the Second General Conference of UNIDO the developing countries as a whole had achieved a higher average rate of growth than the developed countries, their share in total world industrial production was still exceedingly low, and the benefits of industrial development and concomitant growth had only accrued to a limited number of developing countries, such as those at advanced stages of development or abundantly endowed with natural resources. Some delegations stressed that even the relatively high economic growth rates achieved by a number of developing countries had led neither to a noticeable reduction in the unequal distribution of national income in those countries, nor to a rise in the standard of living of the majority of the population, nor to a strengthening of the economic independence of the developing countries. One delegation, expressing the view of a group of countries, observed that the industrialization process in the developing countries could be much more successful and extensive, were the vast resources currently used for military purposes diverted to peaceful and constructive ends.

137. Particular attention was drawn by many delegations to the worsening economic condition of the least developed countries, the growth rate of which had actually declined in the period under debate, and the need for special remedial measures was emphasized.

138. Many delegations pointed out that many developing countries were particularly hampered by their increasing debt and debt servicing burdens, while the more recent protectionist measures of certain developed countries were found by many delegations to exert a marked negative effect upon the growth prospects of the developing countries. One delegation, speaking on behalf of a group of countries, urged that the developed countries should show political goodwill and greater understanding for the problems confronting the developing countries. That delegation emphasized the need on the part of the developed countries to cancel the debts of the least developed countries and those of the most seriously affected countries. That delegation also spoke in favour of setting up a monetary, financing and trading system aligned to the new economic order, as current inflation incurred particular consequences for the developing countries, whose export earnings were continually dropping and reserves persistently dwindling.

139. Many delegations remarked upon the problems arising from the inadequacy of the flow of investment capital to the developing countries which were compounded by such constraints as sharply escalating costs of energy and difficulties in acquiring technology for higher level processing. In connexion with the significant impact of energy on the economic performance of developing countries, one delegation felt that it would promote understanding of problems facing developing countries, if an assessment were made of the impact of rapidly rising oil prices on the costs of imports, international debt, inflation, unemployment, trade, and comparative advantage of developing countries.

140. Several delegations observed that the economies of some developing countries were too closely linked to those of the market-economy countries which had undergone a period of recession, and that negative development had been compounded by the absence in certain developing countries of government control in essential industrial sectors.

141. Several delegations opined that other factors contributing to this situation included, inter alia, the misallocation of resources owing to "top-down" rather than "bottom-up" macro-economic strategies, the heavy share of military spending, inadequate sectoral planning, rural exodus, and the exploitative nature of transnational corporations.

142. Some delegations remarked upon the fact that inadequate account had been taken of the integration of women in the industrialization process in the analysis of the current economic situation and it was urged that future analyses should specifically examine the impact of women. One of those delegations, speaking on behalf of a group of countries, announced its intention to introduce a draft resolution on women and industrialization.

Item 4(b)

Review and appraisal of major policies, problems and obstacles, affecting the implementation of the Lima Declaration and Plan of Action and steps taken and proposed to resolve them

143. One delegation, speaking on behalf of a group of countries, drew the Committee's attention to a document proposing a New Delhi Declaration and Plan of Action, which it was felt would serve as a point of reference for the Fourth General Conference of UNIDO. That document, which reaffirmed the aims and objectives of the Lima Declaration and Plan of Action, provided a programme to reassess the regrettably slow progress towards the Lima target and outlined the supplementary measures leading to a speedier realization on which, it was hoped, the Conference might reach consensus.

144. Many delegations expressed deep concern about the difficulties which stemmed from the unacceptable commercial practices of the industrialized countries. On the other hand, one delegation pointed out that the growth of exports of developing countries to the developed countries had contributed to a process of change and adjustment in those countries, while some delegations remarked that the continued importation by the developing countries of manufactures from developed countries had helped soften the effects of economic recession experienced by a particular economic grouping.

145. Several delegations expressed the conviction that the developing countries themselves bore the main responsibility for achieving results in industrialization and that any industrialization had to be based primarily on domestic savings, while recognizing that external finance played a significant supplementary role. In this connexion, those delegations pointed out the need to ensure a climate conducive to foreign investment. It was felt by one delegation, speaking on behalf of a group of countries, that the maintenance of an open international economic system facilitating access to markets, finance, expertise and technology remained the best means of ensuring good industrialization efforts.

146. A delegation, speaking on behalf of another group of countries, felt that progress towards the Lima target could be aided by the expansion of the processing of primary commodities and the promotion of structural change based on comparative advantage. Transnational corporations could play an important role in the industrialization of developing countries, but their activities should be effectively harmonized with the development objectives and policies of those countries. The composition of industry and the share of industrialized countries were changing but without the developing countries drawing direct benefits therefrom in the form of an increased share in world industrial production. It was felt that Governments should

play an active role in the redeployment process. Matching regional and social objectives in national policies with the legitimate aspirations of the developing countries for a higher degree of industrialization posed a major challenge. In a search for mutually acceptable solutions, particular account should be taken of the need to avoid structural policy measures acting as a brake on the industrialization process in the developing countries.

147. The role of the State in the industrialization process was seen by several delegations as providing a key to the transformation of all sectors of society. They pointed out that were the State to play a leading role, through short- and long-term planning, it would permit: the optimum use of domestic resources; the establishment of a heavy industry sector; the development, on a co-operative basis, of agriculture and its linkage with industry; the regulation of the role of transnational corporations; and control over private foreign capital; as well as the removal of all trade barriers. One delegation, expressing the view of a group of countries, observed that the strengthening of State participation in the industrialization process, the wider application of economic planning principles, and due regard for social factors were essential elements in the economic development mechanism, as had also been stated in the documents of the Lima Conference.

148. One delegation, speaking on behalf of a group of countries, questioned the contribution to concrete progress that the adoption of targets made, since it felt that long-term targets were not well founded in economics and could not be accepted as policy commitments by market-economy countries. Many other delegations, however, reaffirmed the validity of the 25 per cent target established at Lima. Some delegations noted that currently one of the most important tasks was the elaboration of a long-term, integrated industrialization strategy in keeping with the specific conditions prevailing in each developing country.

149. One delegation pointed out that by the year 2000 many developing countries would have attained full-scale developed country status and would in fact have per capita incomes in excess of many countries that were already industrialized. That delegation pointed out that the recent multilateral trade negotiations held under the auspices of the General Agreement on Tariffs and Trade (GATT) had contributed to a major improvement in the international trading environment, and it urged developing countries to take advantage of the special and differential treatment available to them under GATT.

150. Some delegations pointed out that achievement of the Lima target could not be left to market forces alone. If the developing countries' aspirations were to be fulfilled, their rate of growth should be twice that of the developed countries and investments of the order of \$400-500 billion would have to be made by the end of the century. The urgency of the situation was underscored by several delegations, and one delegation pointed out that achievement of the Lima target could be facilitated by adoption of principles, such as promoting collective self-reliance, adopting a policy of redeployment and structural change, placing the system of consultations on a permanent basis, increasing the flow of financial resources to the developing countries, and transferring technology on acceptable terms.

Item 5

Strategy for further industrialization as an essential element of the development process in the 1980s and beyond:

(a) Adoption of appropriate industrialization policies and strategies aimed at achieving the Lima target

151. Industrialization was seen by one delegation to be an essential part of economic development in which the unequal distribution of income and the elimination of unemployment could not be ignored. Industrialization was also seen by another delegation to help the developing countries overcome colonialism which that delegation felt had been replaced by economic colonialism. In the opinion of another delegation, any industrial strategy reflected a mixture of capital- and labour-intensive industries with economies of scale, technologies and location playing an important role in the industrialization process.

152. The public sector was seen by several delegations to have an all-important role to play in industrial strategies as a governing factor in the long-term development process, while one delegation felt it was immaterial whether investments were made in the public or private sector. One delegation, noting the contents of the special chapter on the public sector and industrial development contained in document ID/CONF.4/2, pointed out the need to pay more attention to the experience of those countries with a substantial public industrial sector.

153. Particular importance was attached by some delegations to policies and strategies in the trade of manufactures and semi-manufactures. They pointed out the jeopardy to the industrialization efforts of the developing countries inherent in the protectionist policies of the developed countries, while one delegation, speaking on behalf of a group of countries, pointed out that the developing countries should also eliminate the obstacles to trade they had set up. It was remarked by that delegation that, whereas trade could help to improve export earnings, reliance on exports alone could lead to overdependence on other countries. Growth was said by the same delegation to hinge on free trade and resource endowment.

154. One delegation, speaking on behalf of a group of countries, suggested four directions in which appropriate industrialization policies and strategies could be pursued: reducing the developing countries' economic and technological dependence on developed countries; attaining full sovereignty over natural resources with an increasing degree of local processing; ensuring control over transnational corporations; and elaborating a long-term programme of structural adjustment.

155. One delegation pointed out that the adoption of an endogenous development policy might be suitable in many developing countries, but could only be taken up in the context of an eventual outward reorientation of the economy. In the opinion of that delegation, emphasis in policies should be placed on regional common markets, the co-ordination of the transfer of technology, marketing and sales promotion, as well as the development of a common information system, as had been propounded in the Istanbul Declaration.

156. Another delegation stated that industrial policies should focus on linkages between industry and agriculture, the promotion of industries to satisfy basic needs, the development of medium- and small-scale industries linked with large-scale industries, and the dispersal of the location of industries away from urban areas. Such policies called for the strengthening of instruments to enhance national manufacturing capability in terms of technology, infrastructure and human skills.

157. One delegation reaffirmed the inalienable right of control over natural resources and the control of private investment as basic elements in policies to be adopted by the developing countries, while another delegation stressed the importance of national policies as the basis for collective self-reliance, while cautioning that over-emphasis of that aspect could lead to an underestimation of structural change.

158. One delegation, speaking on behalf of a group of countries, pointed out that specialization within sectors could not be neglected and that complementarities between factors of production and absorptive capacity might develop over time which made for greater co-operation between the developing countries. The need for more vigorous co-operation between the developing countries in matters pertaining to technology transfer, trade and training was underscored by another delegation. One delegation emphasized the need for the finalization of a Code of Conduct on the Transfer of Technology and stressed the importance of the revision of the Paris Convention for the Protection of Industrial Property.

159. Speaking on behalf of a group of countries, one delegation urged that consideration be given to the strategies and policies expounded in chapter VII (Trade in manufactures and semi-manufactures) of the New Delhi Declaration and Plan of Action which the Group of 77 had proposed for consideration by the Conference.^{19/} That document, in the opinion of several delegations, formed a basis for discussion on substantive issues, and particular significance was attached by some delegations to the proposal that an intergovernmental committee be set up within UNIDO to consider, inter alia, ways and means of increasing the share of the developing countries in world trade in industrial products by the year 2000 to the 30 per cent target stated in the Arusha Programme for Collective Self-Reliance and Framework for Negotiations^{20/} and measures that would enable the developing countries to balance their imports of manufactured goods from industrialized countries with their exports of manufactured goods to those countries.

160. The validity of global targets was reaffirmed by many delegations, which pointed out the need for an elaboration of the target set in the Lima Declaration and Plan of Action. Several delegations stated that disaggregation of that target by region and sector with reference to interim time horizons would provide a clearer vision of the objectives inherent in the target set and of progress towards its achievement.

161. Specific mention was made by some delegations of the need to develop energy-efficient technologies given the recent shift from low-cost abundant energy to high-cost scarce energy. Technologies developed in industrialized countries, which were based on abundant fossil fuels, were often unsuitable as models for developing countries, and thus developed countries were urged to turn their attention to the development of energy-efficient technologies for the developing countries.

162. Strong support was also expressed by many delegations for the current decade to be declared the African Industrial Development Decade as Africa with 0.9 per cent of world industrial production remained the least developed of the developing regions and accounted for the largest number of least developed countries.

^{19/} ID/CONF.4/CRP.16/Add.1.

^{20/} TD/236.

Item 5(b)(iv)

Improved mechanisms for industrial co-operation to promote the flow of integrated technical and financial assistance to developing countries, including regional co-operation and special measures for the least developed, land-locked, island and most seriously affected countries

163. Many delegations emphasized the need for a substantial increase in the flow of financial resources to the developing countries, particularly to the least developed, land-locked, island and most seriously affected countries, the current situation of which called for special measures.

164. Several delegations reaffirmed their recognition of the Official Development Assistance (ODA) target of 0.7 per cent of their respective GNPs, and one delegation urged that the ODA target be observed by all industrialized countries, including those with centrally planned economies. It was pointed out that official development assistance was insufficient to meet vast requirements, and use should be made of every possible source of funds, such as export credits, foreign direct investment, foreign portfolio investment, private bank lending, multi-lateral lending and surplus funds of the Organization of Petroleum Exporting Countries (OPEC).

165. Several delegations emphasized the importance of using and improving existing financial institutions, and cautioned against the proliferation of institutions and the multiplication of funds unless their real necessity was identified. Further to supporting existing multi-lateral financial institutions, one delegation emphasized the support it gave on a bilateral basis to development financing institutions which transmitted resources to the industrial sector, in particular to small- and medium-sized enterprises. Some delegations also remarked that the increased flow of resources to developing countries should be devoted not only to industry, but also to other sectors, while one delegation felt that investment in industry should be on non-concessional terms, since such investments should, in the long term, be self-financing and even contribute to capital formation.

166. Some delegations also warned against setting new targets, and a number of delegations opined that it would be more appropriate to discuss financing within the context of the global negotiations envisaged in the General Assembly later that year. One delegation, however, said global negotiations should not act as a barrier to negotiations and activities in other forums. Another delegation remarked that proposals for financing and monetary reform made by developing countries in multilateral financing institutions were either merely noted or accepted for marginal discussion, while in meetings such as the current Conference their proposals on financial and monetary issues relating to specific sectors were being referred back to those multilateral financial institutions.

167. In introducing the proposals submitted by the Group of 77, one delegation pointed out that the proposed North-South Global Fund for the Promotion of Industrialization of Developing Countries should not replace existing funds since the latter failed to meet the current needs of the developing countries. Furthermore, the Fund proposed by the Group of 77 would in fact satisfy only one-tenth of the investments required to meet the Lima target; the rest would have to be met through existing commercial and multilateral channels which needed to be expanded, for, as another delegation pointed out, the absorptive capacity of the developing countries was much larger than the availability of funds.

168. Many delegations expressed their support for the Global Fund proposed by the Group of 77. Another delegation supported the Global Fund, but felt that highly concessional terms should be included for the least developed countries, the separate identity of which had to be maintained. That delegation also proposed that a special fund be set up for the industrialization of the least developed countries.

169. One delegation expressed interest in the Secretariat's proposal No. 2, the Global Fund for the Stimulation of Industry,^{21/} of which the concepts of interdependence and mutual benefit merited support, and felt that the specifics involved were better taken up when the General Assembly completed its study on the massive transfer of resources later in the current year.

170. While supporting the need for a substantial increase in financial flows to the developing countries on favourable terms, one delegation emphasized the merit of financial proposals that met the criteria of global efficiency, global equity and global participation. Another delegation, speaking on behalf of a group of countries, supported intergovernmental agreements on economic, industrial and scientific co-operation and barter-related agreements. That delegation also drew attention within that context to the benefits of mutual co-operation in large industrial projects involving several partners, particularly in the mining and processing sectors.

171. Some delegations pointed to the stringent terms and exorbitant interest rates attached to loans made available to the developing countries and emphasized that the transfer of financial resources be free of political strings and unreasonable economic conditions. One delegation also cautioned that, although direct foreign investment was sometimes valuable, it was an uncertain source of funds being a "fair-weather friend" susceptible to changes in economic climate.

Item 5(f)

Creation of appropriate industrial structures in developing countries, with a view to accelerating their economic growth and increasing their share in world industrial production in order fully to realize their economic potential within their national interests, in accordance with the Lima Declaration and Plan of Action and the resolutions of the seventh special session of the General Assembly

172. One delegation stressed the vital importance of creating appropriate industrial structures as a contribution to accelerating economic growth and increasing the share of the developing countries in world industrial production and drew attention to the measures outlined in the Plan of Action prepared by the Group of 77. Another delegation pointed out the necessity of supplementing the Lima target by establishing targets relating to the share of the developing countries in world trade as well as to the balance of trade in manufactures between North and South. However, setting targets alone would not ensure effective industrial development: they would have to be matched by concrete measures.

^{21/} ID/CONF.4/3, chap. 2.

173. One delegation pointed up the need for the developed countries to respond to changes in the world industrial structure resulting from the industrialization of the developing countries by promoting structural adjustment and by granting free market access to manufactures from developing countries.

174. Another delegation stated that it was for the developing countries themselves to decide upon how to pursue their own industrialization while taking advantage of the industrial growth possibilities offered by market-oriented policies and of the openings for specialization presented in international trade. Although appropriate industrial structures varied according to the resource and skill endowments of the respective country, it felt an important role could be played, inter alia, by small-scale industries, particularly those in rural areas.

175. One delegation, expressing the view of a group of countries, emphasized the substantial role the State could play in creating appropriate national industrial structures which guaranteed economic independence and permitted the balanced development of industry on a large scale.

176. Some delegations pointed to the need for regional balance when creating industrial structures, and the importance of establishing harbour facilities was also emphasized by one delegation.

177. One delegation recalled the difficulties the developing countries faced when planning the development of export-oriented sectors in which they were competitive, as proper planning of those sectors was hampered by the protectionism of the developed countries that had not been overcome despite protracted endeavours to do so.

Item 5(g)

Role of foreign investment, including that channelled through transnational corporations, in promoting industrial growth in accordance with national objectives of economic and social development and regulations and other conditions applicable to such investment

178. Some delegations felt that the weight attached to direct foreign investment by certain countries was excessive. Some delegations pointed out that such investment, being controlled from outside, could lead to increased dependence on the part of the developing countries.

179. A number of delegations pointed to the positive role of direct foreign investment, while stressing that it supplemented domestic savings and national efforts in the industrialization process. Several delegations also drew attention to the fact that direct foreign investment could be seen to promote the transfer of know-how and technology. Those delegations also noted the importance of a favourable investment climate in promoting investment flows. Another delegation observed that foreign private investment could only supplement national industrialization efforts and play a subsidiary role.

180. Speaking on behalf of a group of countries, one delegation stressed various aspects of strengthened co-operation between foreign enterprises and developing countries, such as the developing countries' right to insist that foreign investment be in line with their development processes, and the need to lessen investment risks as perceived by foreign enterprises. That delegation also felt that the Conference should consider programmes which could help prepare the developing countries for hosting foreign investment, particularly by strengthening their negotiating capabilities.

181. Several delegations expressed their support for the work on a Code of Conduct for Transnational Corporations. In respect of the Secretariat's proposal No. 3, Commission for International Industrial Development Law,^{22/} one delegation felt that it merited deeper study as it was very broad and called for contributions from more than one agency. While concurring with the need for greater consideration and review, a representative of a United Nations organ, also speaking on behalf of the United Nations Legal Counsel, pointed out that proposal No. 3 would duplicate the work of other agencies, primarily that of United Nations Commission on International Trade Law (UNCITRAL). This view was supported by some other delegations.

182. One delegation spoke of the transnational corporations having pillaged the wealth of the Third World, while another delegation urged that a study be conducted into the possibility and desirability of drawing up a system so as to ensure that transnational corporations abided by their commitments.

183. One delegation, expressing the view of a group of countries, stressed that foreign private investment practices, especially those of transnational corporations, strikingly demonstrated the adverse effects of their activities on the industrialization process in developing countries and pointed out that such practices led to a substantial outflow of resources from those countries. Another delegation from that group of countries drew attention to the negative aspects of creating favourable conditions for foreign investment. Another delegation pointed out the basic difference in the objectives of transnational corporations and developing countries that stemmed from their use of different criteria. In that connexion, one delegation, expressing the view of a group of countries, stressed that the monitoring of transnational corporations could only be successful, were it carried out at regional, national and international levels. That delegation further stated that the only practical means of limiting the adverse consequences of the activities of transnational corporations were state regulation, the growth of the public sector, and the establishment of effective sovereignty over national resources, including nationalization.

184. Another delegation attached importance to the Secretariat's recommendations 5 and 6,^{23/} extended use of intergovernmental agreements and mobilizing the potential of medium-sized enterprises and other non-transnational corporations, as they were both very important in the light of the increasing co-operation between lesser developed countries. The same delegation also stressed the importance of the investment promotion offices set up by UNIDO.

^{22/} Ibid.

^{23/} Ibid., chap. 3.

B. COMMITTEE II

Action at the Conference

185. At its 21st plenary meeting, on 9 February 1980, the Conference considered the report of Committee II (ID/CONF.4/21).

186. The Chairman of Committee II, when introducing the report,^{24/} stated that during the adoption of the report in the Committee several delegations had objected to the use of the terms "most delegates" and "most delegations" in the first line of paragraph 237 (below), the first line of paragraph 245 and the last line of paragraph 246 to describe views expressed by two important groups of countries but not by another important group of countries. They felt that the expression "many delegations" would accurately reflect the situation and be in line with the usual practice.

187. At the same plenary meeting, the Conference adopted the report of Committee II.

Report of Committee II

188. The Conference, following the proposal made by the Industrial Development Board in its capacity as Intergovernmental Preparatory Committee, decided that Committee II should deal with Conference agenda items 5, 5(b)(i), 5(b)(ii), 5(b)(iii), 5(c), 5(d), 5(e), 6, 6(a) and 6(b).

189. The Committee held 10 meetings during the period 23 January - 7 February 1980. At its first meeting, on 23 January, the Committee elected its officers and agreed on the sequence of discussion of the items assigned to it.

190. The Chairman, Mr. C. Haxthausen (Denmark), and the Rapporteur, Mr. Y. Al-Khanati (Iraq), were elected by the Plenary of the Conference. The three Vice-Chairmen, Mr. M. Castillo (Argentina), Mr. M. Buhoara (Romania) and Mr. D. Barido (Sudan), were elected by the Committee itself.

191. The Committee decided to discuss item 5(e) before item 5(d). The Chairman of the Group of 77 made a general introduction of the draft New Delhi Declaration and Plan of Action.^{25/} One delegate expressed his support in general for the documents submitted by the Group of 77, but was of the view that some formulations in those documents required further consideration.

192. To facilitate the work of the Committee, the Chairman invited a representative of the Secretariat to introduce each topic under discussion. Fourteen speakers took the floor on agenda item 5(b)(i); 23 on 5(b)(ii); 30 on 5(b)(iii); 11 on 5(c); 26 on 5(d); 29 on 5(e); and 13 on 6. There was no specific discussion on the chapeau of agenda item 5,

^{24/} For statement of the Chairman of Committee II, see ID/CONF.4/SR.21, para. 81.

^{25/} ID/CONF.4/CRP.16 and Add.1.

which had been assigned to the two Committees, since the views of delegates were contained in their statements in the Plenary. Satisfaction was expressed for the quality of the documentation prepared by the UNIDO Secretariat, which provided a good basis for deliberations on the items of the agenda.

193. On 30 January 1980, the Committee completed hearing statements on the items of the agenda assigned to it and proceeded to formulate its conclusions and recommendations on the basis of the various documents prepared and the statements presented on the specific items of the agenda. On the recommendation of the Bureau of the Conference, the Committee set up an informal working group to formulate the Committee's recommendations. On 7 February 1980, the Committee adopted its report. Summaries of the statements made on specific agenda items are presented below. The Committee also adopted a number of proposals which were transmitted by the Chairman to the Drafting Committee.

Item 5

Strategy for further industrialization as an essential element of the development process in the 1980s and beyond

(b)(i) Recommendations for policies, procedures and frameworks to foster, develop and strengthen domestic industrial processing of natural resources

194. A representative of the Secretariat referred to the analyses of the present situation and future prospects of industrial processing of natural resources in developing countries presented in the various relevant documents prepared for the Conference, particularly chapter VI of World Industry since 1960: Progress and Prospects,^{26/} investigations of the mineral industries presented in "Mineral Processing in Developing Countries",^{27/} and Industry 2000 - New Perspectives.^{28/}

195. Several delegates referred to the proposals for action outlined in the draft New Delhi Declaration and Plan of Action.^{29/} Emphasis was given to the integration of industry and agriculture and the development of basic industries, particularly iron and steel, fertilizers, energy, including natural gas and solar energy, water and institutional machinery (including the establishment of national mining development offices) for accelerated processing of natural resources in the developing countries. They called for particular attention to be paid to the least developed countries.

196. One delegate, speaking on behalf of a number of countries, generally supported increased processing of raw materials by the developing countries, an area which provided considerable scope for mutually beneficial co-operation between the European Economic Community (EEC) and the developing countries. He stressed the need to take into consideration the existence of processing capacities in the developed countries, and the energy, financial and technological

^{26/} ID/CONF.4/2.

^{27/} UNIDO/IOD.323.

^{28/} ID/CONF.4/3.

^{29/} ID/CONF.4/CRP.16 and Add.1.

implications in the creation of production facilities in the developing countries in order to avoid undue overlap and excess production capacities in the world. He confirmed the willingness of the EEC to continue providing development assistance to the developing countries in the processing of natural and, in particular, mineral resources as well as in the energy sector, which constituted an essential prerequisite for mineral processing.

197. Some delegates stressed the importance of securing the viability of establishing specific national or regional processing capacities and to ensure that the various preconditions were met and pointed out that the exclusion of transnational corporations (TNCs) and a sole reliance on the public sector for mineral processing in developing countries would not be a realistic approach. In that regard, it was suggested that the changing role of TNCs and the effects of nationalization be examined in greater detail by UNIDO. Some delegates indicated the actions being undertaken by their countries in support of the developing countries in that field. With regard to the proposals contained in Section 3.6.1 of Industry 2000 - New Perspectives,^{30/} some delegates opposed the proposal to establish a collective marketing organization since that would be a move in the direction of producer cartels, contrary to the principles underlying the UNCTAD Integrated Programme for Commodities. They emphasized the value of producer/consumer co-operation and advocated the active participation of the private sector.

198. One delegate emphasized that the processing of natural resources should be seen as a fundamental and inherent element of the developing countries' industrial development and pointed out that there was considerable scope for increased processing of minerals. The interference of TNCs was noted and their increased involvement in the field was discouraged as it would lead to a continued dependency of the developing countries. In that connection attention was drawn to paragraph 5 of the Joint statement of Group D^{31/} in which the effective national control over the activities of foreign capital and TNCs was emphasized.

199. Appreciation was expressed for the research and analysis carried out by the UNIDO Secretariat. The sovereign right of States over their natural resources was reaffirmed by all delegates, and reference was made to the Lima Declaration and Plan of Action and General Assembly resolutions on natural resources. Some delegates emphasized, however, that the right of sovereignty should be exercised taking other rights into account and, in particular, in accordance with the principles of international law. Note was taken of the fact that a substantial gap in the processing capacity of natural resources, particularly in the mineral industry, existed in the developing countries. It was recognized that there was significant scope and a need for increasing the degree of processing in the developing countries as an inherent and essential element of their industrial development endeavours towards the achieving the Lima target.

200. With regard to the proposals contained in the UNIDO documents, particularly the financial, marketing and other requirements for closing the processing gap, it was generally recognized that substantial efforts needed to be undertaken to support the efforts of the developing countries at the national, regional, and international levels. Support was given

^{30/} ID/CONF.4/3.

^{31/} ID/CONF.4/CRP.14.

to the two UNIDO proposals for setting up joint mineral exploration ventures and regional processing facilities among developing countries and attention was drawn to the United Nations Revolving Fund for Natural Resources Exploration. There was agreement on the need for more resources to be channelled to that sector by development finance institutions.

201. The initiatives undertaken by the UNIDO Secretariat to intensify its activities in that field were welcomed and a call was made for these activities, particularly with regard to technical assistance, to be continued and expanded, with emphasis in the area of industrial processing of minerals.

Item 5(b)(ii)

Recommendations for policies, procedures and frameworks to foster, develop and strengthen industrial skills

202. A representative of the Secretariat underlined the paramount importance of the human factor in industrial development. He noted that the issue of development of human resources for industrial development was receiving international prominence and a consultation on industrial manpower had been agreed upon by the Industrial Development Board. He referred to the various documents which had been prepared for the Conference and drew special attention to the report on "Acquisition and Development of Industrial Skills by Developing Countries"^{32/} which had been prepared jointly by the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and UNIDO.

203. One delegate, speaking on behalf of a group of countries, drew the attention of the Committee to the importance which the developing countries attached to industrial training. In the preparation of the draft New Delhi Declaration and the Plan of Action, a special chapter (chapter VI)^{33/} had been included on the development of human resources. He noted the similarity of the Group of 77 proposals to those contained in the UNIDO document. Other delegates drew attention to the potential of co-operation among developing countries in the area of technical training.

204. A number of other delegates expressed their strong support for the need to intensify industrial training activities and indicated their technical assistance programmes on a bilateral basis or in co-operation with UNIDO in the training of industrial personnel from the developing countries. Some of them expressed their support to the proposals of the Group of 77 contained in the draft New Delhi Plan of Action and their willingness to intensify future co-operation with UNIDO in that field. One delegate indicated that an offer had been made to host the UNIDO Consultation on industrial manpower training in 1981 in the United States of America.

205. The representative of the ILO confirmed that his organization was co-operating effectively with UNIDO and would participate in the preparations for the Consultation on industrial manpower. The representative of the UNDP informed the Committee of the decision of ILO, UNDP and UNIDO to undertake a joint evaluation of United Nations industrial training activities.

^{32/} ID/CONF.4/8.

^{33/} ID/CONF.4/CRP.16/Add.1.

206. The paramount importance of training for industrial development was emphasized by all the speakers who stressed that training should cover the entire spectrum of skills required in the industrialization process, with particular emphasis on the training of technologists, managers and technicians. A number of delegations indicated that in contracts for the supply of industrial equipment, appropriate clauses should be included for the participation of personnel from the recipient countries in engineering design and in the construction and installation process, which was in accordance with the need to place greater emphasis on basic on-the-job training in developing countries. Emphasis was also given to the training of instructors in the developing countries and to the improvement of training methods; the promotion of advanced training in developing countries; the expansion of training in small-scale industries at all levels; health and safety for industrial labour, in co-operation with trade unions; and the promotion of linkages between training institutions and industry.

207. It was recognized that the programme of developing industrial manpower was directly related to the educational systems existing in the developing countries. There was therefore a call for a reform of the educational system in the developing countries to give greater emphasis to science and technical education in accordance with national requirements and social economic development objectives. Some delegates expressed the view that the development of national, human resources was a diversified and long-term process which could be effectively carried out on the basis of national planning. The problem of brain drain was recognized as one that required special attention since the developing countries were losing valuable technical skills, developed at high cost.

208. There was general agreement on the need to pay special attention to greater involvement of women in industrial development activities. The need for special training programmes in order to enhance their contribution was recognized.

209. There was a call for a comprehensive programme of action aiming at providing massive and urgent assistance to the developing countries in industrial training. The high priority accorded by UNIDO to its industrial training activities, particularly within its programme of technical assistance, was welcomed and a call was made for their expansion, particularly to the areas of basic training, group training programmes and the development of multi-purpose and sectoral training institutions. UNIDO was urged to intensify its efforts in the development and utilization of viable training facilities, particularly in the developing countries.

210. UNIDO was also called upon to establish closer co-operation with other United Nations agencies, particularly UNESCO and ILO, notably in the planning and implementation of the Consultation on industrial manpower. The Executive Director of UNIDO was requested to report on the progress achieved in promoting industrial training activities in developing countries not only at the next General Conference of UNIDO but also at the sessions of the Industrial Development Board.

Item 5(b)(iii)

Recommendations for policies, procedures and frameworks to foster, develop and strengthen international co-operation in the field of transfer and development of industrial technologies with a view to increasing the technological capabilities of the developing countries

211. A representative of the Secretariat noted that the serious lack of technological capabilities was one of the most critical constraints and challenges to achieving the Lima target. The United Nations Conference on Science and Technology for Development (UNCSTD) had provided the impetus for wide-ranging endeavours in strengthening the national technological capabilities of developing countries to meet the Lima target, and had thus helped to provide a new focus on the activities of UNIDO in that field. He drew attention to the various documents prepared by the Secretariat for the Conference, particularly documents ID/CONF.4/3, ID/CONF.4/7, ID/CONF.4/14, and ID/CONF.4/16.

212. A delegate, speaking on behalf of a group of countries, as well as several delegates, emphasized the importance which the developing countries attached to the strengthening of their technological capabilities. Attention was drawn to the draft New Delhi Declaration and Plan of Action submitted by the Group of 77, particularly chapter III of the draft Plan of Action. Reference was made to Section C in chapter III, and a more dynamic role for UNIDO, including the allocation of greater resources and making suitable institutional arrangements within the UNIDO Secretariat in that area, was strongly urged. A call was made for an intensification of UNIDO's efforts to promote technological co-operation among developing countries through, inter alia, the identification of their existing technological expertise and capabilities.

213. A delegate, speaking on behalf of a number of countries, drew attention to other international developments in that field, including UNCSTD, the fifth session of the United Nations Conference on Trade and Development, and the work on the Codes of Conduct on Transfer of Technology and on Transnational Corporations. He supported several of the ideas contained in the Group of 77 document. Primary importance was accorded to the development and strengthening of mechanisms to ensure the development and transfer of technologies that correspond to actual needs as well as the strengthening of the capabilities of the technology recipients to absorb technology.

214. Another delegate, speaking on behalf of a number of countries, noted that the lack of an adequate infrastructure prevented the better utilization of imported technology and thus resulted in the acceptance of unsatisfactory provisions for technology transfer, which were attributable inter alia to the lack of information and expertise on the part of the recipient countries. While the greater part of technology transfer from market economies was through private firms, international co-operation could contribute a great deal to making the technology market transparent, encouraging and facilitating the flow of technologies and strengthening the technological infrastructure of developing countries.

215. A number of delegates drew attention to the relevant portions of their joint statement on the subject contained in document ID/CONF.4/CRP.14. Stress was placed on the need to ensure that the interests of the developing countries were fully secured in technology transfer

arrangements and supported the position of another group that technology acquisition should be based on national development plans within the framework of the public sector and adapted to indigenous requirements. One delegate expressed reservations about the scope of the role of UNIDO on various energy problems.

216. The representatives of the United Nations Conference on Trade and Development (UNCTAD), the World Organization of Industrial and Technological Research Organizations (WAITRO) and the World Intellectual Property Organization (WIPO) noted that good working co-operation had been established between UNIDO and their organizations. The representatives of UNCTAD and WIPO referred to the related initiatives and activities of their organizations in the fields of mutual interest with UNIDO. The co-operation between UNIDO and WIPO with regard to the activities of the Industrial and Technological Information Bank (INTIB) was recognized as a good starting point for the implementation of the network of technological information contemplated by the UNCSTD.

217. Support was given to the concept of technology planning developed by UNIDO as a part of national development planning; the establishment and strengthening of national technological centres; as well as the improvement of the negotiating capabilities of the developing countries. The need for the early finalization of the Codes of Conduct on Transfer of Technology and on Transnational Corporations, as well as the revision of the Paris Convention for the Protection of Industrial Property for the benefit of the developing countries, was stressed.

218. There was general recognition of the need to support financial and technological assistance to national, regional and interregional centres and UNIDO was requested to intensify its technical assistance programmes accordingly. Reference was made to the valuable work done by the Regional Centre for Technology Transfer in the ESCAP region. UNIDO was urged to intensify its co-operation with that and other regional centres.

219. There was agreement that instead of establishing new institutions some of the tasks envisaged for the proposed International Industrial Technology Institute and an International Centre for the Joint Acquisition of Technology, well analysed in Industry 2000 - New Perspectives, should be pursued within the framework and responsibilities of existing institutions particularly UNIDO which, for the most part, was already carrying out those tasks and, to that end, its relevant programmes should be strengthened and appropriate institutional arrangements made within the Secretariat. Regarding the proposed International Patent Examination Centre, there was agreement that the problems which that centre was intended to solve could be undertaken within the WIPO framework.

220. The integral relationship between energy and industrialization was recognized. The need for national action on planning and programming of energy availability and development, including measures for conservation and efficient use of energy, was stressed. It was suggested that developing countries should take an integrated view of technology, energy and the utilization of natural energy resources, particularly coal, solar and other conventional, non-conventional and renewable sources of energy. UNIDO was requested by most delegations to assign a high priority to the promotion of energy related technologies and to provide technical assistance, including training, in that field. It was pointed out that assistance in the design, development and manufacture of equipment for energy generation, transmission and distribution was a task to which UNIDO should accord particular importance.

221. The initiatives and the results so far achieved by UNIDO in its technology programme, especially the International Forum on Appropriate Technology, were welcomed. UNIDO was encouraged to continue its work in the area of appropriate industrial technology in accordance with the specific needs of the developing countries. A call was also made for strengthening INTIB the activities of which should be expanded to include training and technical assistance programmes to, inter alia, enhance the negotiating capacities of the developing countries. One delegate noted that the activities of INTIB and the Technological Information Exchange System (TIES) should take account of the proprietary nature of much of the available technology and should not include information not in the public domain.

Item 5(c)

Industrial Co-operation among Developing Countries:
Recommendations on policies, procedures
and strategies

222. A representative of the Secretariat drew attention to the programme to promote economic co-operation among developing countries in the Lima Declaration and Plan of Action and the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries. He also drew attention to the fact that all the documents prepared for the Conference covered that item of the agenda but made particular reference to documents ID/CONF.4/15 and ID/CONF.4/CRP.1 which were illustrative of the work being undertaken and the results achieved by UNIDO through the solidarity ministerial meetings.

223. A delegate, speaking on behalf of a group, welcomed UNIDO's initiative in promoting industrial co-operation among developing countries. He drew attention to the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries, the Mexico Conference on Economic Co-operation among Developing Countries (ECDC), the Arusha Programme for Collective Self-Reliance and the resolutions on ECDC adopted by the General Assembly and the fifth session of UNCTAD. He expressed satisfaction with the progress which had been achieved in the exchange of technical knowledge and trade promotion. The draft New Delhi Declaration and Plan of Action contained reference to ECDC throughout the text and provided a framework for increased financial flows, joint technical endeavours, global and sectoral research as well as the creation of multinational industrial production enterprises among developing countries.

224. Several other delegates added that while ECDC was essentially a matter of primary concern of the developing countries themselves, the support of the developed countries and the international community at large would greatly enhance their efforts and reinforce North-South co-operation. Some of them cited the successful co-operation already established with other developing countries and the joint efforts carried out with UNIDO. Reference was made to the experience of the ASEAN countries.

225. A number of delegates noted that while the initiative for ECDC programmes lay with the developing countries, it should act as a complement to co-operation between developed and developing countries. Some delegates also noted, in addition, the potential of ECDC for promoting expanded trade hoping, however, that it would not impede other trade flows. One delegate suggested that if participation in those meetings was restricted, financing should be through voluntary funds. A delegate also noted that ECDC also provided the possibility of

reducing the economic dependence of the developing countries on the industrialized countries and supported that special measures should be adopted in support of the least developed countries. Examples of actions undertaken in support of ECDC were cited. Reference was also made of the ESCAP club the experience of which could be relevant to other developing regions.

226. There was a consensus on the importance of ECDC including, for example, exchange of skills, joint research efforts and trade preferences. In that context, long-term industrial production arrangements were also recommended. One delegate emphasized that trade preferences should not raise barriers against the trade of others or constitute an impediment to the reduction or elimination of trade barriers on an MFN basis. The need to support the efforts of the developing countries particularly the least developed countries, in their efforts was stressed. A call was therefore made for the developed countries to adopt special measures to facilitate the flow of financial, technical and technological assistance to the developing countries accordingly.

227. The Secretariat was urged to intensify and expand its operational and promotional programmes in ECDC. The UNIDO concept of solidarity and round table ministerial meetings was supported and its further development encouraged. UNIDO was requested to prepare an inventory of assistance possibilities in technical co-operation among developing countries, to be made available to developing countries. Greater co-operation between UNIDO and other United Nations organizations in that field, notably the ECDC Division of UNCTAD, was urged.

Item 5(e)

System of Consultations

228. The representative of the Secretariat referred to the relevant documents, namely "The System of Consultations - progress made and proposals for further development"^{34/} and "Draft rules of procedure for the System of Consultations".^{35/}

229. A delegate, speaking on behalf of a group, recalled that the System of Consultations took into account various factors: appropriate information, evaluation of supply and demand, availability of production factors, investment, equipment, technology and techniques. He pointed out that consultations between developed and developing countries should, in a dynamic context, facilitate industrial redeployment to developing countries. He noted that the results so far achieved during the experimental phase of the System have not fully met the expectations and needs of the developing countries as foreseen in the Lima Declaration and Plan of Action due to the inadequate governmental representation from the industrialized countries. Hence, the draft New Delhi Declaration and Plan of Action had underscored the importance of urgent decisions to be taken in putting the System on a permanent and continuing basis and for it to provide a forum for industrial negotiations. Several delegates from the group stressed the need for the Third General Conference of UNIDO to take a decision on the basic principles of the System of Consultations that would facilitate the finalization and adoption of the draft rules of procedure.

^{34/} ID/CONF.4/6.

^{35/} ID/CONF.4/12.

230. Another delegate, speaking on behalf of a number of countries, emphasized the need for pragmatism and flexibility in the System of Consultations. Preference was voiced for the retention of the present character of the System as an informal forum for exchange of views and not for negotiations among governments. The wish was expressed for a continuing evaluation of the System.

231. The views of those countries were shared by other delegates who also did not support the concept of the System of Consultations as a negotiating forum. Additionally one delegate did not support extending the System to include consultations on global subjects since that would conflict with global negotiations in other organizations and change its nature.

232. One delegate, speaking on behalf of another group, made reference to paragraph 7 of document ID/CONF.4/CRP.14 and cautioned against the use of the System for promoting neo-colonialism. He noted that the System of Consultations should be based on long-term trends of the world industrial development and the urgent problems of the developing countries and should ensure their access to the experience of industrialization accumulated by all countries. He however expressed concern over a heavy burden on the UNIDO budget in connection with that programme and subscribed to the idea of an evaluation of the effectiveness of the System.

233. The representatives of ILO and the Food and Agriculture Organization of the United Nations (FAO) noted that their organizations had established good working relationships with UNIDO in organizing and conducting consultation meetings in the areas of mutual interest. The representative of the FAO called for early planning of joint action with UNIDO in order to allow timely allocation of funds to enable the effective participation of the FAO.

234. Appreciation was expressed for the initiatives and achievements so far recorded by UNIDO in the organization of consultation meetings. There was general agreement that the experimental phase of the System of Consultations had proven it to be a valuable contribution towards fostering international industrial co-operation. It had provided a unique forum for the free exchange of views among participants concerned with industrial development from government, industry and labour. There was very widespread support that the System should be placed on a permanent and continuing basis and the hope was expressed that the next meeting of the Industrial Development Board would be in a position to establish a mutually agreed text on the Rules of Procedure of the System. Several delegates expressed support for the System to include redeployment.

235. The need for follow-up action to the consultation meetings, particularly in the context of UNIDO's technical assistance activities, was emphasized. To that end, most delegates urged that financial and human resources should be made available. Also emphasized was the need to extend the scope of the System of Consultations to include other industrial sectors, particularly those of interest to a large number of developing countries, and that the System should include consideration of concrete methods allowing developing countries to increase the use of energy-conservation technologies, industrial planning and policy development, finance and technology.

236. There was general agreement that, in addition to continued high priority to be accorded to sectoral consultations, the scope of the System of Consultations should also be expanded to include consultations at the regional, interregional and global levels, and the UNIDO Secretariat was urged to organize such consultations in close co-operation with the regional

commissions. The potential of the System to offer concrete assistance to the least developed countries was stressed, as well as a greater effort to secure their participation in consultation meetings. To that end, the suggestion was made that more voluntary funds should be allocated for that purpose.

237. Most delegates considered it desirable and necessary that government participation should be at a senior level since that would facilitate decision-making and definite commitments regarding the conclusions and recommendations of the consultation meetings.

Item 5(d)

Redeployment of industries from developed to developing countries

238. A representative of the Secretariat outlined the features of UNIDO's research programmes in the field of redeployment and structural change in industry and gave an overview of the Conference documents which were relevant to that agenda item particularly the note on "Redeployment of Industries from Developed to Developing Countries".^{36/} He noted that that document contained suggestions for action by the developing and developed countries as well as for the international community at large.

239. A delegate, speaking on behalf of a group, emphasized the close relationship between redeployment and other aspects of industrial development, and noted that the developed countries had not taken the necessary concrete actions or policies to facilitate industrial redeployment but had adopted protectionist measures. Elaborating on the concept of redeployment, another delegate saw it as a means of international redistribution of industrial production and not as a disruption of the economies of the developed countries or a stagnation of their economic development process. Redeployment did not mean a physical shift of existing plants, equipment, obsolete technologies or the exploitation of factor endowments in the developing countries by external forces.

240. The same delegation stated that redeployment also implied access to the developed country markets, positive adjustment of their economies based on long-term considerations and national policies to facilitate redeployment. Reference was made to the relevance of the Codes of Conduct for the Transfer of Technology and Transnational Corporations and the important role of the UNIDO System of Consultations as a major instrument for effecting redeployment. Reference was made to chapter I of the draft New Delhi Plan of Action^{37/} which contained specific proposals for action including one for disaggregating the Lima global target into mid-term, sectoral and regional targets.

241. One delegate, speaking on behalf of a number of countries, noted that the concept of redeployment should be seen in broad terms along the lines of the last report of the Committee of the Whole^{38/} which provided a generally accepted definition of redeployment. He noted that a balanced international division of labour would be beneficial to all members of the international community.

^{36/} ID/CONF.4/9.

^{37/} ID/CONF.4/CRP.16/Add.1.

^{38/} A/34/34, Part III, annex III, paras. 4-6.

242. A delegate, speaking on behalf of a group of countries, viewed redeployment to be a means by which uncompetitive lines of production gave way to more competitive counterparts, particularly in the developing countries. He noted that redeployment could lead to serious social problems which the countries concerned were ready to face through the adoption of positive adjustment measures. He and some other delegates added that redeployment could proceed at a greater pace in an open international market. They saw redeployment as a continuous process, primarily induced by private enterprise decisions. The role of governments in the redeployment process was basically confined to policies supporting structural adjustment and removing impediments to trade. The developed countries adhered to the principles of free trade and to the need for adjustment. Liberal trade efforts were pursued through GATT, the Generalized System of Preferences (GSP) and Multinational Trade Negotiations (MTN). They urged all countries to ensure that GATT rules were followed.

243. Some delegates referred to specific national actions towards more positive adjustment policies and the support of their governments to redeployment of industries to the developing countries. One delegation did not support the idea of setting sectoral targets since this would imply planning of industry at the international level which would be against the principle of resource allocation by market forces.

244. A number of delegates felt that reliance on direct foreign investment through TNCs induced market fluctuations, and that short-term considerations were not an appropriate approach to redeployment. It was emphasized that government agreements would ensure long-term co-operation on the basis of national objectives. Redeployment should not be used to only obtain access to abundant and low-paid manpower or transfer obsolete and polluting technologies, exhaust the natural resources of developing countries, accentuate persistent and deep inequalities, or be accompanied by protectionism on the part of industrialized countries.

245. Most delegates agreed on the need for more effective measures to be taken for the redeployment of industrial capacities from industrialized to developing countries based on the principle of dynamic comparative advantage and in accordance with over-all national industrial development objectives, priorities and aspirations of the developing countries. Special support to the least developed, land-locked, island and most seriously affected developing countries was stressed.

246. They also agreed that redeployment should be considered as an essential step towards achieving an equitable international redistribution of labour and industrial production capacities in accordance with the Lima Declaration and Plan of Action and General Assembly resolution 31/163. It should primarily consist of transfer of existing industrial productive capacity, creation of new industrial facilities, transfer of technology, financial resource transfers, and provision of the necessary training and experts services from developed to developing countries and access to the markets of the developed countries. The idea to disaggregate the Lima target as well as the need for intensified action by the UNIDO Secretariat received the support of most delegations.

247. They called on the developed countries to adopt long-term policies and measures at the governmental and enterprise levels for industrial redeployment which should fully take into account the objectives and priorities of economic development of developing countries. Particular importance was attached to positive adjustment assistance policies and the elimination of protective measures.

Item 6

Institutional arrangements

- (a) Review of the effectiveness of co-ordination and follow-up on matters concerning industrial production, international industrial co-operation and related issues covered by other organizations within the United Nations
- (b) Review of the effectiveness of the institutional arrangements for UNIDO with reference to the long-range strategy for the Organization, to meet the challenge of industrialization in the 1980s and beyond

248. A representative of the Secretariat drew attention to documents ID/CONF.4/10 and ID/CONF.4/11 and to the Annex to the Special Report of the Executive Director to the Conference^{39/} which offered an insight into the current structure of the Secretariat and the actions taken in the implementation of the mandate accorded to the Secretariat in the Lima Declaration and Plan of Action. He pointed out that the level of technical assistance delivery had increased from about \$36 million in 1975 to an estimated value of \$70 million in 1979.

249. A delegate, speaking on behalf of a group and supported by other delegates referred to chapter IX of the draft New Delhi Plan of Action^{40/} concerning the institutional arrangements of UNIDO. They emphasized the need to extend the scope of autonomy for UNIDO on budgetary and personnel matters during the interim period before it becomes a specialized agency. They pointed out that the consensus to convert UNIDO into a specialized United Nations agency represented the political will of governments to strengthen UNIDO and reflected a commitment on their part to increase the human and financial resources to the organization. One delegate advocated more independence for UNIDO in the programme budgeting of its activities. He enquired about the human, financial and other constraints being encountered by the Secretariat and the steps being taken in the preparation of its medium-term plan and programme budget especially in view of its conversion into a specialized agency. It was strongly urged that industrialized countries which have yet to contribute to the United Nations Industrial Development Fund (UNIDF) do so and that other industrialized countries increase their contributions in order that the minimum annual funding level of US\$50 million could be achieved as soon as possible.

250. Several delegates stated that their countries had signed the Constitution of UNIDO as a specialized agency. Some of them were already taking steps to have the Constitution ratified. One delegate stated that the new status of UNIDO did not necessarily warrant an expansion of the present institutional arrangements. He called for a constant rationalization of UNIDO and its close co-ordination with United Nations Headquarters even after UNIDO became a specialized agency. Another delegate, supported by a number of others called for the establishment of an intergovernmental committee on long-range strategies and planning for UNIDO for the 1980s which could examine UNIDO's structure and organization and make recommendations for improving its effectiveness. He also proposed that an industrial advisory group should be created in UNIDO to enhance direct contacts between UNIDO and the industrial sector. Som:

^{39/} ID/CONF.4/17.

^{40/} ID/CONF.4/CRP.16/Add.1.

delegates supported the present degree of autonomy for UNIDO but considered that authority for high level appointments, major organizational decisions and budgetary matters should remain with the United Nations Secretary-General until UNIDO becomes a specialized agency.

251. A delegate, speaking on behalf of a group, noted the very low approval of UNDP regional projects. He noted the laudable achievements recorded by UNIDO, and called for improved efficiency. One delegate felt that it was too early to discuss new institutional arrangements for UNIDO when the results of the Conference were not yet known.

252. Satisfaction was expressed with the progress achieved by the UNIDO Secretariat in the implementation of the mandate accorded to it in the Lima Declaration and Plan of Action. Many delegates recognized that the human and financial resources of the organization were inadequate if it had to effectively implement the full mandate accorded to it. They also supported the need to broaden the scope of the autonomy of the organization during the interim period before it becomes a specialized agency.

253. All delegates reaffirmed, in their statements, the central role and importance of UNIDO in co-ordinating industrial activities in the United Nations system. The initiatives by the Secretariat for greater co-operation with other United Nations agencies, including the UNDP Resident Representatives and the regional commissions were welcomed and a call made for the intensification of such co-operation. In addition, the importance of the Industrial Development Field Adviser programme in enhancing UNIDO's field representation was emphasized and a call made for its expansion. It was also considered essential to establish close working relationships with regional and subregional organizations in the developing countries.

254. They also noted with satisfaction the agreement on the Constitution of UNIDO and urged all countries to sign and ratify it to enable the early transformation of the organization into a specialized agency. Many delegates noted that that transformation was considered to be coupled with basic changes in the Organization's status both qualitatively and quantitatively. That was particularly so in view of the current inadequate resources available to the organization. Concerning the recommendation that an intergovernmental committee be established to examine the structure and method of operation of the Secretariat, the view was expressed by several delegations that the idea might best be considered by the Industrial Development Board. A strong call was made for increased contributions to UNIDF in order that the minimum annual funding level of \$50 million could be achieved as soon as possible.

255. The paramount importance of and the need to further expand UNIDO's technical assistance programme was stressed with emphasis placed on the development of projects tailored to the needs of the developing countries particularly related to small and medium-sized industries, technology, investment promotion, the least developed countries and the Economic Co-operation among Developing Countries as well as the development of endogenous industrialization strategies. In view of the importance of its technology programmes, a call was made to make appropriate institutional arrangements in the Secretariat to give it sharper focus. Stress was also made to focus more attention on the real needs of the developing countries in the research and studies conducted by UNIDO which should also contribute to the country programming exercise. The need to increase the Special Industrial Services (SIS) programme was stressed and there was a call for the internal evaluation in UNIDO to be strengthened.

C. DRAFTING COMMITTEE

256. The Drafting Committee established by the Conference at its 2nd plenary meeting held a series of meetings during the Conference.

257. The document upon which the Drafting Committee had been working having been withdrawn (see chapter IV, para. 258), that Committee made no formal report to the Conference.

Chapter IV

DECLARATION AND PLAN OF ACTION AND DRAFT RESOLUTIONS: ACTION BY THE CONFERENCE

A. DECLARATION AND PLAN OF ACTION

258. At its 21st plenary meeting, on 9 February 1980, the Conference began its consideration of agenda item 7 (Conclusions and recommendations).^{41/} The President stated that at the request of the chairmen of all geographical groups, and in an effort to focus attention on a single text that could form a basis for a consensus, he had undertaken to prepare a draft declaration and plan of action, which had been the subject of intensive consultations in an informal contact group. It had been hoped, he said, that the text concerned could be adopted by the Conference by consensus, even if certain reservations had to be recorded; but notwithstanding the large measure of support for the compromise document, the necessary co-operation had not been forthcoming from certain quarters. Since all efforts to avoid confrontation and reach a compromise on a consensus text had failed, he said, that document was withdrawn as a basis for a declaration and plan of action of the Conference.

259. The Chairman of the Group of 77 recalled that that Group had come to New Delhi with the sincere desire to achieve a reasonable compromise by establishing a constructive dialogue with the other Groups in order to strengthen international co-operation and the industrialization of the developing countries. He referred to the importance of the Conference, which was taking place after the fifth session of the United Nations Conference on Trade and Development and the United Nations Conference on Science and Technology (UNCSTD) - both of which had yielded very poor results - and before the special session of the General Assembly scheduled for the summer of 1980 to elaborate a development strategy for the third United Nations development decade. He noted that the absence of flexibility and the lack of political will among the representatives of some developed countries had turned the discussions into a dialogue of the deaf. He stressed that certain proposals essential to the Group of 77, regarding, *inter alia*, industrial financing, the System of Consultations, industrial redeployment, trade in manufactured and semi-manufactured products, and disaggregation of the Lima target, had not met with a positive response. Under the circumstances, the Chairman of the Group of 77 proposed that the draft declaration and plan of action of the Group of 77 (ID/CONF.4/CRP.16 and Add.1 and 2) be adopted by the Conference as the "New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for their Industrial Development", and requested that a vote be taken on the text as a whole.^{42/} He further requested that the vote be by roll-call.^{43/}

^{41/} The deliberations on agenda item 7, and in particular on the adoption of a New Delhi Declaration and Plan of Action, are reflected in ID/CONF.4/SR.21, paras. 1-74.

^{42/} ID/CONF.4/SR.21, paras. 2-4.

^{43/} *Ibid.*, para. 32.

260. A delegation speaking on behalf of Group D, said that the absence of political will on the part of some countries had made it impossible for the President's text to be adopted. That delegation said that the Group D countries had attached the utmost importance to the Third General Conference of UNIDO. It wished in particular to express the Group's admiration for the outstanding role played by the President aimed at achieving a text that would express the views of all participants. However, due to well-known obstacles raised by some countries, it had been made impossible for that document to be adopted. The delegation reaffirmed the willingness of Group D to continue in the future to co-operate in the solution of tasks assigned to UNIDO.

261. The Chairman of Group B said that that Group had participated actively and constructively in the work of the Conference, and regretted that attention to issues more appropriately dealt with elsewhere, the presentation of issues, even technical ones, in political terms and the introduction of contentious political issues had created obstacles which gave Group B no option but to vote against the draft declaration and plan of action. The Group would continue its efforts in the future to find the broadest possible measure of agreement on solutions to the problems of industrial development in the developing countries. She requested that her statement form part of the report of the Conference. She also requested that the two position papers presented to the Conference by Group B (ID/CONF.4/CRP.15 and ID/CONF.4/CRP.18) be incorporated in the report.^{44/}

262. Before the vote was taken on the Group of 77 proposal, the representative of Morocco proposed that a reference to Western Sahara in paragraph 63 of ID/CONF.4/CRP.16 be deleted.^{45/}

263. The Chairman of Group B stated that the delegations of that Group would vote against the Group of 77 documents as a whole, but would not participate in any vote on separate paragraphs or on amendments thereto.

264. At the 21st plenary meeting, the President put to the vote the proposed amendment to paragraph 63 of document ID/CONF.4/CRP.16.^{45/} The amendment was rejected by 28 votes to 10, with 19 abstentions.^{46/}

265. At the same meeting, the President put document ID/CONF.4/CRP.16 and Addenda 1 and 2, as submitted by the Group of 77, to a roll-call vote. The New Delhi Declaration and Plan of Action was adopted (chapter VI, this report) by 33 votes to 22, with 1 abstention. The voting was as follows:

In favour: Afghanistan, Algeria, Argentina, Bangladesh, Benin, Bhutan, Brazil, Bulgaria, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chile, China, Colombia, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Democratic Yemen, Ecuador, Egypt, Ethiopia, Gabon, German Democratic Republic, Ghana, Guinea, Guyana, Hungary, India,

^{44/} Ibid., paras. 7-11 and annex I of this report.

^{45/} Cf. New Delhi Declaration and Plan of Action, para. 74. Cf. chap. VI, this report.

^{46/} The delegation of Pakistan subsequently notified the Conference Secretariat that, consistent with Pakistan's support for the right of self-determination of the people of the Western Sahara, it opposed the amendment, and requested that the record of the vote be corrected accordingly.

Indonesia, Iran, Iraq, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Libyan Arab Jamahiriya, Malaysia, Malta, Mauritius, Mexico, Mongolia, Morocco, ^{47/} Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Peru, Philippines, Poland, Qatar, Republic of Korea, Romania, Sao Tome and Principe, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Suriname, Syrian Arab Republic, Thailand, Trinidad and Tobago, Tunisia, Turkey, ^{47/} Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zambia.

Against: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Federal Republic of, Greece, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Holy See.

266. The delegation speaking on behalf of Group D stated that the positive vote cast by that Group should not be construed as implying total acceptance of all provisions of the document adopted. He requested that his statement, an addendum which would be submitted later, and the Group D position paper presented to the Conference (ID/CONF.4/CRP.14) be included in the report. ^{48/}

267. The Conference agreed to include the statements and position papers of Groups B and D in its report (see annexes I and II).

268. Reservations concerning the reference to Western Sahara in paragraph 63 ^{45/} were expressed by the representatives of Gabon, Central African Republic, Ivory Coast, Jordan, Nigeria, Senegal, Turkey and Zaire. ^{49/}

269. Reservations concerning references to Zionism in paragraphs 11 ^{50/} and 63 ^{45/} were expressed by the Representatives of Chile, Ivory Coast, Singapore and Suriname. ^{49/}

270. Reservations concerning a proposal in the Plan of Action for the establishment of a global fund for the promotion of industrialization in the developing countries were expressed by the representative of Kuwait. ^{49/}

271. Reservations concerning the establishment of the global fund were also expressed by the representative of Saudi Arabia. He explained that while his delegation had refrained from participating in the vote, Saudi Arabia could be regarded as accepting the Declaration and Plan of Action as a whole. ^{49/}

B. RESOLUTIONS

272. During its consideration of agenda item 7 (Conclusions and recommendations), the Conference had before it two draft resolutions, on "Women and Industrialization" (ID/CONF.4/L.2) and on "Industrial Development Decade for Africa" (ID/CONF.4/L.7).

^{47/} During the voting, the representatives of Morocco and Turkey expressed reservations concerning paragraph 63 of document ID/CONF.4/CRP.16 (Cf. footnote 45. this report).

^{48/} See ID/CONF.4/SR.21, paras. 35-42 and annex II of this report.

^{49/} ID/CONF.4/SR.21, paras. 43-57.

^{50/} Cf. New Delhi Declaration and Plan of Action, para. 11 (Cf. chap. VI, this report).

1. Resolution on Women and Industrialization

273. At the 21st plenary meeting, on 9 February 1980, the representative of Finland introduced a draft resolution on "Women and Industrialization" (ID/CONF.4/L.2) submitted by Denmark, Finland, Norway and Sweden and co-sponsored by Hungary, India, Mexico, Netherlands, Peru, Philippines, Portugal, Tunisia, the United Republic of Tanzania and Yugoslavia.

274. At the same meeting, the Conference adopted the resolution by consensus. The resolution, as adopted (ID/CONF.4/RES.1), reads as follows:

"The Third General Conference of the United Nations Industrial Development Organization,

"Mindful that the United Nations Decade for Women was proclaimed to draw attention to the problems faced by women in their daily lives and to stimulate recognition at the national and international levels of the loss experienced where women, accounting for half of the world's adult population, are not given equal opportunity to contribute fully to national development,

"Recalling the results of the World Conference of the International Women's Year, held at Mexico City, from 19 June to 2 July 1975,

"Recalling also General Assembly resolutions 3342 (XXIX) of 17 December 1974 on women in development, and 3524 (XXX) of 15 December 1975 on measures for the integration of women in development, in which the General Assembly urged Governments to give sustained attention to the integration of women in the planning, formulation, design and implementation of development projects and programmes,

"Further recalling the provisions of the Lima Declaration and Plan of Action on Industrial Development and Co-operation^{a/} concerning the full integration of women in social and economic activities and, in particular, in the industrialization process, on the basis of equal rights,

"Recalling in particular Industrial Development Board resolution 44 (IX) of 25 April 1975 on the integration of women in development,

"Taking into consideration the recommendations of the Preparatory Meeting on the Role of Women in Industrialization in Developing Countries,^{b/} held in Vienna from 6 to 10 November 1978,

"Taking also into consideration resolution 2 on women, science and technology, adopted by the United Nations Conference on Science and Technology for Development on 31 August 1979,

"Having considered in response to the request contained in General Assembly resolution 34/204 of 19 December 1979 on effective mobilization and integration of women in development, inter alia:

- (a) The impact of new technology and the deployment of modern industries on women's traditional skills and occupations which may be endangered, and
- (b) The identification of ways and means of enhancing and facilitating the equal participation of women in industrial development, in both rural and urban areas,

"Bearing in mind the responsibility of the United Nations Industrial Development Organization to develop concrete programmes aimed at integrating women in the industrialization process of developing countries in accordance with the decision taken by the Industrial Development Board, at its thirteenth session,

a/ A/10012, chap. IV.

b/ ID/WG.283/23.

"Mindful that further discussions on the effective integration of women in development, and in particular on the sub theme 'Employment, Education and Health', will take place at the World Conference of the United Nations Decade for Women: Equality, Development and Peace to be held in Copenhagen in 1980,

"1. Emphasizes that the integration and participation of women at all levels in the industrialization process is a vital prerequisite for balanced and equitable development;

"2. Calls on all Governments to seek to promote the involvement and integration of women in the industrial development and to take measures to eliminate discriminatory attitudes and practices hampering the effective participation of women in the development process;

"3. Stresses the essential role the United Nations Industrial Development Organization has to play in the integration of women in industrial development;

"4. Welcomes as a first step the establishment of an Interdivisional Working Group on Integration of Women in Industrial Development within the Secretariat of the United Nations Industrial Development Organization to deal with and co-ordinate activities related to the integration of women in development;

"5. Expresses the desire that the Interdivisional Working Group make rapid progress in its work;

"6. Urges the Executive Director of the United Nations Industrial Development Organization to take further measures to facilitate the work of the Interdivisional Working Group in fulfilling its mandate and to submit to the Industrial Development Board, at its fourteenth session, a preliminary progress report;

"7. Requests the Executive Director of the United Nations Industrial Development Organization to report on the impact of the industrialization process on women in forthcoming issues of the Industrial Development Survey and in future monitoring of the implementation of the Lima Declaration and Plan of Action;

"8. Requests also the Executive Director of the United Nations Industrial Development Organization to assist Governments, upon request, in developing data collection systems and reporting methods to provide information - inter alia, for the analyses of the Executive Director - on the integration of women in industrial development, keeping in mind such relevant aspects as employment, training, access to jobs and remuneration;

"9. Further requests the Executive Director of the United Nations Industrial Development Organization to provide data on participation of women in the activities of the Organization - such as training, fellowship programmes, seminars and courses - in his future Annual Reports and other relevant reports;

"10. Invites the Executive Director of the United Nations Industrial Development Organization to undertake urgently the studies requested by the Industrial Development Board, at its thirteenth session, on:^{c/}

(a) The selected industries, such as electronics, food processing, and pharmaceutical and textile industries, and their impact on women, and

(b) The possible impact of industrial redeployment on women,

and to submit the reports on these studies to the Industrial Development Board at its fourteenth session;

"11. Further invites the Executive Director of the United Nations Industrial Development Organization, in implementing the Lima Declaration and Plan of Action:

- (a) To keep under constant review the impact of these decisions on women,
- (b) To promote the participation of men and women alike in planning and decision-making, both in their own countries and at the international level, as well as in the carrying out of measures to promote industrialization in developing countries, and
- (c) To formulate and implement the industrialization programmes of the Organization with the full participation of men and women alike;

"12. Recommends that the Executive Director of the United Nations Industrial Development Organization take measures to ensure the more effective participation of women in decision- and policy-making processes within the Secretariat of the United Nations Industrial Development Organization and in the field, in accordance with the appropriate resolutions of the General Assembly and other bodies;

"13. Invites the Executive Director of the United Nations Industrial Development Organization to report on the integration and participation of women in the process of industrial development to the World Conference of the United Nations Decade for Women: Equality, Development and Peace, to be held in Copenhagen in 1980:

"14. Requests the Executive Director of the United Nations Industrial Development Organization to report on the progress achieved in the implementation of the present resolution to the Industrial Development Board at its fifteenth session."

2. Resolution on Industrial Development Decade for Africa

275. At the 21st plenary meeting, on 9 February 1980, the representative of Tunisia introduced a draft resolution submitted by the Group of 77 on an "Industrial Development Decade for Africa" (ID/CONF.4/L.7).

276. At the same meeting, the Conference adopted the resolution by consensus. Following adoption of the resolution, a statement was made by the Chairman of Group B.^{51/} The resolution, as adopted (ID/CONF.4/RES.2), reads as follows:

"The Third General Conference of the United Nations Industrial Development Organization

"Noting that the present imbalances in the international economic order are largely due to the overwhelming industrial and technological gap among the various groups of the nations of the world, and that the multiplying effects of this industrial and technological gap are increasingly becoming more severe on the international monetary system, trade relations and economic co-operation,

"Bearing in mind that the African region is known to be the least developed of all developing regions and contains the largest number of least developed and land-locked countries, as well as most seriously affected economies,

"Recognizing that industry constitutes the driving force behind all economic and social development in that in the long-term it leads to the accumulation of capital, increased overall labour productivity through the acquisition of technological know-how,

^{51/} ID/CONF.4/SR.21, para. 74.

"Recognizing further that the attainment of targets contained in the Lima Declaration and Plan of Action^{a/} would imply a programme promoting very large investment in African countries,

"Taking into account the 'Monrovia Declaration of Commitment of the Heads of State and Government of the Organization of African Unity on Guidelines and Measures for National and Collective Self-reliance in Social and Economic Development for the Establishment of a New International Economic Order'^{b/} for the African region in which high priority is accorded to industrial development in the third United Nations development decade thus recommending that the 1980s be declared the industrial development decade for Africa,

"Recognizing the urgent need for the establishment of a sound industrial base with special emphasis on the development of the requisite national industrial and technological policies, capabilities, and institutional infrastructure, as well as intra-African co-operation in order to permit the industrial take-off of Africa,

"1. Recommends to the General Assembly to:

- (a) Proclaim the 1980s as the Industrial Development Decade for Africa with the purpose of focusing greater attention and mobilizing greater political commitment and financial and technical support, at the national, regional and international levels for the industrialization of Africa,
- (b) Request the Secretary-General of the United Nations to make appropriate financial and other arrangements for the successful launching of the Decade;

"2. Calls upon the international community to provide greater financial and technical support, at the bilateral and multilateral levels, to the continent's industrialization efforts,

"3. Request the Executive Director of the United Nations Industrial Development Organization and the Executive Secretary of the Economic Commission for Africa to co-operate with the Secretary-General of the Organization of African Unity, to work out a programme of action for the Decade, and submit it to the special session of the General Assembly in 1980."

a/ A/10012, chap. IV.

b/ AHG/ST.3 (XVI) Rev.1.

Chapter V

ADOPTION OF THE REPORT AND CLOSURE OF THE CONFERENCE

A. ADOPTION OF THE REPORT

277. At the 21st plenary meeting, on 9 February 1980, the Conference began its consideration of agenda item 8 (Adoption of the report of the Conference).^{52/}

278. The Conference considered the introductory part and chapters I (Attendance and organization of work) and II (Summary of the general debate) of its draft report (ID/CONF.4/L.3) and adopted them.

279. The Conference also adopted the reports of Committees I and II (see chapter III).

280. At the same meeting, the Conference adopted its report as a whole, it being understood that the Rapporteur-General, with the assistance of the Friends of the Rapporteur, would be entrusted with the task of finalizing the report, including those sections which it was not possible to put before the Conference for consideration.

B. CLOSURE OF THE SESSION

281. The representative of Kenya extended, on behalf of his Government, an invitation to hold the Fourth General Conference of UNIDO in Nairobi.

282. Following statements by the spokesmen of the various geographical groups, Austria, China and the Executive Director of UNIDO - in which congratulations and thanks were expressed to the Government and people of India, to the President of the Conference and all who had contributed to its work - the President of the Conference made a closing statement and declared the Conference closed.

283. The Third General Conference of UNIDO concluded its session at 9.30 p.m. on 9 February 1980.

^{52/} The deliberations on this agenda item are reflected in ID/CONF.4/SR.21, paras. 75-86.

Chapter VI

NEW DELHI DECLARATION AND PLAN OF ACTION ON INDUSTRIALIZATION OF DEVELOPING COUNTRIES AND INTERNATIONAL CO-OPERATION FOR THEIR INDUSTRIAL DEVELOPMENT⁵³

DECLARATION

1. The Third General Conference of the United Nations Industrial Development Organization, convened by General Assembly resolution 33/77 of 15 December 1978, having reviewed and appraised the world industrial situation with specific reference to the implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation conducive to the industrialization of the developing countries, and having decided on the ways and means for further industrialization in the 1980s and beyond, within the framework of the establishment of the New International Economic Order,

solemnly adopts

the NEW DELHI DECLARATION ON INDUSTRIALIZATION OF DEVELOPING COUNTRIES AND INTERNATIONAL CO-OPERATION FOR THEIR INDUSTRIAL DEVELOPMENT.

2. Re-emphasizing the imperative need for the implementation of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), of 1 May 1974, on the Declaration and the Programme of Action on the Establishment of a New International Economic Order, as well as General Assembly resolutions 3281 (XXIX), of 12 December 1974, embodying the Charter of Economic Rights and Duties of States, and 3362 (S-VII), of 16 September 1975, on development and international economic co-operation:

3. Reaffirming strongly the Lima Declaration and Plan of Action on Industrial Development and Co-operation endorsed by the seventh special session of the General Assembly wherein it was decided that by the year 2000 the share of the developing countries should be increased to at least 25 per cent of the total world industrial production and which defines the basic strategy, principles and measures for the achievement of the target within the framework of the New International Economic Order:

^{53/} At its 21st plenary meeting, on 9 February 1980, the Third General Conference of UNIDO adopted the "New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for their Industrial Development", which had been presented to the Conference by the Group of 77 as Conference Room Paper ID/CONF.4/CRP.16 and Add.1 and 2 (see chap. IV, this report). Addendum 2 contained an alternative version of chapter VIII (Least Developed Countries) as contained in ID/CONF.4/CRP.16/Add.1 and, having been adopted by the Conference, is the text used here. The New Delhi Declaration and Plan of Action set out in the present chapter is the original text presented at New Delhi, with only minor editorial adjustment (paragraphing, referencing, etc.).

4. Recalling General Assembly resolution 32/174, of 19 December 1977, which provided, inter alia, for the holding of a special session in 1980, and resolution 33/193, of 29 January 1979, related to the preparations for an international development strategy for the third United Nations development decade, inviting UNIDO to contribute effectively to the work of the special session and to the preparations for the new international development strategy of the third United Nations development decade;
5. Recalling also General Assembly resolution 34/98, of 13 December 1979, on industrial development co-operation and the Third General Conference of the United Nations Industrial Development Organization;
6. Reiterating the principles and positions of the previous Group of 77 ministerial meetings, and in particular those at Mexico (September 1976), Arusha (February 1979), Bucharest (August 1979), New York (September 1979) and Belgrade (September 1979);
7. Recalling sustained efforts by the Group of 77 to solve fundamental problems facing their economies and to achieve genuine solutions to the imbalances in world economic relations in accordance with the principles and objectives of the New International Economic Order at the meetings of the organs and organizations of the United Nations system and the various conferences organized under the auspices of the United Nations, especially those held after the sixth special session of the General Assembly;
8. Guided by the decisions contained in the Economic Section of the Declaration of the Sixth Summit Conference of Heads of State or Government of Non-Aligned Countries, held in Havana, from 3 to 9 September 1979;
9. Expressing great concern at the difficult situation confronting the least developed, most seriously affected, island and land-locked developing countries and the need to give special attention to their pressing problems and to devise new special measures to eliminate the main obstacles confronting their economies, in particular their industrial development;
10. Noting with great concern the difficult situation confronting the economies affected by and experiencing deterioration as results of their national liberation struggles, and the need to pay special attention to their urgent problems and to find new special ways to eliminate the most important problems in their industrial development;
11. Aware that the vast majority of the developing countries have been forced into poverty by alien occupation, racial discrimination including apartheid and zionism, colonialism and neo-colonialism and that it is the duty of the international community, particularly the developed countries, to help them emerge from underdevelopment, occupation and subjugation;
12. Taking into consideration the reports of the meetings of ministers of industry of Latin America (Cali, 10-14 September 1979), Africa (Addis Ababa, 17-20 October 1979), and Havana (15-16 December 1979), Asia and the Pacific (Bangkok, 25-26 October 1979), and of Arab Countries (Algiers, 16-20 November 1979) which reviewed the industrialization of developing countries in these regions in the context of recent developments in the world economy, and defined their positions for the Third General Conference of UNIDO;
13. Taking into consideration the Havana Declaration adopted by the Ministerial Meeting of the Group of 77 on 22 December 1979, which defined a joint position for the Third General Conference of UNIDO;

14. Emphasizing that the Third General Conference of UNIDO should serve to accelerate the industrialization of the developing countries, promote international co-operation in this field, contribute to the work of the special session of the General Assembly and the new international development strategy for the third United Nations development decade: and the realization of the New International Economic Order;
15. Reviewing the world industrial situation since the Second General Conference of UNIDO;

I. Review and appraisal

The Conference

16. Expresses grave concern at the fact that the world economy is experiencing a steadily worsening economic crisis, a symptom of structural maladjustments, imbalances and inequalities that have their most damaging effect on the economies of developing countries. This crisis that emanates from several developed countries, is manifested in such phenomena as complete deterioration of the international monetary system, inflation, chronic balance-of-payments problems in developed countries, structural rigidities in the pattern of industrial production in these countries and intensification and institutionalization of protectionism;
17. Considers that the negative trends in the world economy have adversely affected the efforts for economic and social emancipation of developing countries, inter alia, in their endeavours for industrialization and access to sources of finance, technology and external markets and other inputs for industrial development;
18. Expresses deep concern at the unco-operative attitude of some developed countries, the unacceptable practices of transnational corporations, the effect of continuing inflation on the economies of developing countries, the pressures exerted on their balance-of-payments position as a result of inequality in trade relations and the alarming increase of their foreign debt. These factors, inter alia, hinder the establishment of the New International Economic Order;
19. Observes with concern the restrictions that most of the developed countries impose in order to deny or limit access to their markets of the manufactured and semi-manufactured goods of the developing countries. It deplores the increasing use of protectionist measures and domestic subsidies by some developed countries in recent years, especially in sectors in which the developing countries have acquired or are likely to acquire comparative advantages;
20. Expresses dismay at the persistent and widening gap between the developed and developing countries resulting from inadequate financial, material and technological resource transfers necessary to generate industrial capacities in developing countries. It also emphasizes the deterioration of their earnings in real terms as a result of stagnation and fluctuations in the prices of their exports;
21. Views with profound dissatisfaction the fact that despite recommendations and commitments at various fora, most developed countries have not yet evinced the political will necessary for the successful conclusion of negotiations leading to a fundamental restructuring of the international economic system envisaged in the New International Economic Order;

22. Reviews, in the context of international industrial co-operation since the Second General Conference of UNIDO, industrial development in developing countries and deplores the lack of progress in the implementation of the Lima Declaration and Plan of Action and, in particular, in the fulfilment of the Lima target and its related objectives. While in 1975 the developing countries generated 8.6 per cent of world industrial production, by 1979 their estimated share will have barely exceeded 9 per cent. Such lack of progress in achieving commonly agreed objectives is totally unacceptable;

23. Calls, therefore, for the immediate adoption by the developed countries of special additional measures to enable the developing countries to attain the Lima target and its related objectives and strongly emphasizes the responsibility of the developed countries to fully contribute financially and technologically to these efforts.

Measures of national scope

24. The Conference notes that, since the Lima Declaration and Plan of Action, the developing countries have continued to consider industrialization, with its necessary linkages to other major sectors of the economy, as a key element in their efforts for rapid economic and social development. In this context, it emphasizes that collective self-reliance, sovereignty over their natural resources and economic activities, international co-operation and social justice are necessary elements for industrial development. Developing countries have taken measures at the national level aimed at promoting medium- and long-term industrial development, planning and strategy, establishment of industrial production facilities, setting up of financial and other institutions, building up of technological capability, amelioration of social conditions, and utilization of indigenous natural resources. The impact of such measures has been limited, however, by the present serious crisis of the world economy and by the lack of supporting measures by most developed countries;

25. Notes with regret that most developed countries have not only failed to carry out the measures in the Lima Declaration and Plan of Action in respect of elimination of tariff and non-tariff barriers, but have also instituted rules to further restrict access to their markets of manufactures and semi-manufactures from developing countries. They have also failed to implement measures designed to ensure increased exports of manufactured and semi-manufactured products from developing countries and structural adjustments within their economies for inter alia, redeployment of industrial capacity to developing countries, measures to ensure higher utilization and higher degree of processing materials within developing countries, achievement of a favourable balance in world production of synthetics in direct competition with natural products, and co-operation with developing countries to regulate the activities of their transnational corporations. The same unsatisfactory record is evident in the few and ineffective measures taken by these developed countries for increased financial contributions to international organizations and to government or credit institutions in developing countries, as well as participation by their enterprises in investment projects within the framework of the plans and programmes and in accordance with the laws and regulations of developing countries. These developed countries have also not taken appropriate measures to expand technical co-operation programmes for the benefit of

developing countries, such as assuring, providing and financing technology, training and research, and ensuring the continuance and maintenance of industrial units, particularly those set up with their assistance in accordance with the Lima Declaration and Plan of Action.

Co-operation among developing countries

26. The Conference, having reviewed the experience in promoting co-operation among developing countries, welcomes the progress which has been made in elaborating the programme of industrial and economic co-operation among developing countries, particularly in the Conference on Economic Co-operation among Developing Countries at Mexico in September 1976, the United Nations Conference on Technical Co-operation among Developing Countries at Buenos Aires in September 1978, the Fourth Ministerial Meeting of the Group of 77 at Arusha in February 1979, the Programme of Action for Economic Co-operation adopted by the Sixth Summit Conference of Non-Aligned Countries held at Havana in September 1979, and the Havana Declaration of the Ministerial Meeting of the Group of 77 in December 1979:

27. Notes with satisfaction the growing efforts by developing countries to take measures envisaged in chapter II of the Lima Declaration and Plan of Action, particularly in sharing experience and know-how of industrialization and technology, development of human resources, conclusion of long-term agreements, promotion of direct trade, strengthening of institutions responsible for promotion of horizontal co-operation, and through consultations and co-ordination. Economical, technical and financial co-operation among developing countries has emerged as a new dimension of international co-operation for development, which gives expression to the developing countries' determination to achieve national and collective self-reliance, to make optimum use of their human and other resources and to bring about the New International Economic Order. It feels that the efforts made so far represent a beginning for a qualitative and quantitative new stage of co-operation among developing countries in years to come.

Co-operation between developing and developed countries

28. The Conference, having reviewed the experience since 1975 of industrial co-operation between developing and developed countries in the light of chapter III of the Lima Declaration and Plan of Action which defines the forms of financial, technological and trade co-operation necessary for the industrial development of developing countries;

29. Expresses grave concern, in reviewing financial matters, that major obstacles continuing adversely to affect the industrial development of developing countries and implementation of the Lima Declaration and Plan of Action have been the lack of adequate financing from developed countries and the world financial crisis, brought about by the short-sighted policies of many developed countries. The actual performance of developed countries in financial resource transfers to developing countries through official development assistance has fallen far short of the 0.7 per cent target. Official development assistance has fallen steadily from 0.35 per cent in 1975 to 0.34 per cent in 1978. Multilateral financial institutions and private financial flows have also fallen far short of meeting the needs of developing countries. This has been due to the lack of political will and the increasing instability of financial markets in developed countries. The terms and conditions of financial

flows continue to deteriorate in relation to development requirements. In these circumstances, developing countries have been forced to limit their industrialization and development programmes and to incur external debts of unprecedented magnitude. It reiterates its concern over the escalating debt burden of developing countries, with servicing estimated at over \$40 billion a year, or more than 20 per cent of their annual export earnings, a situation that is a major impediment to their accelerated economic progress;

30. Considers that the process of development and, in particular, the industrialization of the developing countries is of necessity accompanied by a significant additional cost resulting from the scanty technological and economic potential they have been able to accumulate owing to centuries of colonial and neo-colonial domination and the unfavourable international climate. The burden imposed by this additional cost cannot and should not be borne by developing countries alone, collectively or individually. It is the responsibility of the entire international community and, in particular, of developed countries to assume that additional cost through the transfer of financial and technological resources to developing countries and by working for a basic revision of the international monetary, financial and commercial systems within the framework of the New International Economic Order;

31. Stresses that the financial resources required for economic development, and especially for industrialization, greatly exceeded the capacity of the developing countries and especially of the least developed countries to mobilize domestic savings. Large inflows of external financing would therefore be necessary. It recalls that, in the context of the Lima target and its related objectives, the United Nations Industrial Development Organization has determined that annual investment in industry by the year 2000 should amount to approximately \$500 billion, a third of which would have to be financed externally;

32. Expresses concern over the constant deterioration of the international monetary situation, and notes that the high instability of exchange rates of the main reserve currencies, particularly the United States dollar, together with inflation in developed countries, had been among the main causes of the growing imbalance in the world economic situation and of the economic difficulties of developing countries, inter alia through their negative impact on the real value of the export earnings and foreign currency reserves of these countries. It stresses the urgent need for the creation of an international monetary system which would take fully into account the interests of the developing countries, and requests the market-economy countries to adopt and implement the Programme of Action on fundamental reform of the International Monetary System adopted by the Ministers of Finance of the Group of 77, in Belgrade, September 1979;

33. Notes that the world continues to be characterized by inequalities of great magnitude in the scientific and technological fields. The present situation is reflected in the state of scientific and technological dependence of developing countries, which is another major obstacle to their industrialization. It deplores continuing limitations on access by developing countries under fair and equitable conditions to technological know-how and advanced technology and the burden imposed on developing countries due to the repetitive sale to them of the same technology. Despite the efforts of the Group of 77, negotiations on an international code of conduct for the transfer of technology have not yet been successfully completed. It expresses the hope that the forthcoming revision of the Paris Convention for

the Protection of Industrial Property would fully reflect the legitimate aspirations of developing countries. Concern was also expressed that the share of the developing countries in world research is extremely small and that a large fraction of world research is devoted to military purposes and to areas of little importance to developing countries. It also stresses the need to devote greater attention and resources to research and development of indigenous technology by developing countries themselves;

34. Expresses concern that the industrial development efforts of developing countries are also seriously hampered by the policies of developed countries in the field of trade. In the multilateral trade negotiations, the developed countries have devoted most of their attention to their mutual trade and have failed to respond to the interests and concerns of developing countries;

35. Rejects attempts to introduce concepts, norms and principles such as access to supplies, graduation, selectivity, the utilization of the "strategy of basic needs" and the concept of differentiation in order to shift the focus of the international community away from the negotiations on the New International Economic Order, to distort national development priorities or to attempt to breach the unity of the developing countries.

Least developed, land-locked and most seriously affected and island developing countries

36. The Conference, having reviewed international efforts since 1975 to assist least developed, land-locked, most seriously affected and island developing countries to industrialize rapidly, takes note of the operational activities undertaken by UNIDO and other United Nations organizations in the field of industrial development of these countries. It feels constrained to point out that, while welcoming special measures taken, no real progress has been achieved in tackling the serious and urgent set of problems confronting these countries. Despite the set of measures approved in chapter IV of the Lima Declaration and Plan of Action, General Assembly resolutions 32/190 of 19 December 1977, 33/149 of 20 December 1978, 33/150 of 20 December 1978 and 34/210 of 19 December 1979, and subsequent commitments by the international community, real per capita gross domestic product of the least developed countries in this decade grew at an even lower average rate than during the 1960s, while a quarter of these countries experienced an actual decline during the 1970s. The Comprehensive New Programme of Action for the Least Developed Countries adopted by the United Nations Conference on Trade and Development (UNCTAD) at its fifth session in resolution 122(V), of 3 June 1979, which is a firm commitment of the international community as a whole, and the industrialized countries in particular, must be fully implemented;

37. Urges that action should be taken by the international community and in particular by the developed countries to implement, as a matter of urgency, the programmes of specific action in favour of land-locked, island and most seriously affected developing countries as adopted in various General Assembly and UNCTAD resolutions, including resolutions 111(V) and 123(V), of 3 June 1979, adopted by UNCTAD at its fifth session. It expresses the hope that the United Nations Conference on the Least Developed Countries to be held in 1981, would adopt urgent measures to solve the serious structural and other problems facing these countries.

Institutional arrangements

38. The Conference, having recalled the institutional arrangements agreed to in the Lima Declaration and Plan of Action, focuses its attention on the conversion of UNIDO into a specialized agency, establishment of the System of Consultations and negotiations, redeployment of industry from the industrialized to the developing countries, establishment of the United Nations Industrial Development Fund, and the central co-ordinating role of UNIDO in the field of industrial development within the United Nations system:

Conversion of UNIDO into a specialized agency

39. Welcomes the adoption of the Constitution of UNIDO as a specialized agency, the primary objective of which shall be the promotion and acceleration of industrial development in the developing countries with a view to assisting in the establishment of the New International Economic Order. It regards the consensus reached on the constitution as a political commitment by the developed countries to the conversion of UNIDO into a specialized agency so as to extend the scope and functions of the Organization as well as to increase its resources and autonomy, improve its mechanisms and efficiency, enabling the Organization to fulfil its responsibility in the field of industrial development and co-operation:

40. Stresses the importance of the early entry into force of the Constitution of UNIDO and to this end invites all States which have not yet done so to take, without delay, steps to sign and ratify, accept or approve it;

System of Consultations

41. Attaches particular importance to and positively appraises the System of Consultations among member States established in UNIDO, considering it as an important tool to accelerate the industrialization of developing countries and as an instrument for redeployment of industry from developed to developing countries and restructuring of world industry in the context of the New International Economic Order. It appreciates the experience gained in the eight meetings held so far on Consultations on iron and steel, fertilizers, petrochemicals, agricultural machinery, leather and leather products, vegetable oils and fats, and fully supports the programme of Consultation meetings for the biennium 1980-1981;

42. Reaffirms the commitment in the Lima Declaration and Plan of Action for UNIDO to serve as a forum for the negotiation of framework agreements in the field of industry between developed and developing countries and among developing countries themselves at the request of countries concerned, and notes with concern that action on this provision has yet to be taken:

Industrial and Technological Information Bank

43. Welcomes the decision that the Industrial and Technological Information Bank (INTIB) be an ongoing activity of UNIDO, flowing from the integration of INTIB with other sources of technological information in the United Nations system and its provision of unique inputs to Governments of developing countries on technical and commercial conditions;

Redeployment of Industry

44. Strongly emphasizes the essential importance of redeployment of industry from developed to developing countries for an equitable division of labour and restructuring world industry to meet requirements of the New International Economic Order. In this context it deplores that

actual redeployment has fallen far short of needs and expectations of developing countries and stress that industrial redeployment should not be limited to technologies that are out-moded, polluting or employ cheap labour:

United Nations Industrial Development Fund

45. Expresses concern regarding the continuing inadequacy of financial resources available to UNIDO for technical assistance to meet the needs of developing countries and enabling UNIDO to fulfil its important responsibilities in this area. Despite the establishment of the United Nations Industrial Development Fund, it views with concern the fact that the annual level of voluntary contributions is less than 25 per cent of the agreed funding level of \$US 50 million, that many highly industrialized countries so far have made no contributions to the Fund, that other developed countries' contributions are less than their normal share and that most contributions from developed countries are for special purposes thus affecting efficient utilization of the Fund by UNIDO. Urgent remedial measures are required to enable the United Nations Industrial Development Fund to perform the functions envisaged by the Second General Conference of UNIDO:

Relationship with organizations of the United Nations system

46. Reaffirms the decision taken in the Lima Declaration and Plan of Action, endorsed by the General Assembly at its seventh special session regarding the central co-ordinating role of UNIDO in reviewing and promoting all activities of the United Nations system in the field of industrial development and co-operation. While appreciating the steps taken in carrying out this decision, it feels that more remains to be done so that UNIDO, as the responsible organization for industrial development and co-operation in consultation and collaboration with other organizations of the United Nations system, as appropriate, should be the principal instrument to co-ordinate, implement and serve as a forum of negotiations within the United Nations system for industrialization efforts.

II. Strategy for further industrialization of the developing countries

The Conference

47. Agrees - in the light of its review and appraisal of the world industrial situation, with specific reference to industrial development of developing countries - on the strategy for further industrialization of developing countries as an essential element of the economic and social development process in the 1980s and beyond:

48. Reaffirms the vital interests of developing countries in the accelerated industrialization and their firm determination to strengthen national industries as a fundamental means to self-sustained and comprehensive economic and social development, to assure national sovereignty and independence and contribute to a peaceful and more equitable world order. It affirms the sovereign right of developing countries to introduce the essential structural changes, which will enable their people to achieve just and effective participation in the benefits of industrialization;

49. Considers that it is an inalienable right of developing countries to take effective, permanent measures to guarantee their full sovereignty over their natural resources in such aspects as methods of their production, pricing and marketing;
50. Stresses that developing countries have the right and duty to remove all obstacles that hinder their development, individually and collectively, as a prerequisite for attaining their development goals and objectives;
51. Considers that meeting the needs of the vast majority of the peoples of developing countries is a fundamental aim of industrialization and in this connection it reiterates the importance of achieving full employment and removal of poverty;
52. Expresses satisfaction that the Group of 77 by strengthening its solidarity and unity is enhancing its collective negotiating power and expressing its right to share in international decision making thus contributing to the legitimate aim of democratization of international relations. It reaffirms its strong commitment to the strategy of collective self-reliance, which concerns developing countries and is therefore formulated and implemented by these countries themselves, as an integral part of the over-all strategy for establishment of the New International Economic Order. It notes that developing countries have taken a series of important steps to implement the strategy of collective self-reliance through the strengthening of economic linkages and that there is untapped potential for future co-operation among themselves in finance, commerce, industrial technology and production, training in industrial skills and other fields;
53. Reiterates its concern over the insignificant progress made in the negotiations aimed at implementing the Declaration and Programme of Action on the Establishment of a New International Economic Order due to lack of political will on the part of most of the developed countries. In this regard, it expresses its conviction that the range and severity of problems facing the world necessitate an action-oriented, integrated and simultaneous approach to major issues through a round of global negotiations entirely within the United Nations system. The global negotiations should deal with major issues in the fields of raw materials, energy, trade, development, money and finance. In this context, it welcomes General Assembly resolutions and stresses that these negotiations should not interrupt negotiations in other fora of the United Nations system. On the other hand, other consultations and negotiations, such as those in UNIDO, should make significant contributions to the global negotiations and implementation of their results;
54. Stresses that attainment of the Lima target and its related objectives and the process of industrialization of developing countries, especially the least developed among them, requires exceptional and integrated measures at the national, subregional, regional and interregional levels by the developing countries themselves within the framework of collective self-reliance. Measures must also be taken by industrialized countries which will result in the free flow to developing countries of substantial additional financial and technical resources and free access to technology and markets. Such measures should guarantee to developing countries adequate and ready availability of other essential inputs such as energy, material and skilled human resources;

55. Supports the proposal to designate the 1980s as the African Industrial Development Decade, as an instrument for mobilizing support to the continent's industrialization efforts, taking account of the very low level of industrial development in Africa;
56. Considers that restructuring of world industrial production implies a continuous, dynamic and permanent process which should be action-oriented towards the attainment of objectives and targets of the Lima Declaration and Plan of Action and should be undertaken in accordance with the objectives and priorities of economic development of developing countries, in particular, with their industrial development plans and strategies. It underscores the importance of an integrated approach in carrying out the process of world industrial restructuring. Consequently, it should be characterized, among others, by the following supporting elements: financing, access to markets, transfer of technologies, control of the activities of transnational corporations and foreign investment and natural and human resources;
57. Considers it necessary that - in order to monitor progress and implement measures designed to achieve the Lima target and its related objectives and to better define appropriate means to this end - this global target should be disaggregated into mid-term, industrial sectoral and regional targets;
58. Considers that sectoral disaggregation of the global target should be based on resources and needs. The targets should particularly be established for major industrial sectors like steel, fertilizer, agricultural machinery, leather and leather products, petrochemicals, vegetable oils and fats, pharmaceuticals, food processing, capital goods, textiles and clothing, non-ferrous metals, and building materials. The System of Consultations and negotiations should provide a major input to the process of early establishment of such sectoral targets where they do not exist;
59. Reiterates the continuing need for every endeavour to ensure that industrial development be achieved evenly among the developing countries;
60. Notes that, if the Lima target is to be reached, it is necessary that the developing countries secure a fair share of world trade in manufactured goods. It also notes that at the Fourth Ministerial Meeting of the Group of 77 at Arusha in 1979, it was stated that the share of developing countries in world trade in industrial products should amount to at least 30 per cent by the year 2000. It further notes that the value of manufactured imports by developing countries from the industrialized countries should be fully covered by the value of exports of manufactures from the developing countries to the industrialized countries by 2000 AD without these objectives implying any limitations to the capacity of developing countries to carry out the necessary exchanges. In order that these matters including the establishment of appropriate mid-term targets for 1990 may be carefully considered as well as the ways and means in the industrial sector of achieving these targets and objectives be identified, it recommends the immediate establishment within UNIDO of an intergovernmental committee which should report through the Industrial Development Board to the General Assembly at its special session in August/September 1980. It stresses the need for close collaboration between UNIDO and UNCTAD secretariats for the purpose of rendering effective assistance to the work of the proposed intergovernmental committee, with the view that the

work of the proposed UNIDO intergovernmental committee should be fully consistent with the recommendations of the UNCTAD intergovernmental committee on this matter already established by the Trade Development Board, at its nineteenth session.

Redeployment of industry

61. The Conference reaffirms that redeployment is essential in order to effect an equitable international division of labour at a rate and in a manner consistent with the objectives, priorities and social and economic aims of developing countries within the context of the process of world industrial restructuring:

62. Considers that redeployment of industries from developed to developing countries should be carried out on the principle of dynamic comparative advantage in accordance with over-all national objectives, priorities and aspirations of developing countries under conditions that would ensure a substantial benefit to the economies of these countries. Restrictions introduced by industrialized countries hamper the process of redeployment. It stresses the significance of the public sector in the redeployment process and that the success of redeployment depends on progressive introduction of requisite co-operative measures supplemented by positive adjustment assistance policies of developed countries. The developed countries must adopt long-term policies and measures for industrial redeployment which should take into account the goals and objectives of economic development of developing countries and eliminate subsidies designed to protect their non-competitive industries:

63. Considers that redeployment should be seen as part of a process designed to promote the transfer of technology to developing countries and for the necessary training and experts' services, and should not be used as a pretext for obtaining access to abundant and low-paid manpower or for transferring obsolete technologies and polluting industries, or for exploiting and exhausting the natural resources of the developing countries or accentuating the persistent and deep economic inequalities. Environment protection measures must be included in redeployment plans:

64. Stresses the need for UNIDO to identify and propose effective steps for redeployment of industries from developed countries that will contribute to the development of economies of the developing countries by promoting industrialization of developing countries on natural sectoral endowment.

System of Consultations

65. The Conference reaffirms the importance of the System of Consultations as a means of promoting redeployment of industry to developing countries and of assisting in the restructuring of world industry. It decides to place the System of Consultations among member States on a permanent basis as a continuing and important activity of UNIDO, and that representation at such consultations of different parties and, in particular, of developed countries, shall be at an official level at which definite commitments could be made. It also urges the strengthening of the System of Consultations with a view to implementing targets and related objectives of the Lima Declaration and Plan of Action, taking fully into

account the objectives and priorities of the industrial development of developing countries. It also stresses the need to widen the scope of the System of Consultations to cover all important industrial sectors and to include global consultations on other topics such as industrial financing and industrial technology. Consultations should be expanded to the regional and interregional levels at the request of countries directly concerned;

66. Stresses that, in order to achieve the above-mentioned objectives, rules of procedure should be drawn up and approved for the System of Consultations, it should be conducted at the international, regional, interregional and sectoral levels, and it should aim at ensuring genuine benefit for developing countries, rather than creating a legal status that would continue the present dependency:

67. Reiterates that for wider representation of the least developed countries in Consultation meetings, financing of their participation should be assured;

68. Considers that all member States, particularly the developed countries, should co-operate in effective implementation measures to follow through on the recommendations of Consultations, make available the necessary resources and contribute to the finalization and adoption of the rules of procedure for the System of Consultations by the next session of the Industrial Development Board in accordance with the economic and social aims and priorities of the developing countries;

69. Strongly considers it necessary that UNIDO serve as a forum for the negotiation of agreements in the field of industry between developed and developing countries and among developing countries themselves, at the request of the countries concerned, assuring the efficiency of the System and realization of its potential for redeployment of industry from developed to developing countries.

Least developed, land-locked, island and most seriously affected developing countries

70. The Conference emphasizes that, with a view to accelerating their industrial development and expanding exports of manufactured and semi-manufactured goods of least developed and most seriously affected countries, urgent and special measures should be adopted to increase the net transfer of material, human, technological and financial resources from the developed to the least developed and most seriously affected countries so that they can develop their industrialization programme and prevent further deterioration in their situation;

71. Calls on the international community to fully implement the Comprehensive New Programme of Action for the Least Developed Countries, together with the measures envisaged in the relevant resolutions adopted by UNCTAD at its fifth session relating to land-locked countries, as well as the special measures contained in the Lima Declaration and Plan of Action. It welcomes the holding of a United Nations Conference on the special problems of the least developed countries in 1981;

72. Considers that the constraints faced by island developing countries in their development process include their very small internal markets and their lack of exploitable natural resources, and that such constraints in turn create severe difficulties in those countries' efforts towards industrialization;

73. Strongly reaffirms its solidarity with the least developed, land-locked, island developing and most seriously affected developing countries in seeking specific action by the international community to overcome the severe economic problems arising from the handicaps facing them;

74. Reaffirms its strong belief that urgent, more vigorous and concrete steps and actions still remain to be taken, collectively and individually, by all members of the international community to end without delay colonialism, imperialism, neo-colonialism, interference in internal affairs, racial discrimination, including apartheid and zionism, and all forms of foreign aggression and threat of aggression, occupation, domination, hegemony, expansionism and exploitation which constitute major obstacles to the economic emancipation of developing countries. It stresses again that it is the duty of all States effectively to support and extend assistance to the countries, territories and peoples still subjected to, and affected by, these practices so as to restore their national sovereignty, territorial integrity and all other inalienable and fundamental rights, including the right to self-determination, in order to enable them to achieve independence and to promote development and international co-operation, peace and security. It urges all countries to refrain from participating in, encouraging or promoting, in any way, any investment or economic activities aimed at trade or exploitation of any resources or investments in economic activities in the territories subjected to the aforementioned practices. It reiterates its unwavering support for the heroic struggle of the people of Namibia, Zimbabwe, South Africa, Palestine and Western Sahara to achieve their liberation and to regain effective control over their natural resources and economic activities. It stresses the right of peoples suffering from these practices to restitution and full compensation for damage to, exploitation or depletion of their natural and all other resources;

75. Stresses that the parts of national territories of developing countries usurped by colonial powers and still held by them must be returned to the countries concerned without delay;

76. Reiterates that all developing countries have inalienable right freely and fully to exercise permanent sovereignty, jurisdiction and control over the whole of their territories and also to demand the return of any colonial enclaves still existing on their territories;

77. Expresses its unconditional support for the inalienable right of the people of Belize to self-determination, independence and territorial integrity.

78. Expresses its total solidarity with and support for the courageous and consistent stand that the frontline States have taken and continue to take, on the problem of racist and minority rule in southern Africa. It deplores the wanton aggression, which has included bombings of vital installations, loss of lives, and destruction of property. It demands that adequate compensation be paid to Zambia, Mozambique and Angola by those responsible for these attacks, including their collaborators. Furthermore, it notes with grave concern that the economies of these countries have been adversely affected as a result of these unprovoked attacks and it urges developed countries and all those in a position to do so, to render special financial and technical assistance to these countries, so that they can rebuild their economies. It strongly condemns the policy of economic constellation, by which racist South Africa attempts to turn neighbouring African States into satellites, which will be completely dependent on South Africa economically;

79. Welcomes the recent victory of the people of Nicaragua, who, after a heroic struggle, won its freedom following half a century of oppression under dynastic dictatorships and considers that there is an urgent need for furnishing the necessary technical and financial assistance by the international community to that people:

80. Welcomes also the recent victory of the people of Iran and asserts their right to have full control on their economy and natural resources.

Financing

81. The Conference stresses that financing plays an important role in international co-operation for development, and that, since developing countries' present domestic and foreign financial sources are insufficient to achieve the goal of 25 per cent participation in world industry, it is necessary to create new sources and forms of international financing for the development of their economies and for the creation of durable industrial assets;

82. Deplores the fact that the official assistance provided by developed countries for the development of the developing countries has failed to meet the goal set and has even declined in the past few years;

83. Holds the view that the problem of financial assistance for industrial development should be thoroughly and fully discussed in order to devise appropriate solutions, and that such assistance should be in the form of grants and soft loans. It believes that it is essential to mobilize substantial additional funds to be channelled to developing countries in the coming decade by developed countries and those other countries in a position to do so. These resources may take the form of material and human resources;

84. Urges that attention should be paid to the increasingly widespread demand that a considerable part of the vast resources now squandered on the arms race be devoted to development, including industrial development, which will help to improve the international economic situation and to promote peace;

85. Reiterates that the efforts to eliminate the continuing diversion of human and material resources to an unproductive arms race should be intensified and that a considerable part of those resources should be earmarked for economic and social development, especially industrial development;

86. Recalls that the General Assembly at its thirty-fourth session adopted resolution 34/211 in which it decided to ask the Preparatory Committee for the New International Development Strategy to consider all aspects of the proposal on this subject submitted to the General Assembly at its thirty-fourth session by Commander Fidel Castro, Chairman of the Movement of Non-Aligned Countries, and reiterated in his inaugural address at the Ministerial Meeting of the Group of 77 Preparatory to the Conference. It fully supports his proposal to transfer to the developing countries an additional sum of not less than \$300 billion as a contribution to development in the form of financial resources, material resources and technical assistance in 1980-1990 of which not less than \$25 billion should be committed annually during the initial years of the third United Nations development decade;

87. Considers that new financial flows should meet the needs of all developing countries and accord priority to the special needs of least developed, land-locked, island developing and most seriously affected developing countries. The Conference notes with concern the difficulties besetting the economies of developing countries seriously affected in the course of their justified national liberation struggle. It strongly emphasizes the need to pay special attention to the pressing problems of those countries by the adoption of special measures in the form of financial and technical assistance to be provided by the international community with a view to eliminating obstacles to their industrial development:

88. Calls for the cancellation of debts of the least developed and most seriously affected countries as a means of alleviating their difficult economic and social situation:

89. Considers that the end use of both existing and additional financial resources should be fully determined by the developing countries themselves, and be channelled through financial institutions set up by national Governments and be used according to the order of economic priorities that would best serve their plans for industrial development:

90. Recognizes the need for substantial increase in the flow of additional resources for developing countries, which would help them to accelerate their industrialization and attain the Lima target. It discussed the proposal of the UNIDO Secretariat concerning the establishment of an international industrial financing agency and a global fund to stimulate industry:

91. Decides that a North-South global fund, for the promotion of the industrialization of developing countries should be established immediately following the Third General Conference of UNIDO in accordance with the following principles:

- (a) The bulk of its resources should come from the developed countries;
- (b) The developing countries with excess financial liquidity should contribute to it;
- (c) The fund should be administered and controlled by the developing countries;
- (d) The level of the fund should be substantial, reaching \$300 billion by the year 2000;
- (e) UNIDO shall be responsible for preparing and justifying funding requirements on an annual basis up to the year 2000. Governments shall make available necessary data regarding their requirements by identifying and preparing industrial programmes and projects;
- (f) At least one third of the resources of this global fund should be earmarked for least developed, land-locked, island developing and most seriously affected developing countries;
- (g) Financing by the fund should be provided on soft terms:

92. Notes the recommendations made by the UNIDO Secretariat regarding risk capital, financial instruments and promotion of barter or buy-back arrangements relating to long-term investment, which should be further considered in all aspects and reported on by financial experts;

93. Feels that - while appreciating the efforts for financial co-operation undertaken among developing countries so far - there are wider possibilities for closer future financial co-operation as an important input to industrialization and as an expression of solidarity among developing countries. It favours the enlargement of financial flows between developing countries on the basis of mutual interest. Such flows would also serve to strengthen direct co-operation between financial institutions of developing countries and to improve the collective negotiating position of developing countries in the dialogue with industrialized countries and to stimulate more equitable international financial co-operation:

94. Considers that in a spirit of solidarity developing countries with sufficient financial and technical resources should effect net transfers of such resources in the most advantageous possible terms to the less developed countries.

Technology

95. The Conference notes the continuing difficulties faced by developing countries in the acquisition, development, adaptation and diffusion of industrial technology, and the dispersion of sources of industrial technology within developing countries;

96. Considers that the industrialization of developing countries and their access to technology under just and equitable conditions are closely linked, and that measures should therefore be adopted to foster the transfer or spread of technology and prohibit the withholding of technology in those spheres that will make it possible to stimulate developing countries' economic and social development without such measures becoming an element in increasing the exploitation that already exists;

97. Is of the view that developing countries should adopt effective measures for increasing their collective negotiating strength vis-à-vis developed countries, in order to obtain better conditions for acquiring technology, technical knowledge, licences, equipment and other materials;

98. Takes account of the proposals presented by the UNIDO Secretariat concerning an international industrial technology institute, an international centre for joint acquisition of technology and an international patent examination centre. There is an urgent need to strengthen existing national, regional and interregional industrial technology institutions and agencies in order to ensure that they are able to function effectively and to create such institutions, where necessary, with a view to developing the capacities of developing countries in regard to industrial technology. In this context, it highlights certain functions which are necessary for generating increased and more appropriate flows of technology to developing countries such as information on technologies and alternative suppliers, comparative prices, latest developments and innovations and feed-back from research and development activities in the developed countries. It feels that these functions can only be discharged effectively through adequate availability of funds with the national, regional and inter-regional centres. The regional centres should give particular attention to the strengthening of technological capability of the least developed countries. It also feels that the INTIB should be further strengthened to enable it to make an effective contribution to the development of technological capabilities in developing countries;

99. Feels that urgent action is also needed for relocation of industrial research and development activities from developed to developing countries so as to contribute to the solution of problems faced by developing countries. This would also compensate for the lack of adequate technical and financial infrastructure for these activities in developing countries. It therefore regards with favour the UNIDO Secretariat's recommendation to strengthen present UNIDO activities in this field;

100. Expresses serious concern about the state of the negotiations for drawing up a code of conduct for the transfer of technology. It therefore attaches particular urgency and importance to the finalization of the International Code of Conduct on the Transfer of

Technology and calls upon industrialized countries to display the political will necessary for solving pending problems to facilitate early adoption of the Code:

101. Reiterates the need for urgent improvement of the International Patent System, as expressed in the Havana Declaration of the Group of 77 on the objectives of the revision of the Paris Convention for the Protection of Intellectual Property, in order to redress present imbalances and to serve as a useful tool for facilitating the transfer of industrial technology to developing countries and the development of indigenous industrial technology. To that end, in the revised text of the Paris Convention, the principle of preferential treatment should be broadly and substantially applied so as to leave more flexibility to patent legislation of a developing country than provided by existing text of the Paris Convention. To this effect, all efforts should be directed to the successful outcome of the diplomatic conference to be held in February 1980 on the revision of the Paris Convention:

102. Urges UNIDO to closely co-operate with UNCTAD and the World Intellectual Property Organization (WIPO) in the achievement of these objectives and to support developing countries to set up or to improve their national patent legislation, giving due attention to public interest and the needs of development.

Energy

103. The Conference recognizes the important role which energy can play in the industrialization of developing countries. In this context, it stresses the need for the use of alternative sources of energy and that attainment of the Lima target through the accelerated establishment of industrial capacities would require adequate availability of energy resources, inter alia, new and renewable sources such as geothermal energy, biomass, wind and solar power, development of conventional sources of energy, and the need for rationalization of the consumption of energy, at the global level, particularly by developed countries. It also stresses the importance of the forthcoming United Nations Conference on New and Renewable Sources of Energy, to be held at Nairobi, Kenya, in 1981, and underlines the need for UNIDO to make an effective contribution to the work of the Conference. It emphasizes the importance of peaceful applications of nuclear energy in the industrialization of developing countries and notes with concern that changes in the export policies of developed countries in this sector have resulted in tremendous economic losses to a number of developing countries and have adversely affected their industrial planning. It calls for the removal of arbitrary restrictions on the transfer of nuclear technology needed by developing countries, in accordance with internationally agreed safeguards, to foster industrial development in these countries.

Co-operation in production

104. The Conference, aware of the contribution of collective self-reliance to the strengthening of manufacturing capacities and acceleration of industrialization in developing countries, stresses the need to realize fully the potential of proven measures based on complementarity, such as long-term agreements on industrial co-operation, co-operation in production, multinational enterprises and exchanges of skills and experience between developing countries;

105. Considers that long-term agreements between developing countries should be extended in scope to cover the entire industrial process from extraction of raw materials to processing and marketing. Special attention should be given to measures of co-operation in production among developing countries, such as joint industrial projects, which concretize joint efforts of developing countries to industrialize. It endorses the proposal by the Group of 77 to hold a meeting of governmental experts of the Group of 77 to recommend concrete measures of co-operation in production, to identify new possibilities for long-term agreements and to examine the UNIDO Secretariat's recommendation for joint efforts for marketing, exploration, processing and financing in the mining and mineral sector. In this connection, it refers to the recommendations of the Sixth Summit Conference of Non-Aligned Countries and the Fourth Ministerial Meeting of the Group of 77 at Arusha:

106. Recognizes the basic complementarity that exists in several developing countries between industrial and rural sectors and the need for promotion of endogenous industrialization and agro-industries connected with rural development. It emphasizes the necessity of promoting this sector of industry, which would stimulate basic industries, small and medium-sized enterprises:

107. Emphasizes the important role of small and medium-scale industry in the process of over-all industrial development of developing countries because of the multiple beneficial effects of such industries on, inter alia, the generation of employment, the distribution of income, the utilization of human and material resources and the development of technological capacities by providing a link with large-scale industry, small and medium-scale industries. ensure improved industrial integration and harmonious regional development, also contributing consequently to the achievement of the political, economic and social goals of developing countries. It therefore recognizes that particular attention should be devoted to this sector, the development of which depends on specific conditions favourable to plans for regulation, financing, basic infrastructure and utilities:

108. Emphasizes that towards the development of indigenous industries in developing countries the ultimate goal be the capability to not only manufacture but design and market industrial items required by the increasingly sophisticated markets of the developing world as well as for export purposes.

Development of human resources

109. The Conference reaffirms that much greater possibilities exist and efforts should be made by developed countries to assist the improvement of human resources available for industrialization in developing countries;

110. Considers that in order to improve the exchange of experience and skills between developing countries it is necessary to enlarge and strengthen long-term programmes of co-operation between them, improve and co-ordinate existing national "centres of excellence" for industrial training and management, and make available and improve existing training facilities for trainees from other developing countries;

111. Stresses the importance of full involvement of their population, especially women and youth, and their integration in the development process, including industry, and in the benefits to be derived from that process, while at the same time promoting their training and developing their skills;

112. Reaffirms the need for implementation of the decisions of the United Nations Conference on Technical Co-operation among Developing Countries, the First Conference of Ministers of Labour of Non-Aligned and other Developing Countries, and other fora on the upgrading of skills and development of human resources, with due attention to the integration of youth and women in the process of development:

113. Considers that - while appreciative of UNIDO's activities in the field of industrial training - its programmes should be further strengthened, and appropriate resources be provided so that UNIDO in consultation with other United Nations specialized agencies and organizations may establish closer co-operation with developing countries to identify their felt needs and act to meet them;

114. Expresses deep concern over negative aspects of the reverse transfer of technology and "brain drain" through the exodus of skilled personnel from developing to developed countries, and is of the opinion that measures and incentives need to be taken to correct the situation;

115. Recognizes the important role of industrialization as one of the means of alleviating the problem of unemployment in developing countries and underlines the necessity of adopting appropriate patterns of industrialization geared to that end.

Trade

116. The Conference considers that world industrial restructuring should be linked and facilitated through expanded access to the markets of the industrialized countries and in accordance with measures of special treatment in favour of the developing countries:

117. Emphasizes, to that effect, that the developed countries should establish programmes of elimination of the protectionist measures applied by them to protect their non-competitive industries, affecting adversely the exports of manufactured and semi-manufactured products of developing countries;

118. Considers that the objectives and commitments of the Tokyo Declaration should be fully achieved through trade negotiations within the United Nations system, including the General Agreement on Tariffs and Trade (GATT);

119. Reaffirms that transnational corporations must be subject to the laws, regulations and exclusive jurisdiction of the host country, abstain from any kind of interference in the internal and external affairs of the host country, respect national sovereignty over natural and economic resources, refrain from abusive exploitation of the developing countries and distortion of their economies. They must also refrain from indulging in illicit and restrictive practices, submit to national policies, objectives and priorities, provide information on their activities, make a net contribution of financial resources, and contribute to the development of domestic scientific and technological capacity;

120. Reiterates that the international code of conduct regarding the activities of transnational corporations should be drawn up within the framework of the United Nations in order to provide the international community with a legal tool that will at least serve to regulate their activities in accordance with the aims and aspirations of developing countries,

121. Stresses that foreign private investment should be subordinated to the national development objectives of developing countries and effected under conditions that are economically beneficial for the recipient countries:

122. Emphasizes the importance for the Governments of developing countries of preparing collective action guidelines and exchanging information on the modus operandi of transnational corporations, increasing thereby the negotiating potential of developing countries vis-à-vis these corporations;

123. Considers that the needs of lasting co-operation between developed and developing countries demand an improved international legal framework geared to promoting the industrialization of the developing countries. It decides to request the Commission on Transnational Corporations to carry out a study on the feasibility and desirability of developing countries, establishing a system of guarantees which would make it possible to ensure that transnational corporations adhere to the laws of recipient countries and respect fully the commitments they have assumed and that, should they fail to do so, the enterprises and organizations of developing countries obtain full indemnity for the damages suffered. In this context, it also favours the extended use of intergovernmental agreements for industrial co-operation.

United Nations Industrial Development Organization

124. The Conference considers it essential - taking into account the multiplicity and scope of the tasks that UNIDO must accomplish in order to meet the goals assigned to it as well as the need for effective mechanisms and sufficient resources to undertake that work successfully - that the constitution adopted at the United Nations Conference on the Establishment of the United Nations Industrial Development Organization as a Specialized Agency be ratified promptly so as to enable UNIDO to become a specialized agency of the United Nations as soon as possible.

United Nations Industrial Development Fund

125. The Conference strongly urges developed countries - considering the present financial constraints on UNIDO's technical assistance programmes and decisions taken by the Industrial Development Board and endorsed by the General Assembly - to co-operate in the achievement of the annual funding level of \$50 million for UNIDF and expresses a binding commitment to this effect. It strongly urges industrialized countries which are yet to contribute to UNIDF to do so, and other industrialized countries to increase their contribution in proportion to their normal shares and show greater flexibility in utilization of such contributions. It considers that UNIDO should optimize utilization of UNIDF mainly for financing operational activities in priority areas such as strengthening technological capabilities in developing countries, co-operation among developing countries, special measures for least-developed, land-locked, island and most seriously affected developing countries and training programmes:

126. Appreciates, in the same spirit, the usefulness of the Special Industrial Services Programme, and stresses the need for substantially increasing the annual level of financial resources available to this programme, thus improving its effectiveness.

Senior Industrial Development Field Advisers

127. The Conference inter alia urges that in order to improve UNIDO's appreciation of developing countries' needs at field level and to meet those needs, the field presence of UNIDO be strengthened through the expansion and improvement of the Senior Industrial Development Field Advisers (SIDFA) programme and the number of developing country SIDFAs should be greatly increased:

128. Stresses the confidence of member States in UNIDO and their determination, both at present and in the future, to support and reinforce UNIDO in its pivotal role at the international level in promoting realization of the aspirations of developing countries for industrial development.

129. In view of the foregoing, the Conference adopts the various measures set forth in the following Plan of Action.

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PLAN OF ACTION

I. Restructuring of world industry in the context of the establishment of the New International Economic Order

130. Accelerate the industrialization of the developing countries through the strengthening of production facilities covering all branches of industry, as a fundamental means to self-sustained and comprehensive economic and social development, and assurance of national sovereignty and independence.

131. Actively promote the industrialization of the developing countries, based primarily on national effort, and supplemented by the collective self-reliance of the developing countries and substantially increased financial, technological and other contributions from the developed countries.

132. Emphasize the inalienable right of the developing countries to take effective permanent measures to guarantee their full sovereignty over their natural resources, their sovereign right to introduce the structural changes essential to enable their people to achieve just and effective participation in the benefits of industrialization, and make intensive use of national human and material resources for industrial development. It reiterates that all developing countries have an inalienable right freely and fully to exercise permanent sovereignty, jurisdiction and control over the whole of their territories, the Conference also reaffirms the principles in the Lima Declaration and Plan of Action relating to natural resources. In this context, foreign private investment should be subordinated to the national development objectives of developing countries and be made in more economically advantageous conditions for these countries.

133. Realize the immense potential of industrialization as a means of achieving full employment, the removal of poverty, and meeting the needs of the vast majority of the peoples of the developing countries, in particular of the least developed countries.

134. Adopt an action-oriented, integrated and simultaneous approach necessitated by the range and severity of problems facing the world, particularly the developing countries, in the fields of raw materials, energy, trade, development, money and finance, as a decisive contribution towards the early realization of the New International Economic Order.

135. Undertake restructuring of world industrial production as a continuous, dynamic and permanent process, action-oriented towards the attainment of the Lima target and related objectives, in accordance with the objectives and priorities of the economic and social development of the developing countries, and particularly with their industrial development plans and programmes through an integrated approach, including supporting action in the areas of financing, access to markets, transfer of technologies, control of the activities of transnational corporations and foreign investment and national and human resources. The fundamental role that industrialization should necessarily play in the success of the international development strategy for the third United Nations development decade should be taken into account.

136. Take exceptional and integrated measures at the national, subregional, regional and international levels for the attainment of the Lima target and its related objectives and constantly monitor progress and define appropriate means to this end.

137. Industrial policies to be adopted to reach the Lima target should take into consideration the necessity for protecting occupational and health environment as well as the preservation of nature and the ecological balance.

138. Taking account of the low level of industrial development in Africa, take concrete and effective measures to declare the 1980s an Industrial Development Decade for Africa as an instrument for mobilizing support for the continent's industrialization efforts and calls on the UNIDO Secretariat and the United Nations Economic Commission for Africa to co-operate with the Organization of African Unity (OAU) in preparing a draft programme of action for the decade.

Disaggregation of the Lima target

139. Initiate the process of disaggregation of the Lima global target into mid-term, industrial sectoral and regional targets through studies, expert meetings, the System of Consultations, negotiations and other means:

- (a) Sectoral targets should be established for major industrial sectors like iron and steel, fertilizers, agricultural machinery, leather and leather products, petrochemicals, vegetable oils and fats, pharmaceuticals, food processing, capital goods, textiles and clothing, building materials, non-ferrous metals and technologically advanced industrial sectors;
- (b) In working out the sectoral targets, crucial inputs in terms of financial, technical and other flows should be quantified and presented within the specified time frame.

140. Take effective measures for the redeployment of industrial capacities from industrialized to developing countries on the principle of dynamic comparative advantage and in accordance with the over-all national objectives, priorities of industrial development and aspirations of the developing countries. Such redeployment should be considered as an essential step towards achieving an equitable international division of labour, based inter alia on the following principles:

- (a) Redeployment should primarily consist of transfer of existing industrial productive capacity, creation of new industrial facilities, transfer of technology, financial resource transfers, and provision of the necessary training and experts services from developed to developing countries:
- (b) Redeployment should not be used to obtain access to abundant and low-paid manpower or transfer obsolete and polluting technologies, or exhaust the natural resources of developing countries, or accentuate persistent and deep inequalities, or be accompanied by protectionism on the part of industrialized countries.

In the process of redeployment of industry, the public sector should play a significant role. The developed countries shall adopt long-term policies and measures for industrial redeployment which take fully into account the objectives and priorities of economic development of developing countries. Particular importance attaches to positive adjustment assistance policies and elimination of subsidies designed to protect their non-competitive industries.

System of Consultations

141. Make the System of Consultations an effective instrument for the redeployment of industry from developed to developing countries, assisting in the restructuring of world industry, and adopting the necessary measures for the attainment of the Lima target and related objectives, taking fully into account the objectives and priorities of the industrial development of the developing countries. To that end:

- (a) Places the System of Consultations on a permanent basis, as a continuing and important activity of UNIDO:
- (b) Agrees that Consultations are among member States, and that representation shall be at an official level at which definite commitments could be made:
- (c) Widens the scope of the System of Consultations to cover all important industrial sectors, and include global Consultations on industrial financing, industrial technology, manpower development, and other major topics:
- (d) Hold regional and interregional Consultations at the request of the countries concerned;
- (e) Take into account, within the System, the existing regional machinery that already constitute fora for dialogue at the regional level:
- (f) Heighten the efficiency of the System of Consultations by ensuring follow-up actions and implementation of the decisions and conclusions of Consultations:
- (g) Decides that to assure wider representation of the least developed countries in Consultation meetings, financing shall be provided by UNIDO for their participation;
- (h) UNIDO, through the System of Consultations, must serve as a forum for the negotiation of agreements in the field of industry between developed and developing countries, and among developing countries themselves, at the request of the countries concerned:
- (i) Approves the recommendation of the first special session of the Industrial Development Board and invites the Board at its next regular session to examine further and adopt the rules of procedure for the System of Consultations, on the basis, inter alia, of the above-mentioned principles.

Action by the UNIDO Secretariat

142. Create an effective mechanism to undertake the task of disaggregating of the Lima target into its mid-term (1990) industrial, sectoral and regional perspectives.

143. Continuous surveillance of the industrial restructuring process, analysis of the changing international division of labour, locating and identifying natural, sectoral endowments and examination of prospects of and obstacles to redeployment.

144. Undertake necessary studies and establish panels of technical experts on sectors and topics covered by Consultations, drawing to a larger extent on experts from developing countries.

II. Industrial financing

A. Action by developing countries

145. Develop and strengthen financial institutions in order to strengthen national industrial financing capabilities.

146. Establish and strengthen national industrial development financial institutions.

147. Formulate national plans and policies defining and regulating the role of direct private foreign investment in complementing national efforts for industrialization in accordance with national economic objectives and programmes and the inalienable right of all countries to fully exercise their prominent sovereignty over their national resources and over their economic activities, including the possession, use and enjoyment of such resources as well as the right to nationalization in accordance with national legislation.

148. Train project personnel and personnel engaged in investment promotion.

149. Enlarge financial flows between developing countries on the basis of mutual interest and in particular the needs of the least developed among them as an expression of solidarity and industrial co-operation among developing countries and as an important input to industrialization.

150. Promote direct co-operation between financial institutions of developing countries.

B. Action by developed countries

151. Ensure a substantial increase in the flow of additional resources to the developing countries as a contribution to their development, taking into account the proposal by Commander Fidel Castro, President of Cuba and Chairman of the Movement of Non-Aligned Countries, to transfer at least \$300 billion in 1977 dollars in the form of financial resources, material resources and technical assistance during the third United Nations development decade, at a rate of no less than \$25 billion per year during the first years of that decade, and in compliance with General Assembly resolution 34/211 of 19 December 1979.

152. Ensure a substantial increase in the flow of additional financial resources to developing countries for accelerating their industrialization and attainment of the Lima target, particularly through the establishment of a North-South Global Fund for the Promotion of Industrialization of Developing Countries in accordance with the following principles:

- (a) The bulk of its resources to come from developed countries;
- (b) Developing countries with excess financial liquidity should contribute to it,
- (c) The Fund should be administered and controlled by the developing countries;
- (d) The level of the Fund should be substantial, reaching \$300 billion by the year 2000;
- (e) Financing by the Fund should be provided on soft terms;

- (f) At least one-third of the resources of the Fund should be earmarked for least developed, land-locked, island developing and most seriously affected developing countries;
- (g) Governments shall provide data regarding their requirements by identifying and preparing industrial programmes and projects, and UNIDO shall be responsible for preparing and justifying funding requirements on an annual basis up to the year 2000.

Further procedural arrangements should be worked out at an intergovernmental conference to be convened by UNIDO in early 1981.

- 153. Cancel the debts of the least-developed and most seriously affected countries.
- 154. Adopt concrete measures for the establishment of a link between Special Drawing Rights (SDR) allocation and additional development assistance.
- 155. Adopt and put into practice the Action Programme on the Fundamental Reform of the International Monetary System adopted by the Ministers of Finance of the Group of 77 in Belgrade in September 1979.
- 156. Substantially increase official development assistance so that it at least reaches the agreed level, and take measures so that it facilitates dynamic industrialization of developing countries. In this context, the official development assistance flows, as well as activities of the World Bank and other international financing organizations, should be to a greater extent oriented towards the industrialization of the developing countries, without adverse effect.
- 157. Channel financial resources through financial institutions set up by developing country governments.
- 158. Change regulatory measures which have adverse effects on debt management in developing countries.
- 159. Alleviate the adverse effects of their currency fluctuations on finance and trade of developing countries.

C. Action by the UNIDO Secretariat

- 160. Take urgent steps to undertake preparatory work for the intergovernmental Conference on the North-South Global Fund for the Promotion of Industrialization of Developing Countries.
- 161. Convene an experts' meeting during 1980 to consider recommendations regarding risk capital financial instruments, and promotion of barter or buy-back arrangements relating to long-term investment, and submit detailed studies on the subject to the meeting.

III. Industrial technology

A. Action by developing countries

- 162. Formulate and establish medium- and long-term national plans and programmes to strengthen national industrial technological capabilities and capacities.

163. Establish or strengthen national industrial technological institutions and co-ordinate their activities with a view to developing skills relating to the entire range of creation, selection, acquisition, adaptation, and absorption of industrial technology.
164. Designate an agency to act as a focal point of information on skills and services available in their countries.
165. Provide financial, legal and other incentives to promoters and users of national industrial technological capabilities.
166. Increase human and financial capabilities and incentives for industrial technological research and development.
167. Establish and foster national capabilities for identification and encouragement of endogenous industrial technologies.
168. Institutionalize necessary measures for rapid application of the results of national technological research and development and extension work for its rapid diffusion within the national economy.
169. Strengthen and establish where necessary regional and interregional industrial technology institutions and agencies, including those in different sectors, as focal points providing specialized services to other developing countries.
170. Facilitate the availability of technology in favourable terms to other developing countries.
171. Grant preferential treatment to technology from other developing countries.
172. Undertake joint efforts to solve specific technological problems shared by them.
173. Technological co-operation among developing countries should receive high priority in the total programmes of co-operation among themselves and appropriate institutional measures should be considered.

B. Action by developed countries

174. Give special treatment to developing countries in transfer of technology and take concrete measures to eliminate arbitrary restrictions on the transfer of technology, particularly advanced technology, to developing countries.
175. Encourage their technological institutions to undertake activities more relevant to the needs of developing countries.
176. Motivate their institutions to undertake joint research and development activities with and in the developing countries themselves.
177. Increasingly provide industrial technology to developing countries on concessionary terms.
178. Co-operate in the assimilation and improvement by developing countries of technology originating in industrialized countries.
179. Provide adequate funding for the strengthening of national, regional and interregional industrial technology institutions and "centres of excellence" in developing countries.

180. Take steps for the early finalization of the International Code of Conduct on the Transfer of Technology, in accordance with the defined objectives of developing countries.
181. Co-operate in the successful outcome of the Diplomatic Conference in February 1980 so as to achieve a revision of the Paris Convention which broadly and substantially applies the principle of preferential treatment to patent legislation of developing countries.
182. Co-operate with developing countries in making available information on technologies and alternative suppliers, competitive prices, latest developments and innovations and feedback from research and development activities in developed countries in major sectors.
183. Substantially increase technical assistance programmes and ensure that technology transfers form a much higher proportion than hitherto.
184. Make systematically available to developing countries energy saving technologies, mining and mineral processing technologies, and technological sources of productivity increases.
185. Co-operate with developing countries in "unpackaging" technology so that developing countries would develop elements of the package themselves and extend the technology in order to diversify product lines.
186. Increase substantially financial contributions to regional, interregional and international organizations dealing with development of technology and its transfers.
187. Ensure that technological transfers from developed countries do not harm the environment of developing countries and make available to developing countries environment protection technologies.
188. Co-operate in extending the activities of INTIB to all sectors covered by the System of Consultations; make available necessary financial and other inputs; and improve developing countries' access, through INTIB, to technological information in developed countries.
189. Co-operate in the implementation of other UNIDO programmes in the area of industrial technology.

C. Action by UNIDO Secretariat

190. Provide high priority in UNIDO's activities to industrial technology development and transfer to developing countries; suitable institutional arrangements within the UNIDO Secretariat should be made accordingly.
191. Accord more dynamism and resources to its operational and promotional activities concerning industrial technology.
192. Identify and make greater use of the technological expertise and capabilities of developing countries. In this regard prepare, update and circulate inventories of organizations in the developing countries engaged in industrial technology.
193. Identify and assist the diffusion of technologies originating from developing countries through action-oriented consultations, studies and the like.
194. Strengthen and extend INTIB's capability to carry out specific tasks assigned to it by allocating appropriate human and financial resources for this purpose.

195. Undertake preparatory work for the global Consultation on industrial technology in the next biennium.
196. Submit a detailed report to the Industrial Development Board on mechanisms that would ensure generation of increased and more appropriate flows of technology to developing countries, such as information on technologies and alternative suppliers, comparative prices, latest developments and innovations and feed-back from research and development activities in developed countries. The report should include suggestions regarding modalities of better utilization and co-ordination of activities of existing organizations, including sectoral institutions as well as elaborate its proposals submitted to the Third General Conference of UNIDO in the light of the above, with particular reference to the special needs of the least developed countries.
197. Keep under constant review implementation of the measures relating to industrial technology of the Vienna Programme of Action on Science and Technology for Development and assist the developing countries in the formulation and implementation of projects financed from the Fund agreed. UNIDO should be actively associated in the formulation and implementation of the programmes and projects financed from the Fund agreed on at the United Nations Conference on Science and Technology for Development (UNCSTD).
198. Strengthen co-operation with WIPO and UNCTAD in supporting developing countries to set up or improve their national patent legislation and their access to industrial technology contained in patent documents.
199. Strengthen its activities as an executing agency in the field of industrial technology and its co-ordinating role within the United Nations system in this field, inter alia through more efficient inter-agency co-operation, and bearing in mind resolution 112(V) on the "Strengthening of the technological capacity of developing countries including accelerating their technological transformation" adopted by consensus at the fifth session of UNCTAD, urges close co-operation and co-ordination with the UNCTAD secretariat in the implementation of the above.

IV. Energy

A. Action by developing countries

200. Establish and strengthen national action programmes on energy availability and development, assuring adequate availability for industrialization and over-all economic and social development.
201. Enlarge the raw material base for the energy sector and more efficient utilization of all energy potential.
202. Strengthen, and establish where necessary, medium- and long-term national action programmes on new and renewable sources of energy such as geothermal, biomass, wind, solar and hydraulic energy.
203. Undertake research, development, and other measures for conservation of energy resources, their more efficient use, and recycling of materials in the energy sector.

204. Make greater use of the significant potential of the peaceful uses of nuclear energy in meeting the energy needs of industrial development.
205. Establish, among developing countries, multinational enterprises in energy and energy-related capital equipment.
206. Promote co-operation among developing countries through regional and subregional energy plans and research centres for new techniques in energy.
207. Intensify and enlarge the exchange of experience among developing countries in the energy sector through joint research and training, exchange of skills and information on standards and co-operation in production.
208. Provide support to energy-related programmes in other developing countries.

B. Action by developed countries

209. Rationalize the consumption of energy, in particular of non-renewable sources of energy, and intensify the research and use of non-conventional sources of energy, implementing effective national programmes including conservation measures, promoting more efficient use of energy in industry and industrial recycling.
210. Adapt energy-related technology and capital equipment to the needs of developing countries.
211. Support financially, technologically and through other means the energy development activities of the developing countries.
212. Make available to developing countries, on concessionary terms, the results of their research and development on industrial uses of energy, options on energy-saving measures, and on new, non-conventional and renewable energy sources.
213. Assist the developing countries, at the request of the countries concerned, in the identification of alternative sources of energy.
214. Rectify their export policies, removing arbitrary restrictions on the transfer of nuclear technology needed by developing countries for their industrialization.
215. Promote bilateral programmes of development, testing and training co-operation between developed and developing countries with parallel testing centres in similar geophysical climatic conditions.

C. Action by UNIDO Secretariat

216. Assign higher priority to the promotion of energy and energy-related technologies for industrial development in its technical assistance programmes, including training programmes.
217. Prepare operational projects and programmes of direct relevance to developing countries in energy-related fields to be financed from the Fund set up by UNCSTD.
218. Ensure that INTIB accords special attention to the collection and dissemination of information on alternative energy technologies of immediate relevance to developing countries.

219. Prepare, in co-operation with the United Nations Centre on Transnational Corporations, and other competent United Nations bodies, a report on the practices of such corporations in the utilization of natural resources, particularly energy resources, of the developing countries, affecting their industrialization.

220. Prepare, at all times, state-of-the-art reports and disseminate information on energy technologies such as geothermal, biomass, wind, solar and hydraulic energy.

221. Make an effective contribution to the preparation and work of the forthcoming United Nations Conference on New and Renewable Sources of Energy.

222. Strengthen its co-operation with other organs and agencies of the United Nations system and other concerned organizations on matters relating to energy.

223. Prepare projections of the energy requirements of the developing countries, and in particular of the least developed countries, for achieving the Lima target.

V. Industrial production

A. Action by developing countries

224. Establish long-term programmes at the national level for efficient prospecting, exploitation and processing of their national resources.

225. Achieve a progressively higher degree of processing of their national resources endogenously.

226. Promote the establishment and strengthening of production capacities in basic, integral and processing industries to meet the requirements of their population and to rapidly develop local production for the purpose of replacing imports and increasing exports of manufactures and semi-manufactures.

227. Emphasize the important role of cottage, small-, and medium-scale industry in generating employment, distribution of income and development of technological capabilities.

228. Deepen co-operation among developing countries in the establishment of joint industrial projects to cover the entire range of industrial production.

229. Co-operate in arriving at common developing countries' positions regarding exploitation of their national resources, particularly through strengthening producers' associations.

230. Identify and realize possibilities for joint efforts for marketing, exploitation, processing and financing in the mining and mineral sector.

231. Enter into long-term agreements on strengthening of manufacturing capacities.

232. Extend the practice of setting up multinational production enterprises among developing countries, and extend their scope on the basis of complementarity.

233. Strengthen transportation and communications links among developing countries.

234. Strengthen, and establish where necessary, industrial development zones and export promotion zones.

235. Establish or strengthen mineral offices to monitor national and international mineral issues.

236. Increase efforts at standardization at the national level and among developing countries.

B. Action by developed countries

237. Make available to developing countries and disseminate in an ongoing manner know-how on less-energy-intensive and other production processes which utilize factors of production more efficiently.

238. Assure to developing countries spare parts, maintenance and repair facilities of industrial equipment and agricultural machinery originating in developed countries, and its modernization.

239. Set up and increase the number of pilot and demonstration production units in developing countries to introduce and adapt imported technology and production processes to the needs of developing countries.

240. Ensure the availability to developing countries of high technology industrial equipment and processes and refrain from concerted embargoes on the sale of such equipment to developing countries.

241. Enhance, adapt and implement measures to ensure a favourable balance for developing countries between production of synthetics and natural products of developing countries directly competing with them.

242. Make accessible to developing countries quality control standards applied by developed countries and assist, through the supply of information and equipment, in the improvement of developing country skills in this field.

243. In establishing norms and standards, developed countries should give due consideration to their impact on production in developing countries.

244. Support, through technical assistance, optimization and enlargement of production in existing production units in developing countries.

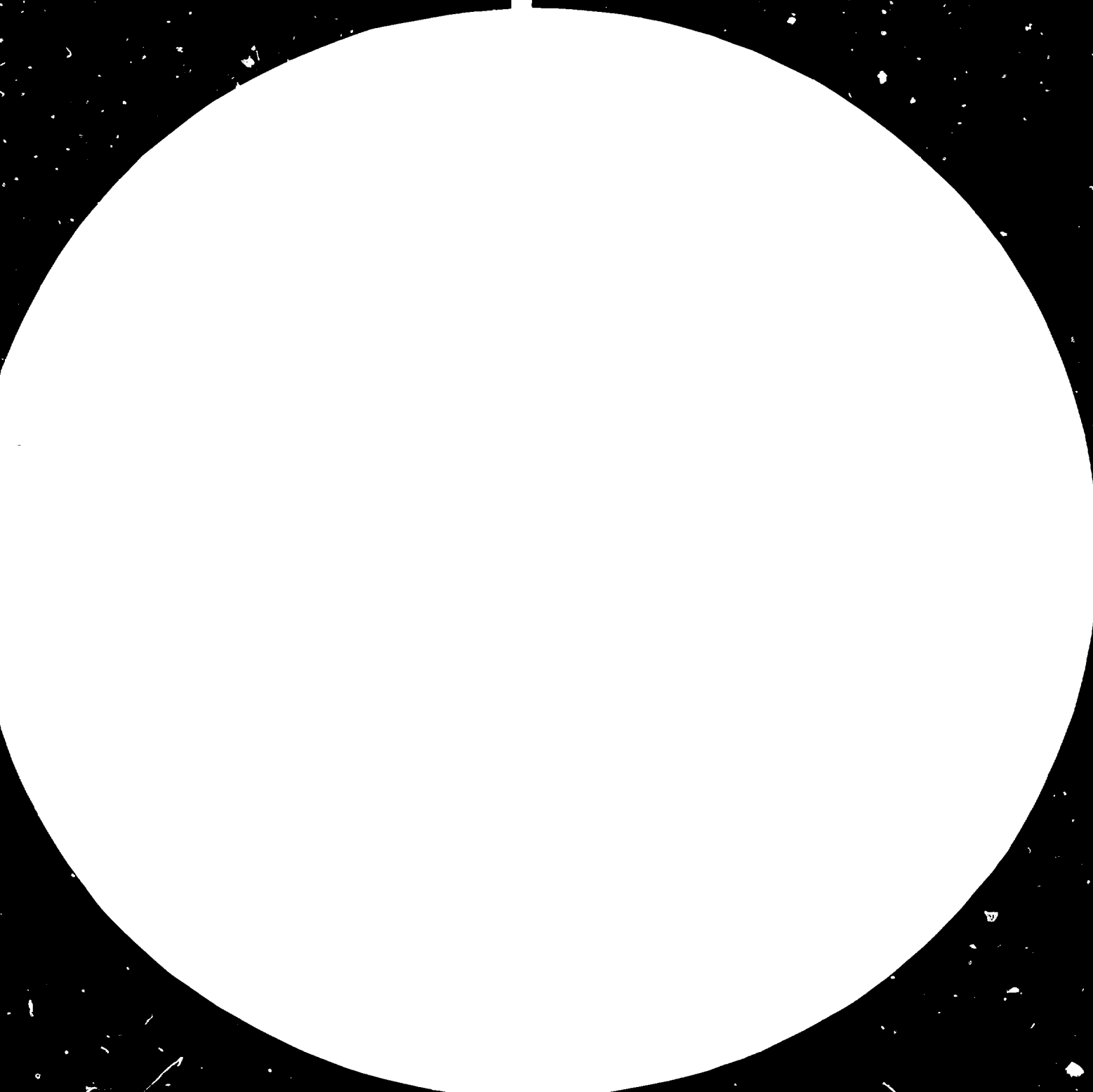
245. Ensure that the disposal of industrial wastes originating in developed countries be undertaken in ways that safeguard the environment of developing countries.

246. Co-operate with developing countries in ensuring that the objectives of international commodity agreements to protect producing developing countries are fulfilled.

C. Action by UNIDO Secretariat

247. Provide necessary support for the meeting of governmental experts of the Group of 77 regarding concrete measures of co-operation in production, identifying new possibilities for long-term agreements and examining joint efforts for marketing, exploitation, processing and financing in the mining and mineral sector.

248. Assign high priority in its technical assistance programmes to the requirements of industrial production in the developing countries so as to contribute more effectively to their industrialization.





MITROPOLYTES RECEPTION TEST CHART

Resolution Test Chart for 1.0 to 3.6

249. Undertake training courses in quality control in industrial production and put to fuller use the potential of INTIB to assist developing countries in this field, in co-ordination with regional commissions and concerned organs of the United Nations system.

250. Encourage the establishment of applied research centres for the study and promotion of technologies adapted to the specific conditions of the developing countries, with a view to making optimum use of existing human resources.

251. Identify and suggest remedial action regarding quality and other production constraints facing developing countries in major industrial production sectors, in consultation with the competent national authorities.

VI. Development of human resources

A. Action by developing countries

252. Formulate and implement medium- and long-term national manpower development strategies to train and upgrade human resources necessary for industrialization as a major element of national economic planning.

253. Emphasize in national plans and programmes the extensive and intensive training of personnel at all levels to foster development of rural and small-scale industries.

254. Pay special attention to the engineering and managerial skills required to transform know-how into process design, development, commercialization and adaptation to the needs of developing countries.

255. Establish and improve industrial training facilities on regional, interregional and sectoral levels, to complement and upgrade skills learnt through formal education.

256. Finalize long-term programmes of co-operation for the exchange of experience and skills between developing countries.

257. Improve and co-ordinate existing national "centres of excellence" for industrial training and management.

258. Make available and improve existing training facilities to meet the special needs of trainees from other developing countries.

259. Intensify measures for the full participation of the population, especially women and youth, in the industrialization process at all levels.

260. Take further measures to correct the reverse transfer of technology through "brain drain".

B. Action by developed countries

261. Considerably expand the access of developing countries to their industrial training facilities, public and private training institutions, industrial firms and technical institutes.

262. Improve co-ordination, at the national level, of training facilities used by trainees from developing countries so as to fully utilize existing capacities.

263. Tap the potential of small and medium-sized enterprises in their countries and make it available to developing countries.
264. Establish programmes adapted to the backgrounds and experience of trainees from developing countries and substantially extend in-plant training to maximize the results and efficacy of the industrial training so provided.
265. Support firms and institutions that perform training activities for developing countries.
266. Ensure that suppliers of industrial equipment and technology to developing countries also provide training in the related skills for operation, repair and maintenance of such equipment and technology.
267. Ensure that enterprises, especially those benefiting from export credits, fulfil the training requirements of the developing countries, and guarantee the results of training in the given industrial technology.
268. Extend the scope of training to include medium- and high-level technical and management personnel from developing countries.
269. Make available the necessary expertise, material and financial support to training institutions in developing countries which also serve the needs of other developing countries.

C. Action by UNIDO Secretariat

270. Improve identification as an ongoing process of priority topics and sectors for industrial training on the basis of the needs of developing countries, and structure its training programmes accordingly.
271. Promote greater use of the training capabilities of institutions in developing countries in execution of their training programmes.
272. Support the strengthening of national, regional and interregional "centres of excellence" of industrial training and skills in developing countries and serve as a platform facilitating their co-operation.
273. Prepare adequately for the global Consultation on training of industrial manpower, in co-operation with the International Labour Organisation and other concerned United Nations organs and agencies.
274. Keep under constant review implementation of the measures relating to development of human resources for industrialization of the Vienna Programme of Action on Science and Technology for Development, the decisions of the United Nations Conference on Technical Co-operation among Developing Countries, the First Conference of Ministers of Labour of Non-Aligned and other Developing Countries, and other fora, and submit to the competent UNIDO organs concrete proposals and projects for their full implementation.

VII. Trade in manufactures and semi-manufactures

A. Action by developing countries

275. Identify and implement additional measures for substantial increases in direct trade among developing countries, vital to their industrialization. In the framework of co-operation among developing countries, reaffirm the pertinence of the provisions relating to the guiding principles concerning the collective autonomy of the developing countries approved in the statement of the Meeting of Ministers of Foreign Affairs of the Group of 77 held in New York (September-October 1979), and insist on their implementation with a view to promoting the industrialization of the developing countries.
276. Conclude long-term agreements on the basis of complementarity to assure a firm framework for trade among developing countries.
277. Accord preferential treatment to the trade in manufactures, semi-manufactures and industrial raw materials among themselves.
278. Create and strengthen the institutional machinery for mutual exchange of experience, co-ordination and consultations in order to obtain better terms of trade.
279. Eliminate adverse effects of triangular trade.
280. Prepare collective action guidelines and exchange information on the modus operandi of transnational corporations.
281. Call upon the Commission on Transnational Corporations to carry out a study of the feasibility and desirability of developing countries establishing a system of guarantees which would make it possible to ensure that transnational corporations adhere to the laws of recipient countries and respect fully the commitments they have assumed and that, should they fail to do so, the enterprises and organizations of developing countries obtain full indemnity for the damages suffered.
282. Continue to take the necessary measures for the effective implementation of the specific proposals and actions contained in the Arusha Programme for Collective Self-Reliance.

B. Action by developed countries

283. With a view to facilitating world industrial restructuring, take effective policy measures to ensure an increasing share for developing countries in world trade, by expanded access to their markets and grant of further preferential treatment to developing country exports in manufactures and semi-manufactures.
284. Eliminate, through urgent measures, protectionist tariff and non-tariff barriers and other obstacles to trade with developing countries, including restrictions on products with higher technological levels.
285. Co-operate with developing countries to fully achieve the objectives and commitments of the Tokyo Declaration through trade negotiations within the United Nations system, including GATT.

286. Co-operate meaningfully in the process and implementation of agreed targets giving developing countries an equitable and just share in world trade in manufactured goods.
287. Co-operate in the early finalization within the United Nations framework of the International Code of Conduct regarding the activities of transnational corporations, regulating their activities in accordance with the aims and aspirations of developing countries.

C. Action by UNIDO Secretariat

288. Establish an intergovernmental committee within UNIDO to consider:
- (a) Ways and means of increasing the share of developing countries in world trade in industrial products by 2000 AD to the target of 30 per cent as stated in the Arusha Programme;
 - (b) The measures that would enable the developing countries to cover the value of manufactures imported by them from the industrialized countries by the value of exports of their manufactures to the industrialized countries without affecting the capacity of developing countries for carrying out the necessary imports;
 - (c) The setting up of appropriate mid-term targets in respect of the proposed increased share of developing countries in world trade in industrial products and relative value of their imports of manufactured products vis-à-vis their exports of such products;
 - (d) The identification of the ways and means in the industrial co-operation sector that would facilitate the achievement of these objectives and targets.

The committee should submit its report through the Industrial Development Board, to the special session of the United Nations General Assembly in 1980. UNIDO and UNCTAD should closely collaborate to render effective assistance to the work of the intergovernmental committee on world trade target for developing countries so that its work is fully consistent with the recommendations of the UNCTAD intergovernmental committee on this matter already established by the Trade Development Board.

289. Strengthen co-operation with the International Trade Centre UNCTAD/GATT, UNCTAD, GATT and other competent bodies within the United Nations system in carrying out studies and other activities related to matters of trade vital to the industrialization of the developing countries.

VIII. Special measures

A. Special measures for least developed countries

290. In accordance with the commitment of the international community to take extraordinary measures to assist the least developed countries, implementation of this Plan of Action will pay special attention to the needs of these countries.
291. Early and full implementation of the Comprehensive New Programme of Action for the Least Developed Countries adopted at the fifth session of UNCTAD, relevant resolutions and decisions by the United Nations General Assembly, UNCTAD and other organizations within the United Nations system, and the Lima Declaration and Plan of Action, in favour of these countries.

292. A bigger share of UNIDF should be allotted for financing technical assistance activities in favour of the least developed countries, as compared to the situation prevailing so far.
293. Cancellation by developed countries, without any form of discrimination, of the debts of the least developed countries.
294. Take urgent and effective steps to strengthen their technological and productive capability, particularly through the provision of technology to meet their special needs especially in food processing, processing of minerals, alternative sources of energy, water extraction, building and construction and also small foundries.
295. Assess and increase their absorptive capacity through building up their infrastructure with special attention to their transportation and communications sectors and electrification.
296. Assist in the establishment of comprehensive inventories of their resources, particularly alternative energy sources, and prepare industrial surveys of these countries to support endogenous exploitation of their resources.
297. Promote cottage, small- and medium-scale industry in these countries, with particular emphasis on training, agro-based industry and integration of agriculture and industry.
298. Assist project identification, preparation and evaluation in these countries through the establishment of an industrial project preparation facility to generate viable industrial projects.
299. Strengthen import substitution processes in these countries and, in parallel with this, support the development efforts of these countries aimed at improving the export performance of their manufactures on the basis of dynamic comparative advantages.
300. Constantly consider assistance to these countries as one of the priority areas of the UNIDO technical assistance programmes.
301. Support these countries in their full participation in the redeployment process and the System of Consultations, and finance their participation in Consultation meetings.
302. UNIDO to make active contributions to the preparation and work of the United Nations Conference on the Least Developed Countries in 1981 and that necessary human and financial resources be made available to the UNIDO Secretariat.
303. Call upon UNIDO to submit annual reports to the Industrial Development Board on the progress of industrialization of the least developed countries and on problems confronting them, and devise detailed remedial measures and programmes.
304. Set up and assist in setting up increasing number of pilot and demonstration production units in these countries and adapt appropriate technology and production process suited to the environment.
305. Urge a substantial increase of external financial flows, on highly concessionary terms, to the least developed countries. Such financial flows should be on a continuous, predictable and increasingly assured basis.
306. Call on UNIDO, UNDP, all other specialized agencies and donor countries to at least triple their resources of assistance to the least developed countries, to cater for their increasing difficulties.

307. Allocation of Senior Industrial Development Field Advisers to each least developed country.

308. Preferential treatment within the context of international agreements for industrial products and processed commodities from these countries as well as the setting up of joint enterprises under regional co-operation.

B. Special measures for land-locked developing countries

309. Increase technical and financial assistance to these countries so as to expand their absorptive capacity through building up their infrastructure, with special attention to their transportation and communication sectors and electrification.

310. Promote cottage, small- and medium-scale industry in these countries, with particular emphasis on training, agro-based industry and integration of agriculture and industry.

311. Take urgent and effective steps to strengthen their technological and productive capacity, particularly through the provision of technology to meet their special needs, especially in food processing, processing of minerals, alternative sources of energy, water extraction, building and construction and also small foundries.

312. Assist in the establishment of comprehensive inventories of their resources, particularly alternative energy sources, and prepare industrial surveys of these countries to support endogenous exploitation of their resources.

313. Consider assistance to these countries as one of the priority areas of UNIDO's technical assistance programmes.

314. Set up, and assist in setting up, a number of pilot and demonstration production units in these countries, and adopt appropriate technology and production process suited to the environment.

315. Extend special assistance to these countries in the maintenance, establishment and development of adequate means of transport and communications.

316. Take urgent measures to increase the import and export capabilities and to help upset the disadvantages of their adverse geographical situation, particularly with regard to their additional transportation and transit costs.

317. Preferential treatment within the context of international agreements for industrial products and processed commodities from these countries as well as the setting up of joint enterprises under regional co-operation.

C. Special measures in favour of developing island countries

318. In various General Assembly and UNCTAD resolutions, the international community has identified the enduring constraints faced by developing island countries in their development process and has committed itself to undertaking a series of specific actions in their favour. Urgent action must be undertaken to assist these countries in their industrial development in particular.

319. Full and urgent implementation of all relevant General Assembly and UNCTAD resolutions, and an intensification of efforts for the implementation of the relevant sections of the Lima Declaration and Plan of Action.
320. Identification of appropriate industrial development opportunities existing in these countries, and assistance in the exploitation of such opportunities. Those developing island countries which so request should be enabled to utilize the services of the proposed Industrial Project Development Facility.
321. Support, financial or otherwise, for their infrastructural projects especially in the sectors of water, electricity, industrial estates and transport, which often require outlays of human and financial resources far in excess of what the extremely limited resources of these countries can bear on their own.
322. Strengthening of their endogenous technological capacities in such sectors as alternative sources of energy, water extraction, crafts and cottage industries, agro-based industries and small-scale export-oriented manufacturing industries.
323. Assistance in the establishment of appropriate technical education and training programmes, including the areas of marketing and management.
324. The particular needs and problems of developing island countries should be taken into account in the context of international agreements on redeployment, commodities processing, transfer of technology and industrial financing.
325. UNIDO should enhance its capacity to respond positively to the specific needs of developing island countries by strengthening its technical and advisory services on their behalf, both at headquarters and in the field.
326. Increased resources should be made available to developing island countries as one of the priority areas of the UNIDO technical assistance programmes and the terms and conditions governing the flow of such resources should be geared to the special needs and problems of the countries concerned.
327. Assistance should be provided to developing island countries to purchase capital equipment, for example through arrangements for deferred payments or the granting of long-term soft loans.
328. Assistance in strengthening their capacity to negotiate with foreign investors. Developed countries in particular should endeavour to provide all possible co-operation in this respect.
329. Special assistance in the establishment and development by developing island countries of adequate means of transport and communications.
330. Assistance should be provided to these countries in improving methods of mitigating or preventing damage from natural disasters such as tropical storms, hurricanes, tidal waves, etc.

D. Special measures for most seriously affected
developing countries

331. Cancellation by developed countries without any form of discrimination of the debts of the most seriously affected developing countries.
332. Support the most seriously affected countries in their full participation in the redeployment process and the System of Consultations and finance their participation in consultation meetings.
333. Implementation in toto of the special programme for the most seriously affected countries adopted by the General Assembly at its sixth special session.
334. Assist project identification, preparation and evaluation in these countries through the establishment of an industrial project preparation facility to generate viable industrial projects for export markets.
335. Support the development efforts of these countries aimed at improving the export performance of their manufactures on the basis of dynamic comparative advantages.
336. Under the UNIDO technical assistance programme assist the most seriously affected countries in setting up increasing numbers of pilot and demonstration production units in these countries and adapt appropriate technology and production processes that will enable this category of country to move into export markets and will also be suited to the environment.
337. Urge a substantial increase of external financial flows on highly concessionary terms to the most seriously affected countries on a continuous, predictable and increasingly assured basis.
338. UNIDO should take urgent and effective measures to assist this category of country in undertaking studies aimed at developing alternative sources of energy, e.g., mini-hydro generation schemes, biomass etc.; participate actively and also assist this category of country in the preparation of the Conference on New and Renewable Sources of Energy, to be held in 1981.
339. INTIB in its activities should particularly take into account the problems of the most seriously affected countries in regard to the preparation of a technology inventory that will assist industrialization programmes.
340. Assist in the establishment of comprehensive inventories of their resources and prepare industrial sector surveys in these countries, to support indigenous exploitation of their resources.
341. Promote the informal sector in these countries, with particular emphasis on extension services.
342. Consistently consider assistance, including the allocation of SIDFAs, to these countries as one of the priority areas of the UNIDO technical assistance programme.
343. Implement in toto General Assembly resolution 34/217, of 19 December 1979, on immediate measures in favour of the most seriously affected developing countries.

E. Common measures for least developed, land-locked, island and most seriously affected developing countries

344. At least one third of the North-South Global Fund mentioned in section II under "Industrial financing" will be allocated for the promotion of the industrialization of developing countries of these categories, due attention being paid to the specific requirements of each of these categories of countries arising from their industrialization needs.

345. A multilateral compensatory facility should be established to mitigate the negative effects of externally induced-deficits, including those resulting from rapid increases in their import bill, on the industrial development of these categories of countries.

346. UNIDO should keep under constant review, through periodic reporting to the Industrial Development Board, progress towards the implementation of, and study developments relating to, measures promoting the industrialization of these categories of countries.

F. Special measures for the Palestinian and Namibian peoples

347. Take the necessary measures to accelerate the implementation of the decision taken by the Industrial Development Board at its twelfth session on the sending of a group of experts to the West Bank and the Gaza Strip to carry out a full study with a view to the development of existing industries, and the identification of new industries to be established, in order to improve the economic and social situation of the inhabitants of these regions, with the aim of allowing the Palestinian people to participate in giving effect to the provisions and guidelines of the Lima Declaration and Plan of Action.

348. Take the necessary measures to accelerate the implementation of the decision taken by the Industrial Development Board at its twelfth session on the carrying out of the following three pre-independence projects:

- (a) Industrial development training;
- (b) Resource-based industry-oriented study of Namibia; and
- (c) Assistance to the formulation of a legal framework to regulate industrial activity and prevent further foreign wanton exploitation of Namibian natural resources.

G. Special measures for Zaire

349. Particular attention must be drawn to the measures that must be taken by UNIDO to permit FCA, in co-operation with OAU, to accelerate the implementation of resolution 110(V) adopted by UNCTAD at its fifth session concerning the particular problems facing Zaire in its foreign trade, ... regards transport, transit and access to foreign markets, and to report to the special session of the General Assembly, to be held in 1980, to consider the international development strategy for the third United Nations development decade.

IX. Institutional arrangements for UNIDO

350. Urges all member States to hasten the process of signature and ratification of the Constitution of UNIDO so as to convert the Organization into a specialized agency of the United Nations, able to fulfil the goals assigned to it with effective mechanisms and sufficient resources.
351. Invites the Executive Director of UNIDO to submit a report to the special session of the General Assembly on the New International Economic Order on the progress on signing and ratification of the Constitution as from 8 April 1979.
352. Invites the Executive Director of UNIDO and the Secretary-General of the United Nations to extend the interim arrangements and measures taken thus far regarding greater autonomy for UNIDO, especially in matters concerning the programme budget and Secretariat structure and staff, pending its conversion into a specialized agency, and to report to the Industrial Development Board.
353. Commits member States to the annual funding level of \$50 million for UNIDF, and urges the developed countries to increase their contributions in proportion to their normal shares, to show greater flexibility in the utilization of such contributions, and to consider possibilities of augmenting the funding level beyond \$50 million.
354. Optimize the utilization of UNIDF mainly in operational activities in priority areas such as strengthening technological capabilities in developing countries, co-operation among developing countries, special measures for least developed, land-locked, island and most seriously affected developing countries and training programmes.
355. Invites the Industrial Development Board to play a more active role in the utilization of UNIDF, so as to strengthen its effectiveness.
356. Urges UNDP to:
- (a) Implement General Assembly resolution 33/78 of 15 December 1978 by doubling the annual level of financial resources available to UNIDO's Special Industrial Services Programme;
 - (b) Hold consultation with UNIDO with a view to reaching a suitable arrangement for facilitating the financing of technical assistance activities in the developing countries in the industrial field.
357. Strengthen, and make more efficient, operational technical assistance programmes and make greater use of expertise and equipment from developing countries in their implementation.
358. Take further steps to strengthen UNIDO's potential to implement its functions particularly in the areas of technical assistance, industrial co-operation among developing countries, least developed countries, energy technology, mineral processing, investment promotion and System of Consultations.
359. Strengthen the SIDFA programme and its effectiveness, increase their number, ensure greater recruitment of SIDFAs from developing countries, and ensure the necessary financing as decided by the Industrial Development Board and approved by the General Assembly.
360. Promote active dialogue between member States and the Organization by strengthening national and joint bodies for this purpose.

361. Take further steps to fulfil effectively the central co-ordinating role of UNIDO in reviewing and promoting all activities of the United Nations system in the field of industrial development and co-operation, so as to be the principal instrument to co-ordinate, implement and serve as a forum of negotiations within the United Nations system for industrialization efforts.

362. Directs the UNIDO Secretariat to keep under constant review implementation of the Lima Declaration and Plan of Action on Industrial Development and Co-operation as well as the New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for their Industrial Development and to report regularly to the Industrial Development Board.

363. Invites the Industrial Development Board to submit a comprehensive report on the implementation of these Declarations and Plans of Action to the next General Conference of UNIDO, and to co-operate with the OAU and assist the Conference of African Ministers of Industries and individual countries in preparing and monitoring the implementation of programmes for the African industrial development decade.

364. Calls upon all member States, in particular developed countries, irrespective of their social systems, to make all-out efforts to accomplish the measures and goals set out above in a spirit of international solidarity.

Annex I

STATEMENT AND POSITION PAPERS BY GROUP B^a

A. STATEMENT BY GROUP B

(at the 21st plenary meeting, 9 February 1980)

Mr. President,

1. The countries members of Group B listened with great attention to the statement you made at the beginning of this meeting. We wish to thank you, Mr. President, for your extremely hard work, your tireless efforts and the perseverance you have shown in trying to find common ground among the groups. Your efforts are a faithful reflection of your country's activities on the international scene. I do not feel that this is the right moment to question motives or engage in polemics. However, we do want to recall the efforts made on our side to reconcile the points of view - our point of view or points of view with those of the other groups - this is reflected, moreover, in the proposals and amendments we submitted, as contained in documents ID/CONF.4/CRP.15 and ID/CONF.4/CRP.18. We have made an effort, but unfortunately our views have met with a certain lack of understanding and of flexibility on the part of our partners. We must accept, then, that the consensus on a text that we had hoped for, and that you so actively sought after, cannot be reached. In a few moments, I shall discuss in more detail what we believe to be the reasons for our difficulties. We wish, nonetheless, Mr. President, to assure you once again of our gratitude and our respect for all your cooperation and the work you have done, along with your assistants and the Indian Government, to try to ensure the success of this Conference.

2. On behalf of the countries members of Group B, I wish to express our regret that, in spite of all the work that has been done, and although there has been agreement on many issues, the Conference has been unable to arrive at consensus on the major issues before it.

3. We view UNIDO as a central and valuable instrument for the industrialization of the developing countries. We have regarded this Third General Conference as providing a key opportunity to develop guidelines for the future work of UNIDO and we have seen it as an important step within the ongoing North/South dialogue. In advance, we undertook careful preparations in our national capitals and we have participated actively in preparatory discussions - notably in the Industrial Development Board - with a view to making this Conference a success.

4. In the hope that it would be useful to our friends in other Groups, we put at their disposal a paper (ID/CONF.4/CRP.15) reflecting our general thinking on the issues before the Conference. In this, we indicated that we share the conviction of the developing countries

^{a/} The statement and position papers (ID/CONF.4/CRP.15 and ID/CONF.4/CRP.18) reproduced in this annex are incorporated in accordance with a request made by Group B at the 21st plenary meeting of the Third General Conference of UNIDO, and as agreed by the Conference (see chap. IV, this report).

that industrialization has a major role to play in their broader development effort. We expressed our readiness to assist developing countries in such areas as trade, investment and technical co-operation. And we agreed that more should be done to speed up the industrialization process within the framework of an effective, open and interdependent world economy.

5. Mr. President, as you know, the countries of our Group have participated actively - and we believe constructively - in all of the proceedings of the Conference. We have advanced ideas and suggestions and we have endeavoured to take due account of those put forward by other Groups. It was with this in mind that we circulated - first informally and then as a document of the Conference (ID/CONF.4/CRP.18) - our contribution to the consideration of a New Delhi Declaration, which was drawn up in the light of the proposals of the Group of 77 (ID/CONF.4/CRP.16 and Add.1 and 2).

6. Mr. President, I formally request that these two documents, ID/CONF.4/CRP.15 and ID/CONF.4/CRP.18, form part of the report of the Conference to the General Assembly.

7. I do not wish, at this juncture, to take the time of the Conference by recounting in detail the stumbling-blocks that we have encountered in the search for a consensus. Some stemmed from an effort to deal with economic issues which are more appropriately dealt with in other bodies of the United Nations. There was concern that the successful outcome of discussions currently under way in the competent organs of the United Nations system might be jeopardized by pronouncing judgement on the issues involved, here and now in New Delhi. Another problem arose from the approach of ID/CONF.4/CRP.16 which presented issues, even technical ones, in political terms. In our view, the efforts to introduce contentious political issues into our deliberations have severely hampered our ability to proceed with the real work of the Conference.

8. Mr. President, with deep regret I announce that, for the reasons I have stated, Group B has no option but to vote against the text contained in ID/CONF.4/CRP.16 and Add.1 and 2.

9. But let me assure you, Mr. President, and through you our friends in the developing countries, that we stand by the assurances of continued and active co-operation that we have given during this Conference. We are now approaching the special session of the United Nations General Assembly, at which the character and modalities of the Global Negotiations are to be determined and the New International Development Strategy is to be adopted. In those discussions ahead, the promotion of industrialization of developing countries will certainly find its due place. The issues that will arise are complex and difficult. But we shall continue in our efforts to find the broadest possible measure of agreement on ways in which the many problems in this area can best be solved.

* * * * *

B. INDUSTRIAL DEVELOPMENT^{b/}

The countries of Group B believed it useful to put at the disposal of delegations to the Third General Conference of UNIDO the present document which reflects their general thinking on the industrialization of developing countries and on their industrial co-operation with them in the perspective of the Conference.

I. Introduction

1. The countries members of Group B share the conviction of the developing countries that industrialization has a major role to play in their broader development effort. It is an essential element in the process of economic growth, modernization and diversification, in that it increases productive employment, contributes to export earnings and provides powerful linkages with manifold aspects of the development of human resources, as well as with agriculture and with infrastructural development.
2. The effective use of the manpower potential in developing countries, in the industrialization process, underpins a development approach that is concerned with social objectives, such as alleviating poverty, improved income distribution and meeting other, essential needs of the population, such as health and education, as well as better linkage with the rural community.
3. From the past record of developing countries' industrialization, it is quite clear that the countries of the Third World themselves bear the main responsibility for this process. Domestic efforts aimed at raising the savings rate, increasing the efficiency of resource use and supplying the necessary social and physical infrastructure are of paramount importance for successful industrialization; external assistance and other resources should, however, complement, strengthen and reinforce domestic industrialization efforts.
4. In order to enable developing countries to increase their share of world trade in accordance with their comparative advantages, the OECD member countries stand ready to assist in this process in such areas as trade, investment and technical co-operation.^{c/} In this sense, they support the aims of the Lima Declaration and Plan of Action as adopted and they agree that more should be done to speed up the industrialization process within the framework of an effective, open and interdependent world economy. In this spirit, they consider the Third General Conference of UNIDO to be an important step within the on-going North-South dialogue.
5. It is significant that the dynamic growth of developing countries' exports was maintained despite the economic difficulties of recent years. This was mainly due to their own successful efforts to exploit existing and emerging comparative advantages. However, the developed countries' continued commitment to an open international trading system and their pursuit of

^{b/} ID/CONF.4/CRP.15.

^{c/} Cf. Communiqué on OECD Council Meeting at Ministerial Level, 1979 (PRESS) A (79)30).

trade liberalization has been of considerable benefit to developing countries. The recently concluded Multilateral Trade Negotiations, which included the acceptance of "special and differential treatment" for developing countries in certain cases, will bring additional benefits for these countries and it has been agreed within GATT that further efforts are to be made in order to deal with trade problems of special importance to the developing countries. Preferential advantages have also been granted to the developing countries under the Generalized System of Preferences; these advantages have been gradually improved and expanded.

6. No one would deny that there has been a revival of protectionist pressures over the past few years. However, protectionism is not a new phenomenon, nor is it connected only with exports by developing countries to industrialized countries. These pressures have been exacerbated by the continuing world economic recession and the consequent excessive level of unemployment. Despite such pressures, countries members of Group B are committed to an open world trading system and to the strengthening of resistance to protectionist pressures. This resolve is reinforced by the recognition that protectionist actions by one country could touch off a chain reaction of measures by others. The commitment to resist protectionism was spelled out in the statement by OECD Ministers at their meeting in June 1979, when they extended, for an additional year, their 1974 Trade Declaration. At UNCTAD V, it was agreed that more intensive consideration should be given to future protective action affecting developing countries' exports, with the responsibilities shared between GATT (in its new sub-committee of the Committee on Trade and Development) and UNCTAD.

7. Developing countries' exports of manufactures have made an important contribution to progress in industrial development.^{d/} Between 1960 and 1970, these exports increased at an average annual rate of 14.4 per cent; between 1970 and 1978, the average rate was 28 per cent. Over the period 1965 to 1978, the developing countries' share of world exports of manufactures increased from 4.5 to 8.4 per cent. By 1977, their share in OECD countries' imports of manufactures had risen to 9.0 per cent (in 1970 the figure was 5.3 per cent). But also co-operation and trade among Third World countries themselves can be potent factors in promoting their industrialization. Developing countries will doubtless wish to seek opportunities for joint efforts with others in the development of key sectors of industry. Moreover, an increasing number of developing countries will need to contribute to the adjustment process and strengthen resistance to protectionist measures abroad, by opening their own markets both to other developing countries and to developed countries. They must gradually assume greater obligations under the trading system as they develop.

8. An important factor for the industrialization process is the domestic capacity of developing countries to assess, adapt and develop industrial technology; the contribution private investors can make to industrial development is also of primary importance.

^{d/} Cf. Appendix to this paper.

II. Role and nature of industrialization

9. Each nation has the inalienable right and responsibility to adopt its own development strategy and to define the role the industrialization process can play within that frame. The political and economic situation, within which industry should develop, differs from country to country and an individual approach is therefore required in defining the role and objectives of industrialization, which cannot be fixed once and for all, but must be adapted flexibly to changing conditions.

10. The industrial development problems of each country must be approached individually.

Important factors in the process of industrial development include:

- (a) Technology
- (b) Skilled labour force
- (c) Entrepreneurial and management skills
- (d) Infrastructure
- (e) Adequate finance
- (f) Policies of national governments and the international community
- (g) The establishment of a stable environment for investment.

11. A host of positive effects can be expected from an effective industrialization process, once the basis for this process is established, although their relative importance may vary from one country to another. Industry is a forceful and major source of economic growth. Moreover, it helps the development process in that it creates employment and stimulates efforts in education and in human resources development. To the extent that industry also produces for external markets, it is a useful means of earning foreign currency needed to finance necessary imports. There are also multiple linkage effects, backward and forward, between a developing industrial sector and other sectors of a country's economy: these mutually support and reinforce each other. This is the case, in particular, in the relationship between industry, agriculture and rural development.

12. As past experience of successful industrialization has shown, a great deal can be achieved by close international co-operation, at government level, or by means of enterprise-to-enterprise co-operation. Effective and pragmatic co-operation with foreign partners in industrialized countries can be of significant mutual benefit for both groups of countries, enhancing the links between them. But technical co-operation and trade among developing countries can also help overcome bottlenecks and gaps in individual countries' factor endowments and the constraint of small market size and should be supported by the international community, with a view to working towards the developing countries' objective of self-reliance. Technical and financial assistance by developed countries can also be very helpful in this process.

13. Economic development is an ongoing and cumulative process which can be achieved by determined and co-ordinated efforts of developing and developed countries. In the area of industrialization, a forced pace at the expense of other sectors would lead to negative effects for the economy as a whole, such as serious growth distortions and a deterioration in the balance between agriculture and industry. To forestall such negative effects, opportunities for creating small-scale enterprises, e.g. in agro-industries, should be

provided by local development banks; public services and physical infrastructure, including the supply of energy, should also be improved. Moreover, the impact of new industries on the natural environment should be carefully considered, in order to avoid a deterioration of existing natural resources and living conditions of the population. The development process must be monitored so as to provide maximum social and economic benefits to broad segments of the population.

III. Investment and industrialization

14. The industrialization of a developing country requires a major investment effort which must be financed both from domestic and external sources. While it is recognized that the most critical input must come from the developing country itself, foreign contributions too have an important role to play in this process. Besides the specific role of Official Development Assistance, long-term credit facilities and other financial issues (see section V below), foreign private investment should in the future, as it has in the past, play an important and distinctive role in fulfilling the capital requirements of industrialization in developing countries. Along with its direct expansion of a nation's productive capacity, foreign direct investment normally brings with it other substantial benefits to the host country, in the form of transfer of managerial and technological skills, manpower training and the establishment of export markets for the host country's products. Significantly increased foreign direct investment flows can also help developing countries in their industrialization efforts without adding to their debt service requirements. The maturity of direct foreign investment is virtually permanent, and the service charges in the form of profit remittances are linked to the economic success of the respective projects. It is recognized that foreign investments should be made in accordance with the laws, regulations and priorities of the host country.

15. The achievement of an adequate flow of foreign investment to the developing countries in the coming decades will depend to a very significant extent on the individual host countries providing a stable climate for foreign investments, with reasonable certainty and transparency of conditions for the implementation of projects and affording opportunities for earning a fair return as well as assurances of prompt, adequate and effective compensation in case of expropriation. The participation of private capital in the industrialization process can be attracted by the willingness of host governments to treat investors fairly and impartially and with sufficient flexibility to develop normal business operations. Section VI below touches on a number of aspects of importance in developing the technological and industrial skills needed to derive the full benefits of co-operative arrangements between developed and developing countries.

16. The contribution of transnational corporations (TNC) to the development of the host country depends to a large extent on the stage of industrial development as well as on other specific conditions prevailing in that country. Considering the important role which these corporations can play in the international investment process, and recognizing the concerns that have been expressed about certain aspects of TNC activities and their compatibility with national policy objectives, the Group B countries urge that co-operation on issues relating to transnational corporations have as a primary objective to encourage the positive

contributions which transnational corporations can make to economic and social progress and to cope with negative effects which may arise from their various operations. In this regard, Group B countries emphasize their desire that the work under way in the United Nations Commission on Transnational Corporations on a Code of Conduct will result in a positive outcome, at an early moment.

17. Group B countries recognize that increased action by home and host countries needs to be taken to mobilize the potential of medium- and smaller-sized enterprises to contribute to the industrialization of developing countries. Such enterprises can have a beneficial impact on the economies of host countries, not only through direct investment but also through contractual arrangements and/or transfers of technology especially suited to the vital needs of developing countries, in co-operation with domestic firms. Medium- and smaller-sized firms can often be attracted to certain projects which, while important to the country concerned, may not be of a scale to be of interest to larger enterprises.

18. Particular efforts are needed to mobilize the potential contributions such enterprises can make, because foreign investment by these enterprises is subject to the constraints - imposed by their size - of relative limitations on their financial and managerial resources, and on their knowledge of investment opportunities, market conditions and the economic and legal environment abroad, as well as their high degree of exposure to commercial and political risks. Accordingly, the Group B countries urge that the following types of activities, aimed at enhancing the flow of foreign investment, should be particularly encouraged to promote investments by small- and medium-sized enterprises:

- (a) Co-operation by home and host countries in order to provide stable investment conditions, including the extended use of investment treaties and investment guarantee schemes, and the development of appropriate arrangements for the dissemination of relevant information and matching partners for specific projects;
- (b) Provision of financial assistance, in particular, through the International Finance Corporation and through national Public Development Finance Corporations, which provide risk capital for investment projects in developing countries;
- (c) Investment information and promotion activities through co-operation between home and host countries and action by international bodies, including the International Finance Corporation, regional development banks and the UNIDO Investment Promotion Services.

19. The Group B countries note that, even with the best of intentions on all sides, investment disputes can arise. Provision for the fair and equitable settlement of such disputes is a crucial element governing the establishment of mutual confidence. The use of appropriate dispute settlement mechanisms, including arbitration, should be encouraged as a means of facilitating the resolution of problems arising between enterprises and States, in accordance with the principles of international law. Existing institutional mechanisms should be reviewed with a view to increasing their effectiveness. The International Centre for the Settlement of Investment Disputes (ICSID) provides an important framework for the resolution of problems which may arise in the field of investment and industrialization. The use of this institution, including its supplementary facility established in 1978, should be encouraged. Where arbitration takes place on an ad hoc basis, parties are encouraged to use the Arbitration Rules of UNCITRAL, which may provide a useful means for resolving difficulties arising in the course of the proceedings. Furthermore, technical assistance should be provided with a view to improving the procedures of national or regional facilities for dispute

settlement; the United Nations regional commissions, in collaboration with other existing international bodies such as UNIDO and the Centre on Transnational Corporations, could play a useful role in this regard. Finally, all members of UNIDO which have not yet done so should be encouraged to join and to ratify the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

20. Given the increasingly heavy burdens faced by most developing countries in fulfilling and financing their energy requirements, the Group B countries believe that particular attention should be given to identifying potential projects directed at developing conventional and/or new and renewable energy resources in developing countries. Moreover, special attention and sufficient resources should be devoted to research and development efforts aiming at the creation of more energy-efficient technologies for use in the industrialization process on a world-wide scale. The Group B countries express their continued strong support for the World Bank's programme on oil and gas development and the United Nations Conference on New and Renewable Sources of Energy.

IV. Industry-Government relationship and redeployment

21. The countries members of Group B agree on the desirability of promoting the industrialization of the developing countries. They recognize the need for continuing structural adjustments in the world economy and, indeed, perceive that longer-run mutual benefits by all partners are to be derived from such a process. They believe this process should rely as much as possible on market forces to encourage mobility of labour and capital for their most productive use and they consider that the concept of redeployment should be seen in this broad context of structural adjustment. The Group B countries therefore continue to subscribe to the furtherance of adjustment and resulting redeployment, even under the constraints of slower economic growth faced especially by advanced countries in recent years, as has been endorsed in a programme on positive adjustment policies recently adopted by OECD Ministers.

22. International redeployment, resulting in continuous change in industrial structures and trade patterns, has been taking place already for many years in the post-war period. More recently, this process has manifested itself in the increased share of developing countries in world production and trade in manufactures,^{e/} increasing imports by Group B countries of manufactures from developing countries, and the continuing shift in Group B countries' industrial and export structures away from activities in which developing countries have comparative advantage.

23. Experience in many Group B countries suggests that detailed sectoral forecasting is fraught with such difficulties and possible inaccuracies that it can hardly be advisable to make it the basis of direct government intervention and, much less, of direct interventionist or regulatory approaches on an international level. While recognizing the important role to be played by governments, especially at the early stages of industrialization, the Group B countries believe that in the international redeployment process reliance should be placed

^{e/} Cf. Appendix to this paper.

as much as possible on the market system, characterized by the pluralism of factors and objectives, and that governments should play their role mainly by influencing it indirectly, e.g. by providing incentives and removing impediments.

24. The basic approach pursued by the Group B countries in co-operating positively in the industrialization process is, therefore, to endeavour to encourage a more efficient allocation of production factors, to maintain the openness of their markets to the manufactured products of the developing countries, and to remove obstacles to the flow of financial, technological, managerial and other resources to these countries, in accordance with the principle of comparative advantage.

25. UNIDO's System of Consultations, which has evolved since 1975 at the sectoral level, has proved to be useful, especially in respect of its information function. Such Consultations can serve a useful purpose to industry and government, in both the industrialized and the developing countries, particularly by bringing together participants from governments, industry, labour, consumer and other groups as appropriate from both these groups of countries and providing opportunities for mutual exchanges and understanding. It is the view of the Group B countries, as market economies, that the future and efficient development of the System of Consultations should be based on those aspects of the System which have proven their effectiveness, including its information function. This development should take place in a pragmatic way and on a voluntary basis. It is therefore important to preserve the consultative and open character of the System of Consultations.

V. Financial issues

26. Foreign contributions, as noted in section III, do have an important role to play in the financing of industrialization. They are rendered in the form of concessional and non-concessional funding from official institutions, both bilateral and multilateral, and as commercial loans and direct investments. It is difficult to establish more than broad orders of magnitude of external financing for industrial development since there is no adequate information on the sectoral destination of major financing flows, in particular private bank and bond lending, direct investment and export credits. The available information is set out in table 1. On this basis, external financing related to the manufacturing sector may have been of the order of \$14 billion in 1978, the major part of which came from private sources. Financing in the form of bilateral and multilateral Official Development Assistance (ODA) was some \$1.2 billion.

Table 1. Financing by DAC^{a/} members and multilateral
development finance institutions of
the manufacturing sector
of developing countries

	<u>Manufacturing</u> (Millions of US \$)
A. <u>DAC/Bilateral^{b/}</u>	<u>12,227</u>
1. ODA	980
2. Export credits ^{c/}	8,000
3. Other official	247
4. Direct investment (estimate)	3,000
B. <u>Multilateral^{d/}</u>	<u>1,927</u>
1. ODA	179
2. Non-concessional	1,748
C. <u>Total</u>	<u>14,154</u>

a/ Development Assistance Committee of OECD.

b/ Including EEC.

c/ Estimates of official credits and officially guaranteed private credits, with maturities exceeding 5 years.

d/ World Bank Group (IBRD, IDA, IFC), Asian Development Bank and Special Fund, Inter-American Development Bank and Fund for Special Operations.

By and large, there is no convincing evidence that remunerative industrial projects have failed to attract residual external finance. Moreover, the strengthened capital base of the multilateral development lending institutions will enable them to respond to growing financial requests. Bilaterally, there is scope for increasing non-concessional flows in the form of private direct investment, export credits, bank and bond lending, provided that the host countries provide a good investment climate, creditworthy financial policies, and attractive industrial projects. Direct finance is therefore rarely the operative constraint to establishing industrial projects; more significant are constraints which arise from inadequacies in infrastructure, industrial skills and management, entrepreneurial capacity, the size of the market, linkages with other sectors, etc.

27. The magnitudes indicated above for ODA understate external support for industry in that a substantial part of development funds is provided in non-sectoral form or to sectors - such as infrastructure and human resources development - which provide an essential indirect support for the industrial sector. There is a broad consensus in the donor community that the role of ODA in industrial development should essentially be to:

- (a) Help developing countries to provide an effective basic economic infrastructure supportive of industrialization and to develop the required skilled human resources. (However, ODA also has an appropriate and important role to play in extending direct support for industrial development, particularly in the least developed countries);
- (b) Support industrial projects in poorer developing countries facing particular obstacles to building an industrial base. (But where industrial projects can make an important contribution to employment creation, support for agricultural development and development of natural resources);

- (c) Support, through technical assistance, effective human resources development programmes;
- (d) Support programmes for the promotion of small-scale, employment-intensive industries and provide seed money and starting capital for local industrial development banks;
- (e) Help developing countries to develop their energy resources - an essential pre-requisite for industrialization;
- (f) Support a variety of promotional activities in the area of research, information, policy advice, promotion of direct investment, export promotion, etc.

Technical assistance - both bilateral and multilateral - is particularly suited to promoting the industrialization process. Among international institutions providing such technical assistance, UNDP is playing a prominent role and its resources have been increased significantly in recent years, with continuing support from Group B members. UNDP's contribution is crucial for the balanced economic development of the developing countries, including, according to their own priorities, the process of their industrialization.

28. Important sources of external loan and equity capital to finance projects, which are both commercially viable and of development priority, are the Public Development Finance Corporations of the IFC type, which have been set up in eight OECD (DAC) member countries. Investors from DAC countries appreciate the involvement of the PDFCs in view of the rigorous standards of financial appraisal applied and the enhanced investment security associated with their operations. Experience shows that the presence of the PDFCs can be the assurance of "good developmental behaviour" of foreign investors, a useful independent source of risk capital and expertise, and an important catalyst in attracting local and foreign funds.

29. As far as multilateral development lending institutions are concerned, they contributed about 14 per cent of external financial flows committed to the manufacturing sector of developing countries in 1978 (orders of magnitude are set out in table 2 for individual institutions).

Table 2. Financial support for manufacturing by multilateral development lending institutions in 1978, and its share in total commitments of each of those institutions

Institution ^{a/}	ODA		Non-concessional	
	Millions of US \$	Per cent of total	Millions of US \$	Per cent of total
IBRD/IDA	136	4.8	890	14
IFC	-	-	348	82
Asian Development Bank	31	8.0	150	20
Inter-American Development Bank	12	1.8	360	33
Total	179	4.3	1 748	19

^{a/} The resources of these institutions have been built up, by various replenishments and capital increases, with active support from OECD member countries.

30. Bilateral and multilateral financial flows, taken together, already amount to a considerable transfer of financial resources in support of the developing countries' industrialization. Group B members will continue to the extent possible to facilitate the increase of these flows in the future. Thus, there exists an established and flexible framework to provide financial resources with scope for further improvement to respond to rising needs. Further, major increases are foreseen in the activities of the multilateral Development Finance Institutions, and in particular of the IDA, in the coming years. The need for new institutions or funds thus appears questionable. The countries of Group E are nonetheless prepared, in the context of a generally accepted global financial responsibility, to continue to participate in efforts in the appropriate fora to improve the operation of the channels for providing external finance.

VI. Technology and industrial skills

31. A central element in any industrial development strategy is a sufficient command of knowledge and skills. In order to foster the industrialization process, a country must develop a domestic capacity to assess, adapt and develop industrial technology. The Group B countries declare their willingness to co-operate in order to strengthen this capacity in the developing countries. There is also a common recognition that the developing countries can strengthen their technological capacity through effective co-operation among themselves.

32. Industrial development is a continuing process, and as it proceeds, countries become more (not less) dependent upon one another for know-how and technological goods. All countries therefore attach importance to the development and acquisition by their people of new knowledge and new skills. Technology transfer plays an important part in the global process of improving the technological capacity of all countries, but it is equally important for all countries to develop their own technological capacities, adapted to their particular situations and requirements.

33. Governments and enterprises have legitimate roles to play: governments in formulating policies and plans, defining goals and ensuring their achievement through financial, personnel and institutional arrangements, and in creating over-all conditions conducive to the development and diffusion of knowledge and skills appropriate to national needs and priorities; enterprises in ensuring that their activities fit satisfactorily into the policies and plans of the countries in which they operate, that they contribute to the development of national capacities, and that they permit the rapid diffusion of technologies, with due regard to the protection of industrial and intellectual property rights.

34. The necessary government efforts depend, first and foremost, on the governments of the developing countries themselves. Successful and balanced industrial development should be based on the development of human resources and skills corresponding to the actual needs of the countries concerned. The mobilization and integration of women in the development process should be stressed, and steps taken to minimize the possible negative effects of new technologies on women's traditional fields of employment and income.

35. Developed countries can, and do, play their part by co-operating in the development of knowledge and skills in and for developing countries. A major part of current technical assistance programmes consists of training activities which industrialized countries finance from their official aid programmes. To a large extent, technical assistance activities and support for technological co-operation are undertaken in co-operation with the private sector. In 1978, DAC members reported around \$200 million of technical assistance to the industrial sector in support of training activities, fellowships, feasibility and pre-investment studies, policy advice, etc.

36. Developed countries can also help by:

- (a) Giving developing countries the freest and fullest possible access to technologies whose transfer is not subject to private decisions, and facilitating access by developing countries, to the extent practicable, to technology whose transfer is subject to private decision;
- (b) Facilitating access by developing countries to relevant information, including the availability and sources of technologies and the possibility of adapting them to local needs and conditions;
- (c) Co-operating in the development of scientific and technological resources in developing countries, including the creation and growth of innovative capacities.

37. It must be recognized, however, that in most developed countries the principal agents of innovation are industrial enterprises, responding to the pressures of competition and to the incentives of commercial profit. Public and private initiatives can nonetheless often be successfully co-ordinated, to the general benefit of society and the economy as a whole.

38. The full benefits of accelerated industrialization in the developing countries are nevertheless unlikely to be realized unless the developing countries can themselves identify their needs for technical knowledge and industrial skills, in close relation to their production and marketing possibilities; and unless they can provide the conditions in which enterprises and individuals - both inside and outside their countries - have a mutual interest and proper incentives in developing, acquiring and adapting their own potentials to those needs and possibilities.

39. All countries thus have an interest in the balanced, socially-responsive development of science, technology and industrial skills, in harmony with human aspirations and the environment. The prospects for a satisfactory outcome to the forthcoming international discussions, preparations for which have already made good progress, on the negotiation of an International Code of Conduct for the Transfer of Technology, and the revision of the Paris Convention for the Protection of Industrial Property, will be improved if that common interest can be recognized in an atmosphere of mutual goodwill.

VII. Least developed countries

40. The least developed among the developing countries face three main bottlenecks in their industrialization process:

- (a) The prevailing economic environment does not attract sufficient non-concessional financial resources for industrial investment,
- (b) Expertise and operational support are required in most cases for the devising of sound industrial policies,
- (c) There is a paucity of managerial and technological skills.

41. The particular situation of the least developed countries in most cases requires the external financing of industrial development. In this context, ODA has a particularly important role to play. A significant part of these funds has to be devoted to technical co-operation activities, including the training of personnel at all levels. Moreover, the governments of the least developed countries can make use of external advice in formulating industrial policies that are appropriate to their specific situations, including their resource endowment and energy resources.

42. The countries members of Group B are ready to undertake special efforts in favour of the industrialization process in the least developed countries, as already expressed by the adoption of the Comprehensive Programme of Action at UNCTAD V. In addition to the discussion of this item at the Third General Conference of UNIDO, the Group B countries see the United Nations Conference on the Least Developed Countries, in 1981, to which UNIDO is expected to contribute, as an appropriate occasion to further intensify the discussion with the countries concerned of problems and obstacles hindering their economic development, with a view to arriving at effective solutions.

VIII. Role of UNIDO

43. UNIDO's operational activities are mainly concentrated in two areas, that of technical assistance and of promotion of industrial development. While the Group B countries believe that the delivery of technical assistance by UNIDO is of prime importance, the Organization also fulfils an important function as an open-ended international forum on industrial development.

44. The Group B countries, noting the importance of endogenous industrialization policies for industrial development, believe that UNIDO should pay special attention to such policies in its activities.

45. The Group B countries note the effective contribution that UNIDO's technical assistance programmes have made to the acceleration of the industrialization of the developing countries. While the nature of technical co-operation is always a matter for decision by the recipient country within the context of its industrial development strategy, and the UNDP country-programming process, the Group B countries would underline some programmes which UNIDO should continue to develop and strengthen in order to further enhance its capacity for effective delivery of assistance. These would include assistance in: building the necessary physical and institutional infrastructure; industrial planning; devising programmes on appropriate technology; technical and managerial training; project feasibility assessment; strengthening the negotiating capability of the developing countries; and dissemination of information on industrial technology. In this context, increased attention should be given to the problems of the least developed countries and to co-operation at the regional level.

46. The Group B countries emphasize the importance of maintaining the high quality of the Senior Industrial Development Field Advisers and of keeping under continuing review the effectiveness of UNIDO's field operations.

47. The promotional activities of UNIDO mainly serve the purpose of establishing contacts between partners in the industrialization process and have contributed to the effectiveness of UNIDO's technical assistance programme. Among these activities, the Group B countries would underline the System of Consultations and the studies on sectoral topics and structural change. There may be scope for the further development of these activities, particularly of the System of Consultations. The value of this System - which should keep its present consultative and non-obligatory character - and of its results, should be enhanced.

48. The importance of giving momentum to the process of industrial development is strongly emphasized. The Investment Co-operative Programme of UNIDO is of particular importance in this regard. In this area, as well as in other areas of UNIDO activities, there is scope for increased co-operation at the enterprise level with industry in the developed countries.

49. The central role of UNIDO in reviewing and promoting the co-ordination of all activities of the United Nations system in the field of industrial development requires the closest co-operation with other United Nations agencies and organizations, in conformity with the procedures for co-ordination established within the United Nations system.

50. The responsiveness of UNIDO operations to the priorities for industrial development co-operation agreed upon internationally in the forthcoming year will be improved by a continuing review of these operations. Every effort will need to be made to use UNIDO resources efficiently so as to provide maximum direct benefit to the developing countries. The conversion of UNIDO into a specialized agency will also make it necessary to give early consideration to the structure and methods of the Organization. Close consultation among governments and between governments and the UNIDO Secretariat will assist the Organization in adapting to future change.

Appendix. Developing countries' exports of manufactures

1. Trade data available indicate that during the period 1971-1978 imports from developing countries expanded more rapidly than over-all OECD trade. This is not due exclusively to the increase in oil prices, as manufactures have shown a very dynamic trend. The OECD countries represent the largest market, by far, for exports of industrial goods by the developing countries. While the potential of East-South and South-South trade should not be underestimated, it seems clear that the OECD market has provided the main impetus for the expansion of developing countries' exports and is likely to continue to be of major importance in the future.

<u>Developing countries' exports of manufactures in 1978 to:</u>	Billions of US \$	Per cent	Average annual growth
			1970-1978 (Per cent)
OECD countries	44.5	67.0	32.0
... European countries	1.2	1.8	17.4
Other developing countries	20.7	31.2	28.3
Total	<u>66.4</u>	<u>100.0</u>	

Source: GATT.

2. Restrictive trade measures are concentrated in a few sectors such as textiles, clothing and footwear. Even in these sensitive sectors, imports from developing countries are still growing - in the most recent period for which statistics are available - despite the enormous surge in these imports which has already taken place. In other, "non-traditional", sectors of manufactures, there are little or no restrictions to market access in OECD countries and imports by developing countries are expanding at a rapid rate, thus contributing to the diversification of their trade in manufactures.

* * * * *

C. CONTRIBUTION BY GROUP B TO THE CONSIDERATION
OF A NEW DELHI DECLARATION, DRAWN UP
IN THE LIGHT OF ID/CONF.4/CRP.16 f/

1. The Third General Conference of the United Nations Industrial Development Organization, convened by General Assembly resolution 33/77 of 15 December 1978 for the purpose of promoting the realization of policies and measures for national and international action in the field of industrial development and the acceleration of the industrialization of the developing countries as adopted in the Lima Declaration and Plan of Action on Industrial Development and Co-operation,

ADOPTS

the New Delhi Declaration on Industrial Development and Co-operation.

2. Having reviewed and appraised the world industrial situation, with specific reference to the industrialization of the developing countries,

3. Having considered ways and means, including institutional arrangements, for further industrialization as an essential element of the development process in the 1980s and beyond,

4. Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, resolution 3281 (XXI) of 12 December 1974 containing the Charter of Economic Rights and Duties of States, resolution 3362 (S-VII) of 16 September 1975 on Development and International Economic Co-operation,

5. Recalling also the Lima Declaration and Plan of Action on Industrial Development and Co-operation, adopted at the Second General Conference of the United Nations Industrial Development Organization, which established measures and principles for Industrial Development and Co-operation within the framework of the establishment of a New International Economic Order,

6. Guided by General Assembly resolution 33/77 of 15 December 1978, which established the agenda of the Conference, and by General Assembly resolution 34/98 of 13 December 1979 on Industrial Development Co-operation and the Third General Conference of UNIDO which recommended various matters for consideration by the Conference,

7. Taking into consideration the reports of the meetings of the Fifth Conference of African Ministers of Industry (17-21 October 1979, Addis Ababa), Fifth Conference on Industrial Development for Arab States (16-20 November 1979, Algiers), the ESCAP Preparatory Meeting of

Ministers of Industry (25-26 October 1979), the Ministers of Industry of Latin America (10-14 September 1979, Cali), and the Round-Table Ministerial Meeting on the Promotion of Industrial Co-operation among Developing Countries (1-5 October 1979, Istanbul),

3. Conscious of the role of UNIDO as the central organ within the United Nations system for the promotion and co-ordination of industrial development co-operation, and for the attainment of the agreed measures contained in the Lima Declaration and Plan of Action as adopted, including, in particular, raising the share of developing countries to the maximum possible extent, and as far as possible to at least 25 per cent of total world industrial production by the year 2000, while making every endeavour to ensure that the industrial growth so achieved is distributed among the developing countries as evenly as possible,

9. Recalling General Assembly resolution 33/193 of 29 January 1979 on preparations for an international development strategy for the third United Nations development decade, which invited UNIDO to contribute effectively to the work of the special session and to preparations for the new international development strategy of that decade,

10. Recalling also the Vienna Programme of Action on Science and Technology for Development adopted on 31 August 1979 with a view to guiding national, regional and international policies aimed at strengthening the endogenous scientific and technological capacity of the developing countries,

11. Recalling further General Assembly resolution 34/138 of 14 December 1979, on global negotiations relating to international economic co-operation for development,

12. Conscious also of the role of UNIDO as a forum for the negotiation of agreements in the field of industry between developed and developing countries and among developing countries themselves at the request of the countries concerned,

13. Recalling the Lima Declaration and Plan of Action according to which national industrialization policies should lay emphasis on "the equitable distribution of the benefits of industrialization among all sectors of the population" and on "social justice as a guiding factor in achieving the objectives of raising the living standards and eliminating extreme social disadvantages and unemployment",

14. Recognizing that the process of industrialization should develop with due consideration to the environment, health and occupational safety,

15. Stressing the importance of the full involvement of the population, including women and youth, and their integration in the development process, including industry, and in the benefits to be derived from that process, while at the same time promoting their training and developing their skills,

16. Bearing in mind that the rapid industrialization of the developing countries constitutes an important and dynamic instrument for the sustained, self-reliant growth of their economies and of their social transformation,

17. Emphasizing the importance of redeployment, in the context of structural adjustment, for an effective international division of labour and for the attainment of the development objectives of the developing countries,

18. Affirming the need to promote the further development of collective self-reliance among developing countries as an essential element in the economic and industrial transformation,
19. Convinced of the importance of measures for the development and strengthening of the industrial technological capabilities of the developing countries, the transfer and acquisition of technology, and access to information on industrial technology, including advanced technology,
20. Recognizing the need for a substantially increased transfer of resources to developing countries, including official development assistance,
21. Recognizing also the need for an open international trading system which would, among other things, provide increased market access for the products of the developing world,
22. Recognizing further the close complementarity that exists in developing countries between the industrial and agricultural sectors, and the necessity for the optional utilization of the natural resources of these countries, of promoting endogenous industrialization and the use of appropriate technology,
23. Having reached consensus on certain basic principles, and on appropriate measures needed to promote rapid and equitable industrial development,

Solemnly declare ...

The Conference, reviewing the world industrial situation since the Second General Conference of UNIDO:

I. Review and appraisal

24. Emphasizes that industrialization has a major role to play in the broad economic development of the developing countries; recognizes that industrialization is an essential element in the process of economic growth, modernization and diversification, and that, in this manner, industrialization contributes to productive employment and rising export earnings and provides powerful linkages with manifold aspects of the development of human resources, as well as with agriculture and with infrastructural development;
25. Recognizes that each nation has the inalienable right and responsibility to adopt its own development strategy and to define the role the industrialization process can play within that frame, taking account of individual political and economic situations;
26. Expresses grave concern at persistent inequalities, both as between the different countries of the world and within many developing countries, and concludes that these inequalities need to be urgently addressed by governments and peoples, supplemented by appropriate measures by the international community;
27. Notes that, despite the economic difficulties which have characterized recent years, developing countries' exports of manufactures to developed market economy countries have as a whole risen steadily and have made an important contribution to their industrial development; recognizes the importance of maintaining an open world trading system and calls for strengthened resistance to protectionist pressures; and agrees that expanded co-operation and trade among the developing countries can be potent factors in promoting their industrialization;

28. Recognizes that industrialization has to be accompanied by effective measures in the social field, that these measures should be aimed at the creation of acceptable social living conditions, with special emphasis on housing, medical care, including safe potable water, education and food distribution, and that industrial policy should be accompanied by an income distribution policy to ensure that the poorest strata in society will benefit from the industrial development process;
29. Underlines that the fullest participation of women in the industrial development process will contribute to the process itself as well as the living conditions of the people - a part from which, women should enjoy full and equal rights in society;
30. Further notes that the dynamic growth of the developing countries' exports has been due mainly to their own successful efforts to exploit existing and emerging comparative advantages, and calls on the international community to continue to assist in this process, in the areas of trade, investment and technical co-operation, in order to enable the developing countries to increase their share of world trade, in conformity with the agreed policies and measures in the Lima Declaration and Plan of Action;
31. Recognizes that the Third General Conference of UNIDO is an important step within the on-going North-South dialogue;

II. Strategy for the further industrialization of the developing countries

32. Agrees - in the light of its review and appraisal of the world industrial situation, with specific reference to the industrial development of the developing countries - on a Strategy for the Further Industrialization of the Developing Countries as an essential element of the economic and social development process in the 1980s and beyond;
33. Reaffirms the vital interests of the developing countries in their accelerated industrialization and their firm determination to strengthen national industries as a fundamental means to self-sustained and comprehensive economic and social development, to assure national sovereignty and independence and contribute to a peaceful and more equitable world order; and affirms the sovereign right of developing countries to introduce the essential structural changes which will enable their people to achieve just and effective participation in the benefits of industrialization;
34. Recognizes that the developing countries themselves bear the major responsibility for their industrialization; agrees that the mobilization of domestic resources is thus of paramount importance and that external assistance and other resources should complement and reinforce domestic industrialization efforts; and stresses that industrial development should continue to enhance the situation of the entire population and particularly of the workers concerned, with a view to making progress towards such social objectives as alleviating poverty, improving income distribution and meeting other essential needs of the population (e.g. health and education), as well as better linkages with the rural community;
35. Recognizes the potential, and the considerable opportunities, in the industrialization process of the developing countries of small-scale enterprises (e.g. in the agro-industries);

36. Further recognizes that, given the increasingly heavy burdens faced by most developing countries in fulfilling and financing their energy requirements, particular attention should be given to identifying potential projects directed at conventional and/or new and renewable energy resources in developing countries; recognizes moreover, that special attention and sufficient resources should be devoted to research and development efforts aimed at the creation of more energy-efficient technologies for use in the industrialization process on a world-wide scale; and expresses strong support for the World Bank's programme on oil and gas development and the United Nations Conference on New and Renewable Sources of Energy;

37. Stresses the vital importance of increased international co-operation in the field of energy, of stable supplies of all energy sources, as well as of energy conservation and the development of conventional and new and renewable energy sources; and notes in this context the decision of the General Assembly at its thirty-fourth session to include energy in the new round of global negotiations, and that UNIDO will have a special role to play in the field of industrial technology;

38. Reaffirms its strong support for increased co-operation among the developing countries, in ways to be formulated and implemented by them, as an integral part of the over-all development strategy; and notes that important steps have been taken in this direction, through the strengthening of economic linkages, and that there is untapped potential for future co-operation among developing countries in finance, commerce, industrial technology and production, training in industrial skills and other fields;

39. Recalls resolution 124(V) adopted by the fifth Conference of the United Nations Conference on Trade and Development, in particular section III(A) concerning "Processing and product development" with a view to promoting industrialization and an increase of export earnings of developing countries in the context of the Integrated Programme for Commodities, and requests UNIDO, within the scope of its competence, to co-operate with UNCTAD pursuant to this resolution;

40. Recognizes the importance of the acquisition and development of new knowledge and new skills in the industrial development process;

41. Expresses concern at existing inequalities in the scientific and technological fields in the developing countries, which represent a major obstacle to their industrialization; and stresses the importance of a satisfactory outcome of the negotiations on an International Code of Conduct for the Transfer of Technology;

42. Expresses concern that the share of the developing countries in world research is extremely small; and stresses the need for the developing countries to devote greater attention and resources to research on and development of indigenous technology adapted to their particular situations and requirements;

43. Notes that the Secretary-General of UNCTAD, in consultation with other relevant United Nations organizations, particularly UNIDO, has been commissioned to prepare, compile and complete studies on technological problems in a number of areas and sectors;

44. Recognizes the contribution to successful industrialization that can be made by close international co-operation at government or enterprise-to-enterprise level;

45. Agrees that, while the most critical input to the financing of industrialization must come from the developing countries themselves, external contributions have an important role to play in this process, and should be effected in the context of generally accepted financial responsibilities:

46. Urges that these problems be given prompt and serious attention by the fora appropriate for an over-all approach, with a view to ascertaining what increased financing is needed for the industrialization of the developing countries and how such financing can be engendered;

47. Emphasizes the continuing need for official development assistance in providing effective basic infrastructure supportive of industrialization; direct support for industrial development, particularly in the least developed countries; support for industrial projects in poorer developing countries facing particular obstacles in building an industrial base; support for effective human resources development programmes; support for small-scale employment-intensive industries as well as seed money and starting capital for local industrial development banks; and help for developing countries in developing their energy resources;

48. Welcomes the major increases that are foreseen in the activities of the multilateral development finance institutions, and in particular the IDA, in the coming years; the significant increase in recent years in the resources of the UNDP for technical assistance; and the spread of public development finance corporations, of the IFC type, in developed countries;

49. Underlines the importance of technical assistance - both bilateral and multilateral - as a means of promoting the industrialization process;

50. Takes note - in reviewing international efforts in recent years to assist least developed, land-locked, island and most seriously affected developing countries to industrialize rapidly - of the operational activities undertaken by UNIDO and other United Nations organizations in the field of industrial development in these countries:

51. Agrees that the particular situation of the least developed countries in most cases requires external financing of industrial development and that in this context ODA has a particularly important part to play; welcomes the readiness of all countries to undertake special efforts in favour of the industrialization process in the least developing countries, as already expressed by the adoption of the Comprehensive Programme of Action at UNCTAD V; and urges that the United Nations Conference on the Least Developed Countries, to be held in 1981 and to which UNIDO is expected to contribute, further intensify discussion with the countries concerned of problems and obstacles hindering their economic development, with a view to arriving at effective solutions;

52. Notes - having reviewed the experience in promoting co-operation among developing countries - the progress which has been made in elaborating the programme of industrial and economic co-operation among developing countries, particularly in the Conference on Economic Co-operation among Developing Countries at Mexico in September 1976, the United Nations Conference on Technical Co-operation among Developing Countries at Buenos Aires in September 1978 and the Round-Table Ministerial Meeting on the Promotion of Industrial Co-operation among Developing Countries at Istanbul in October 1979;

53. Strongly emphasizes, in view of the inadequate over-all growth in the past few years, the need for structural adjustment of the world economy, on the basis of comparative advantages and within the over-all national objectives and priorities of industrial development, in particular of the developing countries, in order to contribute to the acceleration of the industrialization of the developing countries and thus to a more equitable division of labour;

54. Welcomes the evolution of UNIDO's System of Consultations, which has proven useful to industry and government in both the industrialized and the developing countries, particularly in bringing together participants from governments, industry, labour, consumer and other groups and providing opportunities for mutual exchanges and understanding; and agrees that the System of Consultations should have a permanent character, that it should be based on those aspects of the System which have proven their effectiveness, particularly the information function, that it should be extended to other sectors of industry, and that its consultative and open character should be preserved;

55. Recognizes the importance, in the creation of appropriate structures in developing countries - with a view to accelerating their economic growth and increasing their share in world industrial production - of the roles of both governments and enterprises; agrees that it is the responsibility of governments to formulate policies and plans, define goals and objectives and ensure their achievement through financial, personnel and institutional arrangements, creating over-all conditions conducive to the development and diffusion of knowledge and skills appropriate to national needs and priorities; and agrees that enterprises and other entities, when operating in a country, should respect the sovereignty and the laws of that country, act with proper regard for that country's declared development policies and priorities, and endeavour to contribute substantially to the development of the country concerned;

56. Recognizes that foreign private investment should continue to play an important role in fulfilling the capital requirements of industrialization in developing countries, in accordance with the laws, regulations and priorities of the host country; and agrees that, in addition to contributing to productive capacity, foreign direct investment brings with it other substantial benefits to the host country, in the form of managerial and technological skills, manpower training and the establishment of export markets for the host country's products;

57. Notes that the achievement of an adequate flow of foreign investment to developing countries depends to a very significant degree on the provision of a stable investment climate, and that, in this connection, provision for fair and equitable settlement of potential investment disputes is a crucial element; agrees that the use of appropriate dispute settlement mechanisms, such as arbitration, should be encouraged, in accordance with the principles of international law; agrees that the International Centre for the Settlement of Investment Disputes (ICSID) provides an important framework for the resolution of potential problems and that the use of its facilities should be developed; agrees that, where arbitration takes place on an ad hoc basis, the Arbitration Rules of UNCITRAL should be used; and urges all members of UNIDO which have not yet done so to join and ratify the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards;

58. Further recognizes the important role which transnational corporations can play in the industrialization process; urges that co-operation on issues relating to transnational corporations have as a primary objective to encourage the positive contributions which they can make in economic and social progress and to cope with negative effects which may arise; and emphasizes its desire that the work under way in the United Nations Commission on Transnational Corporations on a Code of Conduct will result in an early and positive outcome;
59. Stresses the importance of the role that can be played, in promoting private investment in developing countries, by small- and medium-sized enterprises; and agrees on the desirability of improved co-operation for the dissemination of investment information and promotion activities and the matching of partners for specific projects, as well as support from the International Finance Corporation, national public development finance corporations, regional development banks and UNIDO's Investment Promotion Services;
60. Recognizes the importance of further improvement and expansion of the trade of developing countries for the acceleration of their industrialization process;
61. Supports the continuing work carried out by UNCTAD and GATT and calls upon all countries to actively participate in the work of GATT, including the implementation and administration of instruments resulting from the MTN;
62. Calls upon all countries to strengthen efforts to further liberalize trade and in particular to resist protectionist pressures, thereby facilitating the structural adjustment of the world economy;
63. Encourages the developing countries, individually and collectively, to identify and implement additional measures for substantial increase in direct trade among themselves;
64. Requests the UNIDO Secretariat - because of the essential role which trade plays in economic growth, industrialization and development, in particular that of developing countries - to continue its existing co-operation with UNCTAD, GATT, ITC, UNCTAD/GATT and other relevant bodies in the United Nations family, on trade aspects of industrialization;

III. Institutional arrangements

65. Confirms that the operational activities of UNIDO should be concentrated in the two areas of technical assistance and the promotion of industrial development;
66. Notes with satisfaction the effective contribution technical assistance programmes executed by UNIDO have made to strengthen the domestic capacity of developing countries to use, assess and develop industrial technology in order to accelerate their industrialization; and agrees that these programmes should be pursued, particularly in such areas as infrastructure, planning, technology, training, project feasibility assessment, and strengthening the negotiating capacity of the developing countries - and that, in this context, increased attention should be given to the problems of the least developed countries and to co-operation at the regional level;
67. Stresses that UNIDO fulfils an important function as an open-ended international forum on industrial development and calls on it to pay special attention to the importance of endogenous industrialization policies for industrial development;

68. Stresses the need for continuing evaluation of the activities of the Organization in order to ensure effective utilization of resources in accordance with agreed priorities to secure maximum benefits for the developing countries;

69. Notes with approval the Constitution of the United Nations Industrial Development Organization, adopted on 8 April 1979 by the United Nations Conference on the Establishment of the United Nations Industrial Development Organization as a Specialized Agency, and invites all States that have not yet done so to take early steps to sign and ratify, accept or approve the Constitution.

Annex II

**STATEMENT AND POSITION PAPER
BY GROUP D'**

A. STATEMENT BY GROUP D

(at the 21st plenary meeting, 9 February 1980)

1. In connection with the vote on the draft of the New Delhi Declaration and Plan of Action, the delegations of the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics wish to make the following statement.
2. During the course of the Conference the socialist countries, in their joint statement submitted to the Conference (ID/CONF.4/CRP.14), have expressed their views regarding the strategy for the industrialization of the developing countries, international industrial co-operation, and the basic thrust of UNIDO's activities for the 1980s.
3. The struggle for a reordering of international economic relations on a just and democratic basis, economic and industrial co-operation with developing countries and the provision to these countries of assistance to help them solve the difficult problems of their social and economic development all follow from the inherent nature of socialist society and are important principles of the foreign economic activities of the socialist countries.
4. On this basis, new methods and modalities have been evolved and are being developed in economic, industrial, scientific and technological co-operation between the socialist and the developing countries, which has become an established factor in the contemporary system of international relations. The rapid expansion of this co-operation is contributing to the efforts of the developing nations to industrialize and to achieve the forward-looking objectives of the Lima Declaration and Plan of Action.
5. Our delegations support in principle the New Delhi Declaration and Plan of Action and have voted for them as a whole.
6. The implementation of the progressive provisions of the Declaration and Plan of Action will promote the establishment in the developing countries of modern economies capable of further self-sustained growth and of participating, on a genuinely equitable basis, in international economic co-operation.

a/ The statement and its addendum, as well as the position paper (ID/CONF.4/CRP.14) reproduced in this annex are incorporated in accordance with a request made by Group D at the 21st plenary meeting of the Third General Conference of UNIDO, and as agreed by the Conference.

7. At the same time, the delegations of our countries feel it necessary to state that there are a number of provisions in the Declaration and Plan of Action which they cannot support since they run counter to the realities of today's world and are at variance with the approach adopted by our countries to the question of the industrialization strategy for the developing countries, international industrial co-operation, and UNIDO's work in these areas.

8. The fact that our delegations have not at this time opposed these provisions, particularly the proposal for the establishment of a global fund, should not be regarded as indicating our agreement with these provisions or as implying any change in the position of our countries regarding the matters dealt with in these provisions. Our view on these questions will be set forth separately in a document to be included in the report of the Conference and later submitted to the special session of the General Assembly together with this statement and document ID/CONF.4/CRP.14, which was submitted by our countries to this Conference.

9. Regarding the transfer of financial resources, the socialist countries regard as just and well-founded the demands of the developing countries that the capitalist States both increase the volume and ease the terms of the aid provided to these countries for the purposes of development, including industrial development. This is all the more necessary considering that economic and currency crises, inflation and other upheavals in the world capitalist economy are continuing to undermine the economic and financial health of many developing countries, to cause an enormous increase in their foreign debt, and to impede their industrialization and socio-economic progress.

10. The implementation of the concrete measures proposed by the socialist countries regarding disarmament and the reduction of the military budgets of the permanent members of the Security Council would make it possible to use a part of the funds released in this way for the economic development of the developing countries, inter alia, by setting up within the United Nations framework special machinery for the distribution of the sums involved among the countries receiving the aid.

11. At the same time, the socialist countries reaffirm their well-known position on the transfer of real resources for development, a position which they have repeatedly advanced in different United Nations forums, notably at the fifth session of UNCTAD. This position remains fully and entirely in force.

12. The socialist countries, which sympathize with the serious problems of the developing countries and are anxious to assist them in overcoming their backwardness and in building modern, self-reliant economies with diversified industries, wish to state that, in accordance with socialist principles and their own possibilities, they will continue to expand their trade and economic co-operation with the developing countries, particularly in the area of their industrialization, and mainly on a bilateral basis through the conclusion of long-term co-operation agreements.

13. The socialist countries are convinced that through this approach to co-operation with the developing countries they will be able to make an effective contribution to the social and economic progress of these countries, the establishment of modern industries there, and their participation, on an equitable basis, in the international division of labour.

14. I should be grateful, Mr. President, if this statement could be included in the report of the Conference.

Addendum

1. Further to their statement of 9 February 1980 at the plenary meeting of the Conference, the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, the Ukrainian SSR and the USSR hereby state that their vote in favour of the New Delhi Declaration and Plan of Action is not to be regarded as implying automatic agreement with a number of provisions of these documents, among them the following:

- (a) Certain assessments in the Declaration and Plan of Action of the causes of the deterioration in the economic position of the developing countries and the failure to attain the objectives set by the Lima Conference:
- (b) The provisions contained in the Declaration and Plan of Action calling for the establishment of a global fund, higher levels of funding for the intensification of UNIDO's activities in some areas, and also structural expansions in the Secretariat and increases in the Manning table:
- (c) The wording of a number of points in the Declaration and Plan of Action regarding which these delegations expressed serious objections and reservations during the work of the Conference:
- (d) The inclusion in the Declaration and Plan of Action of provisions regarding matters whose examination, including the adoption of decisions, lies within the competence of other international intergovernmental organizations or which should be settled on a bilateral basis.

2. The vote by these delegations in favour of the Declaration and Plan of Action is not to be regarded as implying their automatic support of those decisions of international organizations and conferences, mentioned in the Declaration and Plan of Action, in the formulation of which their countries did not participate or regarding which, at the time of their adoption, they expressed reservations.

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STRATEGY FOR THE INDUSTRIALIZATION OF THE DEVELOPING COUNTRIES,
INTERNATIONAL INDUSTRIAL CO-OPERATION AND PRINCIPAL
ORIENTATIONS FOR UNIDO'S ACTIVITIES IN THE 1980s^{b/}

Joint statement by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Hungarian People's Republic, the Socialist Republic of Viet Nam, the German Democratic Republic, the Mongolian People's Republic, the People's Republic of Poland, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics, and the Czechoslovak Socialist Republic

1. The Third General Conference of UNIDO has been convened to consider the important questions relating to the evaluation of the developing countries' industrial development in the light of the Lima Declaration and Plan of Action, the strategy for industrialization, and the fixing of new guidelines and objectives for UNIDO's work in the 1980s.
2. The socialist States on whose behalf the present statement is submitted deem it essential to explain their position on these problems, in the interests of contributing to the success of the General Conference and the expansion of international co-operation to further the industrial progress of the developing countries.

b/ ID/CONF.4/CRP.14.

3. Industrialization is one of the key questions in the economic decolonization of the developing countries, and any study of this problem which failed to take account of all the relevant economic and political factors and their interdependence would be incomplete.
4. The period since the Second General Conference of UNIDO has been characterized by a further intensification of the struggle of the developing countries to achieve economic and social progress, liquidate the vestiges of colonialism and combat neo-colonialism. This struggle is developing in many directions and in a variety of forms. The mass revolutionary movements in a number of countries have demonstrated the will of the people of the developing countries to free themselves from imperialist domination and dictation and neo-colonialist exploitation.
5. In many countries, fundamental social and economic changes are being introduced with a view to creating the necessary conditions for developing an independent national economy, based on industrialization. The developing countries have had some success in their efforts to strengthen their industrial potential and this has undoubtedly been due in some measure to the Lima Declaration and Plan of Action.
6. However, realistically assessing the current process of industrial growth in the developing countries, one cannot fail to observe its irregular and in some respects contradictory character. In many countries the process has still had virtually no impact.
7. Industrial growth is not making an adequate contribution to the modernization of other sectors of the national economy, in particular agriculture, to increased employment and to the elimination of mass poverty. In some countries, which have opened their doors wide to foreign capital, the growth of industrial production is not based on the requirements for the development of an independent national economy, but is to a large extent dictated by the selfish interests of transnational monopolies, which are trying to impose a kind of development and industrial specialization on the developing countries which has the effect of preserving their subordinate position in the world capitalist economy. Behind the façade of such industrial growth, sometimes called "growth without development", there is a growing dependence on transnational monopolies and increasingly intensive exploitation of the manpower and natural resources of these countries by the monopolies.
8. For some years, the questions of the strategy and policies for the industrialization of the developing countries have been increasingly in the forefront, and at the same time a reappraisal is taking place. This is a very normal phenomenon, resulting from the experience the developing countries have acquired in industrialization and, in particular, the serious consequences for them of the world capitalist crisis.
9. The socialist States which are submitting this statement fully share the views recently expressed by the developing countries concerning the inconsistency of theories to the effect that their economic and industrial growth can be automatically stimulated by economic progress in the advanced capitalist countries and "transmitted" through "market mechanisms". In reality, world capitalist economic mechanisms, when they operate "normally", merely go on reproducing relationships of exploitation, inequality and dependence, while in times of crises they transfer the worst consequences of these to the developing countries.

10. The economic and monetary crises, the wave of inflation and the other upheavals experienced by the world capitalist economy in recent years have resulted in further deterioration of the economic and financial situation of many developing countries and a colossal increase in their external indebtedness and in annual debt servicing. The terms of trade and the conditions for the sale of the developing countries' industrial products on the markets of the advanced capitalist countries have deteriorated still further as a result of the intensification of protectionism and the restrictive commercial practices of monopolies.

11. Efforts, under the banner of "co-operation" and "interdependence", to impose on the developing countries a policy designed to create a "favourable climate" for investment by the imperialist monopolies and, more particularly, the transnational corporations are a serious threat to the cause of industrialization and development of the national economy and to the political sovereignty of these countries. In this connection, one cannot but note that the penetration of these investments into the developing countries further aggravates the shortage of resources for development in these countries. According to calculations by the UNCTAD secretariat (document TD/B/C/3/158 dated 14 May 1979, submitted at the fifth session of UNCTAD at Manila, the annual outgoings of developing country resources in the form of transfers of profits from direct private foreign investment almost tripled between 1970 and 1977, and their total amount in this period exceeded \$72 billion. During the same period, "official development aid" from the advanced capitalist countries to the developing countries was less than \$53 billion. According to the same authoritative source, direct private foreign investment in the developing countries increased by \$40.5 billion in the same period, which will mean in the near future an increase in the share of the national income that will be drained by profits on foreign capital.

12. In recent years, the distortion of industrial development in a number of developing countries has been clearly apparent; this distortion, consisting in a one-sided development of industrial production for export, not only does not help to strengthen economic independence but in fact further reinforces the possibilities for dictation and arbitrary action by the transnational monopolies.

13. The socialist States which are submitting this joint statement share the concern and preoccupation expressed by developing countries in a number of international forums at the worsening of their economic and financial situation caused by the upheavals in the world capitalist economy. They consider that it is of particular importance at the present juncture to prepare an industrialization strategy for the years to come which will be in keeping with the vital national interests and economic and social development needs of the developing countries. In order to give guidance for practical action, this strategy should, in our opinion, define the content and objectives of industrialization, the necessary conditions and prerequisites, and ways and means of effective implementation.

14. In support of the objective set forth in the Lima Declaration and Plan of Action concerning the establishment in the developing countries of a modern, diversified industry capable of producing not only consumer goods but also producer goods, we consider that the industrialization process and the criteria for its effectiveness should be based on the following fundamental principles. Industrialization should be directed towards:

- (a) Satisfying, first of all, the totality of internal requirements for the development of the national economy: it should be integrated in nature and provide for the modernization and rapid growth of all branches of the national economy, including in the first instance agriculture, and the solution of the food problem;
- (b) Systematically overcoming economic and technical backwardness, guaranteeing employment and improving the level of living of the broad working masses;
- (c) Eliminating the exploitation of the country by foreign monopolies.

15. In the last analysis, it is the task of industrialization to guarantee, taking into account the specific conditions and characteristics of each country and the existing level of technology, the establishment of a rational, integrated and independent national economy capable of ensuring expanded reproduction through internal resources financed from the national income.

16. This approach to the strategy for the industrialization of the developing countries does not exclude, but presupposes, broad participation by these countries in international trade and the international division of labour. At the same time, the difference in principle between this approach and the strategy aiming at the development of industrial production for export is that it treats such production as forming an integral part of the national economy, in the framework of which the development of production for export is not an aim in itself but subordinate to the needs of an independent national economy. It is such an integrated approach to industrialization, directed towards ensuring the modernization of all branches of the national economy and with the raising of living levels of the broad popular masses as an indispensable condition, which can guarantee the continued expansion of the domestic market for industrial production and avoid the hypertrophy of production for export.

17. Developing countries can successfully solve the great, complex problems of industrialization by following the path of independent development, and not the road of the "market economy" and "free enterprise". It is clear from experience that the main conditions and prerequisites for the successful discharge of tasks relating to the industrialization of the developing countries are the following:

- (a) State planning of the economy and a leading role within the economy for the public sector, which must be developed in accordance with democratic principles and national interests, with the active, conscious participation of the working people in the industrialization process. The particularly important role of these factors in industrialization is a consequence of a whole complex of objective causes relating to the economic and special conditions prevailing in the developing countries as well as the existing levels of industrial production, which requires large-scale investment and centralized management.
- (b) The introduction of radical domestic social and economic changes, aimed at breaking down archaic and outdated social structures, particularly in agriculture, which hinder the modernization of the economy and the mobilization of internal resources for development, and obstruct the economic and social progress of the developing countries. It is also essential to keep in check the endeavours of some social strata to utilize industrialization to enrich themselves and secure new privileges to the detriment of national interest.
- (c) The restoration and consolidation of national sovereignty over natural resources and development, the maximum utilization of these resources for the creation of the corresponding branches of the economy, and the elimination, in the raw materials export sector, of intermediaries, generally represented by transnational monopolies which continue to derive large profits from this activity. Successful industrialization requires the establishment of effective control, at the national level, over the activities of foreign capital in industry and in all other sectors of the economy, making use of the right to nationalize enterprises controlled by foreign capital.

- (d) The adoption of an international code of conduct for transnational corporations may contribute to some extent towards neutralizing the negative consequences of the activities of foreign capital and subordinating these activities to national economic development plans of developing countries, provided that the content of the code is in line with these objectives.
- (e) The application by the developing countries of an active policy for the development of their national scientific and technical potential and the training of qualified national personnel in order to combat neo-colonialism in the field of technology, and to guarantee continuous scientific and technical progress and effectively use borrowed technology in conformity with local conditions.

18. Integrated industrialization and the creation of an independent national economy are indispensable for putting an end to the inequality and exploitation that characterize the economic situation of the developing countries within the world capitalist economy and for establishing the New International Economic Order.

19. At the same time, the present form of international economic relations, which is maintained by imperialism and meets only the egoistic interests of monopoly capital, remains the chief external obstacle to the elimination of the economic backwardness of the developing countries.

20. For that reason the struggle for the elimination of all forms of inequality, dictation and exploitation in international economic relations, for the participation of all States on an equal footing in the settlement of the present problems of world development, for the respect of national independence and sovereignty and for the inalienable right of every people to choose freely its own model of economic and social development must become an integral part and an indissociable element of the industrial development strategy of the developing countries.

21. The consolidation of peace and international security, the preservation and strengthening of détente, the halting of the arms race, and disarmament are essential conditions for the economic and social progress of all humanity.

22. Hence follows the absolute necessity to co-ordinate measures aimed at accelerating the industrialization of the developing countries, with new efforts on the part of all nations, including the developing countries, to put an end to the arms race, prevent a return to the "cold war" and reaffirm the principle that force or the threat of force must not be used in international relations. For their part, the socialist States, which are the authors of this declaration, spare no efforts in that direction.

23. The reassignment to peaceful ends of the money spent in the arms race, the amount of which is more than \$US 1 billion per day at present, is indissolubly linked to increasing the resources that can be devoted to development objectives.

24. With the support of the other socialist States, the Soviet Union proposed as long ago as 1973 that the military budgets of the permanent members of the Security Council be reduced, without waiting for the implementation of sweeping measures in the field of disarmament, and that part of the resources thus liberated should be devoted to the economic development of the developing countries. In its proposals concerning the practical ways and means of halting the arms race presented in 1978 at the special session of the United Nations General Assembly devoted to disarmament, the Soviet Union inter alia suggested measures calculated to facilitate the solution of this problem. It was proposed that States with a large economic and military potential, including all the permanent members of the Security Council, should

agree on concrete measures to reduce their military budgets, not by a particular ratio, but in terms of absolute value, and on the precise amounts that each of these States would assign to increasing aid to the developing countries, and that they should agree on the establishment in the framework of the United Nations of machinery for the distribution of these resources among the countries benefiting from aid. The fact that the initiative thus taken had no practical results is not the fault of the socialist countries, which are the authors of this declaration.

25. The socialist States reaffirm that they are prepared to expand economic co-operation with the developing countries in order to promote the industrialization of those countries by using for this purpose machinery that either exists or has to be set up, and also to include, on the basis of mutual agreements, the measures called for by the development of economic relations with those countries in their national economic plans.

26. On the basis of the principles of equality of countries, respect for their sovereignty and territorial integrity, non-intervention in their internal affairs, and mutual advantage, the socialist countries, which are the authors of this declaration, are helping the developing countries in many ways to set up their societies on modern material and technical bases.

27. By its content, principles and modes of operation, economic, commercial, scientific and technical co-operation between the socialist States and the developing countries is opposed to the system of imperialist exploitation and exercises great progressive influence on the entire system of international economic relations.

28. As they unfailingly observe those principles and actively advocate their implementation within the United Nations and other bodies, the socialist countries encourage their implementation in international relations, and energetically support the developing countries in their struggle for the readjustment of international economic relations on the basis of equality and equity and for the establishment of a New International Economic Order. The new type of economic relations between socialist countries and developing countries has proved its effectiveness in the face of the aggravation of the crisis of the capitalist economy.

29. The socialist countries are helping the developing countries to set up for themselves viable multi-sectoral national economies. In conformity with the wishes of the developing countries, more than 70 per cent of the resources allocated by the States members of CMEA to economic and technical assistance for these countries is intended for industry and the production of energy, especially in the public sector.

30. The training of large numbers of construction workers and industrial manpower for enterprises in the course of construction is an integral part of co-operation for the global solution of the problems raised by the industrialization of the developing countries - more than one million nationals of those countries have received vocational training thanks to assistance from States members of CMEA.

31. The socialist countries, in organizing co-operation with the new national states, place the development problems of these countries in a global perspective in order to create rational economic structures adapted to the special situation of each country, as is shown in:

particular by assistance for the establishment of sectoral and territorial production complexes (industrial and agro-industrial), the establishment of national scientific and technical infrastructures and modern systems for public education and vocational training.

32. The prospecting for and working of natural resources, the development of agriculture and transport constitute an essential component in assistance for industrial development.

33. As experience shows, the achievement of these objectives is considerably facilitated by the conclusion of long-term global intergovernmental agreements and the establishment of programmes for economic, commercial, industrial, scientific and technical co-operation covering periods of ten to fifteen years. These programmes make it possible to co-ordinate international co-operation with the socio-economic development plans of the countries concerned, to establish contacts between their economic and planning agencies, to collaborate in fundamental and applied research, technical studies and the execution of work in third countries and to stimulate international specialization and co-operation in the industrial, scientific and technical field. In that context, great importance is attached to the definition of the provisional framework for co-operation which facilitates the partial co-ordination of the national economic plans of the countries concerned with respect to problems of joint interest. Since it is ensured that co-operation covers planning periods which coincide in time, the application of measures in favour of industrialization and the acceleration of the rate of industrial development in the developing countries is facilitated and the effective implementation of existing economic, scientific and technical co-operation agreements is promoted.

34. Co-operation with the socialist countries helps the developing countries to organize their national economies rationally on the basis of their own resources.

35. The transfer of equipment and technology intended to facilitate both the establishment of territorial production structures and national economic integration strengthens the planning machinery and increases the stability of the developing economies: it promotes the consolidation of industry and the entire economy of the countries concerned.

36. By helping the developing countries to build up their sectoral, territorial and agro-industrial structures, the socialist countries believe they are making a real contribution to the development of national economies and the industries in the new States and to their search for the best possible strategy for economic and social progress.

37. Already, the CMEA countries have assisted more than 4,000 projects for industry or other sectors in the developing countries, 3,000 of them already completed and operating.

38. The annual production capacity of the enterprises that the developing countries have set up or are in process of doing so with technical assistance from the CMEA countries is as follows: steel production - more than 30 million tons; oil extraction - 60 million tons; oil derivatives - more than 30 million tons. Electric power stations have been set up or are being set up to a capacity of over 16 million kW. The total annual capacity of gas deposits and gas pipelines developed with the assistance of the CMEA countries exceeds 30 billion m³. A number of other member countries of the Group of 77 are receiving substantial aid for increasing their industrial potential. The developing countries receive aid for training

national personnel both locally and in the member countries of CMEA. In 1979 alone more than 41,000 nationals of 113 developing countries have been trained in educational institutions in the CMEA member countries.

39. During the 30 years of its existence, CMEA has achieved results which demonstrate the vast possibilities of internal socio-economic change and international co-operation based on the principles of socialist internationalism, respect for national sovereignty, independence and national interest, non-interference in the internal affairs of countries, absolute equality of rights, mutual benefit and friendly mutual aid.

40. Radical socio-economic changes and maximum mobilization of national resources, use of the benefits of socialist co-operation and aid given by the advanced socialist countries to the less developed socialist countries have ensured a progressive harmonization and uniformity in the levels of economic development of the CMEA member countries. The process has been accompanied by high growth rates in all the countries of the socialist community and the consolidation of its position in the world economy.

41. Between 1951 and 1978 the CMEA member countries have seen their national income and their industrial production rise by three times those of the developed capitalist countries, while their share in world industrial production has risen from 18 per cent to about 33 per cent and in national income from 15 to 25 per cent. The division between industrial and agricultural countries has disappeared in the European CMEA countries, the ratio between the highest and lowest industrial production per inhabitant (volume) has fallen from 4.6 to 2: in social productivity of labour - which has greatly increased in all the countries - the gap is only 1.7 and for consumer resources it has fallen to 1.6. The establishment of rational national economic structures in the different countries based on modern industry and the type of specialization within the international socialist division of labour are proof of the progress made by the member countries of CMEA towards one of the main objectives of their co-operation and integration.

42. When new countries at a lower stage of development became members of CMEA, special measures had to be adopted to stimulate the development of their national economy and particularly their industry. The over-all programme for strengthening and improving co-operation and the development of socialist economic integration, which lays down the long-term development and economic co-operation strategy for CMEA member States, provides for the implementation of such measures.

43. As a result of systematic co-operation and the development of socialist economic integration, the socialist countries are able to provide optimum co-ordination between national efforts and international collaboration, to offer effective solutions to the major inter-sectoral problems of the national economy, to apply the achievements of scientific and technical progress, to achieve a sustained development of the national economy and industry, and to bring about a constant increase in the standard of living of the population. The strengthening of socialist economic integration is not autarkic in effect: countries of the socialist system aim to develop co-operation with developing and other countries regardless of their social system.

44. The socialist countries submitting the present Declaration consider that UNIDO has played a positive part in the preparation and implementation of a number of practical assistance measures for the industrialization of the developing countries, in accordance with the progressive provisions of the Lima Declaration and Plan of Action. In this respect, they consider it essential to explain their views on the main trends of UNIDO's work in the eighties.

- (a) Within the framework of its activities, the Organization should give priority to measures designed to strengthen the national sovereignty of developing countries and to harness the industrial process to the cause of their economic independence. UNIDO should continue to analyse trends in international industrial development, to assist in elucidating the socio-economic aspects of an industrialization strategy, in establishing or strengthening the public sector, and in applying planning and management to the national economy, and to give increased attention to matters relating to scientific and technical progress and its links with social problems.
- (b) In studying the problems raised by the industrialization of developing countries, it is essential to give more attention to, and make greater use of, the lessons learnt from co-operation in favour of industrialization among CMEA member countries and between socialist and developing countries, which would, in our view, contribute to solving the problems under consideration.
- (c) Special attention should be given to the problems raised by the establishment of an industrial sector in the group of least developed countries, where industrialization has not yet begun.
- (d) In its activities relating to the transfer of industries towards developing countries, UNIDO should act on the principle that this process should endeavour to provide developing countries with diversified industries and an independent national economy, and to strengthen the public sector.
- (e) Measures to assist developing countries in mobilizing their domestic resources for industrial development should be a major sphere of activity for UNIDO. In this connection, UNIDO should make a systematic study of the adverse consequences of foreign investment in the industry of developing countries and in particular of the activities of transnational corporations which plunder these countries' national resources.
- (f) UNIDO has carried out useful work in the adaptation and transfer of technology. Nevertheless, it should give greater attention to strengthening the national scientific and technical potential of developing countries, to organizing research work and to disseminating experience acquired in the use of modern technology in developing countries. This technology should not be obsolete, but should contribute to raising the level of instruction and professional skill of the labour force and make a major contribution to the effective utilization of national natural and human resources.
- (g) The UNIDO System of Consultations should make allowance for long-term trends in world industrial development and for the basic problems of the developing countries as well as the need to disseminate the progressive experience of all groups of countries, regardless of their social and economic system.
- (h) If present trends continue, however, the UNIDO System of Consultations runs the risk of becoming an advertising agency for private enterprise and of not fulfilling the tasks assigned to it in the Lima Declaration and Plan of Action. The UNIDO System of Consultations must be subject to public control, with participation by representatives of the state authorities of the participating countries. The System must not become a further manifestation of neo-colonialism nor should it make the developing countries a spring-board for the economic activities of transnational corporations.
- (i) UNIDO should considerably improve the co-ordination of its activities with those of other international organizations, including the regional commissions of the United Nations, in order to avoid duplication, focus attention on the basic issues involved in their work and make economic use of the resources at their disposal.
- (j) Above all, the Organization should attempt to make systematic use of all the possibilities available to it and to improve its methods of work. Steps should be taken to ensure more stringent control and more effective use of the financial resources placed at UNIDO's disposal and to ensure that these resources are not dissipated or assigned to projects that are not essential for accelerating the industrialization of developing countries.

Annex III

LIST OF DOCUMENTS

ID/CONF.4/1/Rev.1 and Corr.1	Agenda
ID/CONF.4/1/Add.1	Annotated provisional agenda
ID/CONF.4/2 and Corr.1 (English only)	World industry since 1960: progress and prospects. Special issue of the Industrial Development Survey for the Third General Conference of UNIDO
ID/CONF.4/3 and Corr.1 and Corr.2 (Arabic, Chinese and Russian only)	Industry 2000 - new perspectives
ID/CONF.4/4	Implementation of the Lima Declaration and Plan of Action: the country situation and contribution of international organizations Report of the secretariat of UNIDO
ID/CONF.4/5	Concerted action and special measures to accelerate the industrial development of the least developed, land-locked and island developing countries Report by the Executive Director
ID/CONF.4/6	The System of Consultations: progress made and proposals for further development Report by the Executive Director
ID/CONF.4/7 and Corr.1 (English, French and Spanish only)	Strengthening of technological capabilities of developing countries: the role of UNIDO Report by the secretariat of UNIDO
ID/CONF.4/8 and Corr.1 (English only)	The acquisition and development of industrial skills by developing countries Report of the secretariat of UNIDO in consultation with UNESCO and ILO
ID/CONF.4/9	Redeployment of industries from developed to developing countries Note by the secretariat of UNIDO
ID/CONF.4/10	Review of the effectiveness of co-ordination and follow-up on matters concerning industrial production, international industrial co-operation and related issues covered by other organizations within the United Nations Note by the secretariat of UNIDO
ID/CONF.4/11	Review of the effectiveness of the institutional arrangements for UNIDO with reference to the long- term strategy for the Organization to meet the challenge of industrialization in the 1980s and beyond Report by the secretariat of UNIDO

- ID/CONF.4/12 Draft rules of procedure for the System of Consultations
Report by the secretariat on the situation at the closing of the first special session of the Industrial Development Board (November 1979)
- ID/CONF.4/13 The impact of industrialization on environment and health
Paper prepared by the UNEP Secretariat with the co-operation of and input of ILO, WHO and UNIDO at the request of the Executive Director of UNIDO
- ID/CONF.4/14 Transnational corporations and the industrialization of developing countries
Report prepared by the United Nations Centre on Transnational Corporations at the request of the Executive Director of UNIDO
- ID/CONF.4/15 and Corr.1 The UNIDO programme for economic co-operation among developing countries
Report by the secretariat of UNIDO
- ID/CONF.4/16 Patent examination in developing countries
Paper prepared by the World Intellectual Property Organization (WIPO) at the request of the Executive Director of UNIDO
- ID/CONF.4/16/Add.1 Industry 2000 - new perspectives: proposal No. 7: International Patent Examination Centre
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/17 Special report of the Executive Director; Third General Conference of UNIDO, New Delhi, 21 January - 8 February 1980
- ID/CONF.4/18 Integration of women in development
Note by the secretariat of UNIDO
- ID/CONF.4/19 Report of the Credentials Committee
- ID/CONF.4/20 Report of Committee I to the plenary of the Third General Conference of UNIDO
- ID/CONF.4/21 Report of Committee II to the plenary of the Third General Conference of UNIDO
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- ID/CONF.4/INF.1 and Corr.1 Conference arrangements: Advance information for participants
Prepared by the secretariat of UNIDO
- ID/CONF.4/INF.2/Rev.4 List of participants
- ID/CONF.4/INF.3 Provisional list of pre-session documents submitted to the Third General Conference of UNIDO
- ID/CONF.4/INF.4 List of reports by subregional, regional and inter-regional, intergovernmental meetings held prior to the Third General Conference of UNIDO

- ID/CONF.4/CRP.1 Round-Table Ministerial Meeting on the Promotion of Industrial Co-operation among Developing Countries, Istanbul, Turkey, 1-5 October 1979; Declaration of Istanbul
- ID/CONF.4/CRP.2 and Corr.1
(English only) Fifth Conference of African Ministers of Industry, Addis Ababa, Ethiopia, 17-21 October 1979; Resolution 5(V): Common African Position at UNIDO III
- ID/CONF.4/CRP.3 Report of the Fifth Conference of African Ministers of Industry, Addis Ababa, Ethiopia, 17-20 October 1979
- ID/CONF.4/CRP.4 and Corr.1
(French only) Report of the ESCAP Preparatory Meeting of Ministers of Industry for the Third General Conference of UNIDO, Bangkok, Thailand, 25-26 October 1979
- ID/CONF.4/CRP.5 Report and recommendations of the Fifth Conference on Industrial Development for Arab States, Algiers, 16-20 November 1979
- ID/CONF.4/CRP.6 Meeting of Senior Experts on Industrial Co-operation between Developing and Socialist Countries, Sofia, Bulgaria, 4-8 September 1979
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/CRP.7 Second Latin American Conference on Industrialization, Cali, Colombia, 10-14 September 1979: draft report
- ID/CONF.4/CRP.8 Industry 2000 - new perspectives: proposal No. 1: International Industrial Finance Agency
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/CRP.9 Industry 2000 - new perspectives: proposal No. 2: Global fund for the stimulation of industry
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/CRP.10 Industry 2000 - new perspectives: proposal No. 3: Commission for International Industrial Development Law
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/CRP.11 Industry 2000 - new perspectives: proposal No. 4: System for the resolution of industrial co-operation conflicts
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/CRP.12 Industry 2000 - new perspectives: proposal No. 5: International Industrial Technology Institute
Paper prepared by the secretariat of UNIDO
- ID/CONF.4/CRP.13 Ministerial Meeting of the Group of 77 preparatory to the Third General Conference of UNIDO, Havana, Cuba, 17-22 December 1979, Havana Declaration of the Group of 77

ID/CONF.4/CRP.14

Strategy for the industrialization of the developing countries, international industrial co-operation and principal orientations for UNIDO's activities in the 1980s

Joint statement by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Hungarian People's Republic, the Socialist Republic of Viet Nam, the German Democratic Republic, the Mongolian People's Republic, the People's Republic of Poland, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics and the Czechoslovak Socialist Republic

ID/CONF.4/CRP.15

Industrial development [Group B position paper]

ID/CONF.4/CRP.16

New Delhi Declaration and Plan of Action

ID/CONF.4/CRP.16/Add.1 and Corr.1
(Arabic, French, Russian and Spanish only)

Submitted by Group of 77

ID/CONF.4/CRP.16/Add.2 and Corr.1
(Russian and Spanish only) and
Corr.2 (Spanish only)

ID/CONF.4/CRP.17

Suggested relationship between the agenda items allocated to Committees I and II and the New Delhi Declaration and Plan of Action
Submitted by Group of 77

ID/CONF.4/CRP.18

Contribution by Group D to the consideration of a New Delhi Declaration, drawn up in the light of ID/CONF.4/CRP.16

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