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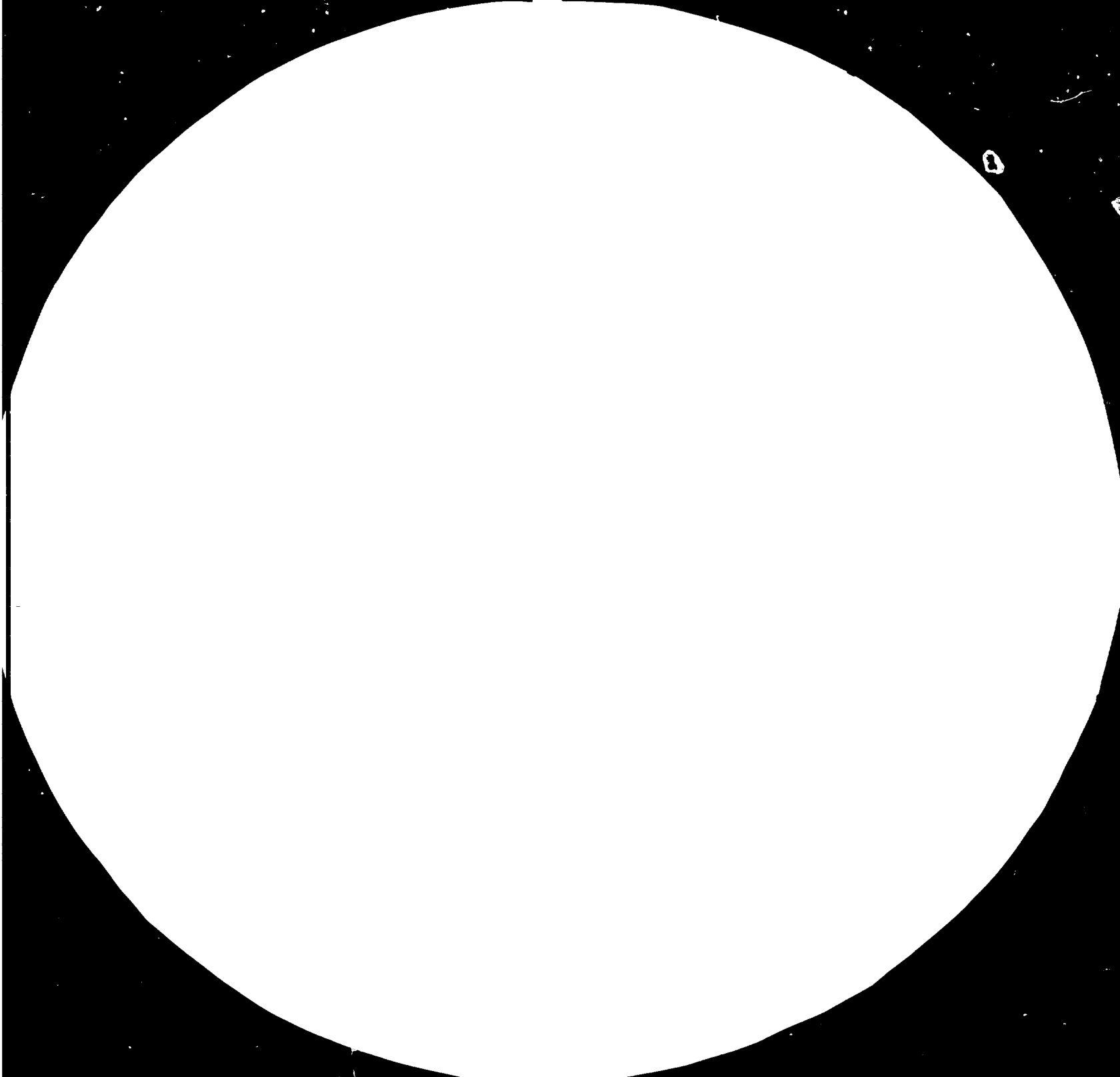
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Second Regional SIDFA Meeting for Latin America and the Caribbean

Mexico City, Mexico

10-14 December 1984

SUMMARY REPORT

AND

RECOMMENDATIONS*

SIDFA Meeting for Latin America and the
Caribbean.

Prepared by the
Field Reports Monitoring Section
Division of Policy Co-ordination

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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

This summary follows the order of presentation in the main report and does not imply any priorities.

Programme Development and Financing

- SIDFAs should start early contacts with government officials, decision-makers and industrialists to identify those areas where UNIDO assistance will be required in connection with programming missions which will take place during 1985. This would ensure an enhanced preparation by UNIDO Headquarters and a higher percentage allocation of IPF to the industrial sector for the Fourth Country Programme Cycle of UNDP.
- The promotion of "umbrella" type projects as well as the design of national projects which take into account aspects likely to benefit other countries, was suggested in line with UNDP's trend of a programme rather than a project-oriented approach.
- Closer collaboration of SIDFAs with international development banks was called for in order to increase UNIDO's access to technical assistance components of loans.

TCDC/ECDC

- An inventory of institutions and expertise available in the region should be drawn up to identify specific TCDC/ECDC projects. At the same time, horizontal information and more regular contacts among SIDFAs in the region on available know-how should be introduced to assist in promoting regional TCDC/ECDC.
- New financing mechanisms and procedures should be identified in order to facilitate the implementation of ECDC/TCDC projects, eventually by earmarking IPF funds.

Programme Implementation

Based on papers presented by the SIDFAs on specific industrial sub-sectors and on discussions at the meeting recommendations were drawn up to enhance technical co-operation projects in the region and develop innovative approaches, particularly in the fields of:

- Industrial planning;
- Export Processing Zones;
- Small and medium scale industry;
- Metalworking industry;
- Transfer of technology and advanced technologies;
- Development of handicrafts;
- Entrepreneurship development and training;
- Project identification and preparation;
- Capital goods;
- Integration of women in development;
- Energy;
- Computer application.

Activities other than technical assistance

- An increased intervention of SIDFAs in UNIDO's activities other than technical assistance was called for.
- In the area of technology, the transfer of existing know-how between countries, particularly through the networking approach and INTIB, should be promoted.
- In the system of consultations, SIDFAs should assist governments in selecting the most appropriate participants and in promoting the holding of more preparatory and full meetings in the region. In addition, the meeting called for closer linkages of the system of consultations with UNIDO's technical assistance.
- Closer linkages of the programme of studies with UNIDO's technical assistance was also called for. In particular, SIDFAs should inform Headquarters on specific needs for industrial studies and provide information on major policy changes in their countries of coverage. SIDFAs should become more involved in the Industrial Restructuring Surveillance Scheme of ECLAC/UNIDO.
- As regards Investment Promotion, SIDFAs should follow the work of consultants employed to identify investment projects, with the view of improving their quality. In addition, the list of investment projects for each country should be made available to the SIDFAs for their review.

UNIDO's Field Representation

- SIDFAs should be recognized as the technical representatives of UNIDO in the UNDP field offices, having equal level and rights as other agencies' Country Representatives. In order to strengthen the effectiveness of the SIDFA Programme, a system should be established whereby Professional staff at P-3/P-4 level would be assigned to selected SIDFA offices on a temporary basis, with mutual advantages both for Headquarters and field staff.
- UNIDO should ensure that JPOs under its own Programme activate work on the industrial sector, instead of being used as general programme officers. Furthermore, 20 to 30 per cent of their time should be employed in specific UNIDO technical assistance projects, in accordance with the JPO's professional background.
- A JPO meeting for the area was recommended to be organized by UNIDO, as a follow up to the present SIDFA Meeting.
- A computerized system of information exchange between SIDFAs and Headquarters was recommended to be implemented in the entire region after completion of the trial phase in the Brasilia office.

I. INTRODUCTION

The Second Regional Meeting for Latin America and the Caribbean was held in Mexico City from 10 to 14 December 1984, at the invitation of the Government of Mexico. The Agenda of the Meeting, the List of Participants and the List of Background Documentation are reproduced in Annexes I, II and III respectively.

The objective of the Meeting was to analyze, through a dialogue with the Mexican Government, the various programmes of UNIDO in the region and the role of the SIDFAs in their promotion and implementation as well as to identify ways and means to strengthen UNIDO's role in the process of industrialization in the region through its technical co-operation programme and other activities. This, against the background of the worsening economic situation of the region and with due consideration to the financial restrictions currently affecting UNIDO and UNDP.

Innovating on the formula of former SIDFA Meetings, the Mexico Meeting was based on and could benefit from the direct participation of the host Government as well as from the active involvement of UNDP and the Regional Economic Commission.

The first two days of the Meeting were devoted to in-depth discussions between the Mexican authorities, the SIDFAs and UNIDO Headquarters' staff, focussing on the current situation of the industrial sector in Mexico and prospects for increased co-operation with UNIDO, both at the national and regional level.

Mr. Navajas-Mogro, Director of the Regional Bureau for Latin America, UNDP, participated in these discussions, as well as ECLAC, represented by the Director of the Mexico office, and SELA, represented by its Director of External Relations.

The second part of the Meeting discussed, first, development patterns and assistance requirements of a number of selected industrial sectors on which the SIDFAs had presented individual contributions. These contributions were published separately in document UNIDO/PC/R.11. Secondly, the Meeting reviewed and adopted concrete recommendations on issues related to: programme

development and financing; strengthening programme development and execution through TCDC and ECDC; programme implementation; enhanced utilization of major UNIDO programmes, other than Technical Assistance (Programme of Technology, Industrial Studies, Investment Promotion, System of Consultations, Integration of Women in Development and Energy); strengthening the effectiveness of UNIDO field representation (i.e. SIDFA and JPO programmes, reporting system, system for computerized exchange of information).

The present report is a synthesis of the major conclusions reached and recommendations adopted on the above items.

Opening of the Meeting

On behalf of UNDP, Mexico, the Resident Representative, Mr. Gustavo Silva Aranda, gave the opening speech at the inaugural session (Annex IV).

Dr. Abd-El Rahman Khane, Executive Director of UNIDO, addressed the session and introduced the main theme of the Meeting, namely, the various programmes of UNIDO in Latin America, the role of the SIDFAs in their promotion and implementation and prospects for further co-operation. His speech constitutes Annex V of this Report.

Speaking on behalf of His Excellency Mr. Héctor Hernández Cervantes, Minister of Industry and Trade, His Excellency Mr. Mauricio de María y Campos, Vice-Minister of Industry and Trade, introduced the new industrial policy of Mexico for the years 1984-1988 included in the Sectoral Programme for Industrialization drawn up in July 1984 (Annex VI).

The opening ceremony of the Meeting was concluded by an introduction on regional co-operation prospects in Latin America by Mr. A. Vassiliev, Director, Division of Industrial Operations, UNIDO, followed by a statement by Ms. Graciela Vázquez Díaz, Vice-Director for International Technical Co-operation, Ministry of Foreign Affairs, who on behalf of His Excellency, Mr. E. Navarrete, Vice-Minister of Foreign Affairs, highlighted the issue: "Areas for Co-operation between Mexico and UNIDO" (Annexes VII and VIII).

Dialogue with Mexican Officials

Following the opening ceremony, a dialogue took place between officials of the Mexican Government, SIDFAs and UNIDO Headquarters staff. Based on the detailed presentation made by His Excellency Mr. Mauricio de María y Campos on the historical development and current patterns of the industrial sector of Mexico, views were expressed and questions were put by Mexican officials with respect to specific industrial sub-sectors (inter alia automotive industries, petrochemicals, pharmaceuticals, micro-electronics, small and medium size enterprises, integration of women in development) as well as on more general questions relevant to technical co-operation on a national and regional level.

The views expressed by the Mexican officials in the course of the dialogue are summarized under Annex IX.

Mr. H. Navajas-Mogro, Director of the Regional Bureau for Latin America of UNDP, New York, also participated in the dialogue by briefing the participants on the outcome of the Meeting of UNDP Resident Representatives of Latin America and the Caribbean recently held in Santo Domingo and presented UNDP's views on the process of industrial development in the region. Excerpts from his intervention are recorded under Annex X.

During this part of the Meeting interventions were also made by Mr. G. Rosenthal, ECLAC, Director of the Mexico Office and Mr. F. Verona, Director of External Relations, SELA (Annexes XI and XII).

II. SECTORAL REVIEW

The SIDFAs presented the following papers:

"Regional programming and inter-exchange of available expertise within projects and countries" (Marino Dizy, SIDFA, Lima)

"Small-scale industrial development in Central America" (Magdalena F. de Savarain, SIDFA, Tegucigalpa)

"Product development guidelines (handicrafts)" (Sergio Dello Strologo, SIDFA, Kingston)

"Industrial Free Zones, Export Processing Zones" (Peter F. Ryan, SIDFA, Barbados)

"Potential of the capital goods industry in Latin America" (Juan Ayza, SIDFA, Mexico City)

"Desarrollo de la industria metal-mecanica en America Latina" (Raul Peñaherrera, SIDFA, La Paz)

"Advanced technologies and possibilities for co-operation in Latin America" (Luis Soto-Krebs, SIDFA, Brasilia)

The importance of the metalworking industry to the industrialization process of developing countries was recognized. At present, Latinamerican countries have, in varying degrees, an unutilized productive capacity which, with very small additional investments, could serve to reactivate their economies. It was suggested that UNIDO should direct its efforts towards:

- Improving the organization and management of metalworking firms with particular attention to production management and the transfer and assimilation of technology;
- Supporting the Capital Goods Industry including the disaggregation of technological packages;

- Promoting the flow of information at the regional level on efforts that individual countries are making in the metalworking industry;
- Identifying and promoting TCDC activities in this industry given the different levels of development.

The Meeting re-emphasized the importance of small and medium scale industry for the development of productive estimates based on utilization of local resources and meeting basic needs of the population, such as food, clothing, housing, and the mandate of UNIDO in this field. Bearing in mind that a different approach might be needed in each particular country - according to its economic structure and to the priorities set by the Government - the Meeting recommended that:

- UNIDO should promote a programme of integrated development for small scale industry possibly in co-operation with available expertise in ILO and FAO.

Considering that the same type of expertise is needed in many countries of the region, the Meeting further recommended that:

- Co-ordination should be achieved at UNIDO Headquarters so that experts are able to travel from one country to another, thus on the one hand delivering technical assistance at lower costs and on the other making it possible to extend longer term contracts to experts;
- More flexibility should be introduced to facilitate the lending of experts and consultants from one country to another for very short periods.

It was recognized that Export Processing Zones will continue to exist in the Latin American Region, particularly in those countries where labour costs are low. It was also pointed out that Governments in the region are requesting assistance in this area. The involvement of the private sector as the main motive force in such zones was recognized as was the fact that environmental as well as social factors should be given due consideration when undertaking any technical assistance activities. The potential for TCDC/ECDC activities in this area by countries of the region was also acknowledged. The Meeting recommended that:

- UNIDO, when promoting projects dealing with the establishment of industrial free zones, should duly take into account social and environmental implications as well as the extent to which the recipient countries will benefit from the establishment of the zones, with emphasis on technology appropriation issues.

III. PROGRAMME DEVELOPMENT AND FINANCING

The question of programme development and financing was discussed bearing in mind the current financial restrictions affecting UNDP and major donors as well as the fact that - as it was made clear by several Latin American delegations to the UNIDO IV Conference - the impact of UNIDO technical co-operation on the region has been so far rather marginal in terms of generating innovative approaches and policies for industrial development.

The need was therefore emphasized to (i) develop new approaches and mechanisms better suited to the specific development patterns and external assistance requirements of the region; (ii) ensure the quality and relevance of technical assistance inputs in the three phases of project formulation, implementation and evaluation; (iii) maximize available resources by developing adequate criteria for their allocation to recipient countries; and (iv) establish clear priorities for technical co-operation.

These objectives - which had been extensively discussed at the Meeting of UNDP Resident Representatives of Latin America and the Caribbean at Santo Domingo - seem particularly crucial at the present juncture, i.e. the preparations for the UNDP Fourth Country Programme Cycle due to start for most countries in 1987.

The Indicative Planning Figure (IPF) for Latin American and Caribbean countries was reported to be likely to stagnate, if not to decrease, in the upcoming cycle, and this insofar as the Governing Council of UNDP will probably place priorities for allocation of resources on the less developed among developing countries.

On the other hand the absorption capacity of countries endowed - like most countries in the region - with a relatively higher degree of infrastructure is bigger than in the less developed countries: such factors - agreed the Meeting - should be borne in mind when allocating resources for technical co-operation.

In view of the above considerations, the Meeting recommended that:

- Advanced thinking and preparatory actions take place on the part of UNIDO in order to ensure that a higher percentage of IPF is allocated to the industrial sector and that UNIDO is entrusted with the execution of new projects at both the national and regional level.

Several UNIDO Programming Missions will take place in the course of 1985. In order to achieve maximum results it is suggested that:

- SIDFAs contact Government officials, decision-makers and industrialists to identify those sectors for which requests for assistance are more likely to be generated. This will enable UNIDO Headquarters to determine the composition of Programming Missions and to carry out preparatory activities.

A trend exists in UNDP towards a "programme-oriented" rather than a "project-oriented" approach to the formulation of technical co-operation activities. This is particularly apparent in a region characterized, like Latin America, by a high degree of economic interdependence and a "tendency towards" regional co-operation. UNIDO should encourage this trend by:

- Designing national projects which take into consideration aspects likely to benefit other countries of the region and integrated programmes of assistance.

With reference to financing mechanisms and procedures, it was recognized that the allocation of a lump-sum to a particular country to finance various unspecified expertise in a given sector facilitates increased flexibility in the use of experts and is particularly suitable for the financing of a more "integrated" kind of technical assistance. It would also be instrumental in achieving the goals described above.

- The promotion of "umbrella-type" projects was therefore suggested.

In some countries, e.g. in Egypt, Libya, etc., UNIDC is assisting industry directly and industry is making funds-in-trust available for further UNIDO assistance. If it is deemed useful, Latin American industrialists could be brought to visit such projects. In this context, UNIDO and its SIDFAs should:

- Establish closer contacts with industry, both public and private, with a view not only to design projects that meet real needs, but also to attempt to generate additional financial resources for UNIDO from this source.

SIDFAs have a crucial role to play, in close collaboration with the field representatives of the international development banks (e.g. the World Bank and the Inter-American Development Bank) and with key government officials who ultimately make the decisions concerning bank loans destined for industrial development. While efforts from Headquarters for this purpose should also continue, it is recommended that:

- SIDFAs establish closer collaboration with the international development banks, at the national level, and on a project by project basis, the aim being for UNIDO to take part in the execution of technical components of their loans to countries in Latin America and the Caribbean.

With reference to the development by UNDP of a Human Resources Facility, it was noted that UNIDO's ability to draw on high level industrial expertise from organizations such as universities, research institutes, etc., at short notice could be very useful in the provision of short-term specialized assistance to countries that have achieved a certain level of industrial development, such as those in Latin America. It was therefore recommended that:

- UNIDO become actively involved in the UNDP Human Resources Facility programme from its inception.

IV. STRENGTHENING PROGRAMME DEVELOPMENT AND EXECUTION THROUGH TCDC/ECDC

Considering the different levels of industrial development in Latin America, there exist great possibilities for TCDC/ECDC activities both within the region and between the region and other developing regions. It was pointed out, however, that UNIDO's TCDC/ECDC activities have so far been very limited. In order to identify innovative ways and means to promote TCDC/ECDC it was recommended that:

- UNIDO should establish a practical system to provide a quick and accurate response for the execution of TCDC/ECDC programmes;
- An inventory of institutions and expertise available in the region for TCDC/ECDC activities should be drawn up on a sectoral basis in order to identify specific TCDC/ECDC projects;
- A system of horizontal exchange of information among SIDFAs in the region should be introduced to assist in promoting and executing TCDC/ECDC activities and thereby enhance the process of industrial development;
- The financing required for TCDC/ECDC activities be obtained by:
 - (a) appropriate allocation of funds earmarked for TCDC/ECDC projects from IPF, cost-sharing and other resources by countries when establishing their Country Programmes.
 - (b) appropriate allocation of funds in national projects (especially IPF projects) for TCDC/ECDC activities.
 - (c) UNDP Headquarters making special efforts to allocate at least 10 per cent of its regional programme funds for TCDC/ECDC activities, with special emphasis on industry;
- SIDFAs should play a key role to ensure that TCDC elements are taken into account in the design of technical co-operation projects.

V. PROGRAMME IMPLEMENTATION

Industrial Planning

To cope with the problems stemming from the present difficult economic situation of Latin American countries, Governments in the region will have to re-orientate their industrialization policies and strategies. In this connection, the Meeting agreed that:

- In developing its programme of assistance in the area of industrial planning, UNIDO should make special efforts and adopt innovative approaches in order to better assist the Governments of the region in the formulation of their industrial development plans.

Within the above framework, the Meeting took note of the innovative approaches recently adopted by UNIDO in the area of industrial planning, such as the agreement between UNIDO and the Soviet Institute of Planning and the publication of Planning Guidelines based on the experience of both market and centrally planned economies and recommended that:

- Co-operation programmes should be encouraged in the field of planning with those industrialized countries, such as USSR, which have an agreement for co-operation with UNIDO and extensive experience in the field;
- The recently completed "UNIDO Guidelines in Industrial Planning for Developing Countries" should be disseminated to decision-makers in Latin America.

Taking into consideration the specific situation of small island countries, whose planning process is relatively simpler, the Meeting further recommended that:

- UNIDO should develop special schemes for the assistance of small island countries in the area of industrial planning, i.e. by organizing workshops/seminars whereby the specific planning problems

and requirements of such countries may be studied in depth on a case by case basis by top-level experts from both Western and Eastern countries.

Training

The Meeting agreed that:

- In designing technical assistance projects for Latin America, UNIDO should ensure that the training component is maximized;
- Extensive use should be made of available in-plant training programmes dealing with specific industrial sectors by adjusting them to Latin American conditions;
- Management training schemes for joint ventures among developing countries should be developed in co-operation with IO/TRNG;
- Furthermore, SIDFAs should provide UNIDO Headquarters and exchange among themselves, updated information on training opportunities in their countries of coverage (e.g. workshops, centres, manuals, on the job training services, etc.). IO/TRNG would act as focal point for this information and its dissemination.

Integration of Women in Development

Greater participation of women in the industrialization effort of the region should be fostered by:

- Organizing a regional seminar for Latin American countries, as done in the past for other regions, on women in industrial planning;
- Formulating ECDC projects whereby women from less advanced countries in the region could benefit from the experience of women from more advanced Latin American countries in upgrading their capabilities in selected industrial areas;

- In designing projects for the establishment of industrial free zones - where a very high percentage of female labour is usually employed - emphasizing the necessity for adequate working conditions in terms of pay, safety, health and acquisition of technological capabilities and "know-how".

Energy

- To promote innovative projects in the energy field and to carefully take into consideration, at plant level, the energy saving aspects of each project.

The Question of Experts

The potential of expertise in the region was recognized at the meeting and it was recommended that:

- UNIDO's roster be strengthened with qualified experts from Latin America through a special compilation of names to be established with the assistance of the SIDFA offices concerned.

Computer Application

The Meeting took note of computer application, such as the UNIDO-developed COMFAR system, as an innovative approach to technical assistance and recommended:

- To explore ways for further computer application for instance for social cost-benefit analysis applied to industrial projects;
- To further test computer application in the monitoring of technical assistance projects - as is already being done by IO/FCTY for a large-scale project in the Philippines - and eventually promote its application on a wider basis.

VI. ENHANCED UTILIZATION OF UNIDO SERVICES, INFORMATION AND ACTIVITIES

1. Technology Programme

The subject of technology being of particular concern to Governments in the Region, there is a need to intensify promotional and technical assistance activities in this field. Scope exists for activities at national and regional levels in areas such as: new technologies, in particular genetic engineering, bio-technology and micro-electronics; technology policies and technology monitoring; technology acquisition (including the TIES Programme) and strengthening negotiating capabilities; programmes complementary to capital goods projects; and small and medium industry. It was recommended that:

- The possibilities of technological co-operation within the region and between countries in the region and other developing countries should be further promoted through concrete projects;
- Greater attention should be given to transfer of specific technologies, including those developed through UNIDO projects and those developed in developing countries themselves;
- The networking approach should be combined with strengthening national technological capabilities and centre around specific sectors or problem areas;
- Innovative approaches should be developed to project design and the use of experts, particularly in regard to new technologies;
- SIDFAs should promote the use of INTIB and also help to identify locally developed technologies and sources of information.

2. System of Consultations

The SIDFAs' closer involvement in the System of Consultations was called for, particularly in the following areas:

- Assisting the Governments in selecting the most appropriate participants;
- Promoting the holding of more preparatory and full consultation meetings in Latin America.

The recent decision of the Executive Director to have one SIDFA per region participating in each consultation meeting was noted with satisfaction.

The Meeting recommended:

- Closer liaison of the System of Consultations with technical assistance, both as a source of technical assistance concepts and as a support to technical assistance.

3. Industrial Studies

The surveying of the industrial sector in certain countries should provide a framework within which the specific technical assistance activities could be subsequently identified so that they would fit and play a significant role in the overall economic context rather than being ad hoc and sometimes ill-placed isolated efforts.

- A closer linkage of studies with technical assistance was therefore called for.
- In addition, national counterparts should be involved in the preparation of industrial studies, mostly for training purposes; and
- Studies undertaken at the regional level should receive lower priority because of difficulties in their practical application.

The Industrial Restructuring Surveillance Scheme (IRES), undertaken by ECLAC in co-operation with UNIDO, was introduced to the SIDFAs. This programme is servicing Latin American national policy-makers on key trends and policies at worldwide level which affect their industrialization and ensures a

greater involvement of such policy-makers with ECLAC and UNIDO's research work. In this regard:

- SIDFAs should inform Headquarters on the need for industrial studies and suggestions for topics and provide, on a systematic basis, information of major industrial policy changes in their countries of coverage.

They will be involved in the workings of IRES on their respective countries of coverage.

4. Investment Promotion

A closer involvement of the SIDFAs in the selection of investment projects was called for. In particular:

- SIDFAs should follow the work of consultants employed for the purpose of identifying investment projects.
- The lists of investment projects for each country should be made available to the SIDFAs for their review.

VII. IMPROVING THE EFFECTIVENESS OF UNIDO FIELD REPRESENTATION

1. SIDFA Programme

The complexity of SIDFA tasks vis-à-vis the Government, UNDP, UNIDO experts and CTAs was acknowledged at the Meeting by all participants, as well as their key role in securing projects for UNIDO execution. Also, their position as co-ordinators and supervisors of experts was firmly stated. It was recommended that:

- UNIDO should increase the number of SIDFAs in the region to ensure that all countries benefit equally from this service;
- Since the Resident Co-ordinator is still the Representative of UNIDO, SIDFAs should be recognized as the Technical Representatives of UNIDO within the UNDP field offices, with the Ministry of Industry or Development as direct counterpart and with equal level and rights as other agencies' Country Representatives;
- More regular contacts among SIDFAs (from the region and outside the region) should take place to strengthen co-operation for ECDC/TCDC programmes;
- More effective utilization of the "personal experience" of the SIDFAs be achieved by making their specific experience and background on substantive aspects available to other countries on request.

The importance of SIDFA involvement was also stressed in:

(i) disseminating information on new UNIDO activities and programmes; (ii) keeping UNIDO Headquarters informed on specific industrial co-operation agreements reached between Latin American countries and susceptible to the involvement of UNIDO; and (iii) promoting specific programmes, such as field training projects. These projects could be formulated on the basis of existing in-plant group training programmes adjusted to specific country requirements and needs.

Finally, the Meeting was presented with the proposal to strengthen the effectiveness of the SIDFA Programme by bringing professional staff, at P.3/P.4 level, from Headquarters to the field to assist the SIDFA on an "ad hoc" basis, in accordance with the specific requirements of the office concerned.

The proposal was positively received by the Meeting, also in view of the forthcoming conversion of UNIDO into a specialized agency.

2. JPO Programme

The importance and value of the Programme for the work of UNIDO was acknowledged by the Meeting. The following recommendations were adopted:

- UNIDO should ensure that JPOs actually work on the industrial sector and are given a chance to do substantive work based on their specific educational background and technical capabilities, bearing in mind the training component of the programme;
- The actual use of the time and capabilities of individual JPOs in the UNDP office should be agreed upon between UNIDG and the donor Governments on the one hand and UNDP on the other. In this connection it was recommended to propose to donor countries and to agree with UNDP Resident Representatives specific training for JPOs as well as to consider the possibility of the JPOs dedicating a percentage of their time (20 to 30 per cent) to UNIDO projects on a regular basis where their background could be of use;
- The closer involvement of the SIDFA with the work programme of the JPOs stationed in his/her countries of coverage should be secured, i.e. through continuous and regular working contacts.

Furthermore, the Meeting agreed that:

- (i) As a matter of policy, no SIDFA should be given more than one JPO for each duty station. However, under specific circumstances and subject to

satisfactory justification, SIDFAs could possibly obtain the assistance of an Associate Expert for the implementation of specific tasks of a technical nature.

(ii) A JPO Regional Meeting for Latin America and the Caribbean could be organized by UNIDO as a follow-up to the present SIDFA Meeting, possibly in Caracas or Jamaica.

3. Reporting System

The new guidelines for reporting were presented and discussed. The importance of a structured, centralized and continuous dialogue between SIDFAs and Headquarters was stressed.

The introduction of forms for the preparation of Quarterly Reports on Ongoing and Pipeline Technical Co-operation Projects was welcomed by all participants as a very positive innovation.

While recognizing the value of the Monthly Summary of Field Reports issued by the FRMS and distributed to all SIDFAs/JPOs, it was recommended:

- To find ways to extract from such reports specific information (e.g. "success stories"; projects with ECDC components; training opportunities in the field) to be disseminated among SIDFAs/JPOs at the regional level.

Furthermore, the Meeting discussed ways and means for closer co-operation between the SIDFA network and the Public Information Section of UNIDO Headquarters. Weekly Press Reviews are going to be issued soon by the Public Information Section covering topics of relevance to industrial development and therefore to the SIDFAs' work. While such Reviews should be made available to SIDFAs on a regular basis, the SIDFAs should on their part assist the service in identifying relevant "media" and sources of information in their countries of coverage.

4. System of Computerized Exchange of Information

The programme of co-operation between the Brazilian Government and the SIDFA office of Brasilia was presented and its possible extension to other SIDFA offices in the region was discussed. The technological and financial implications of the programme, its relationship to the ongoing UNDP computerization programme for field offices, compatibility with existing hardware and software in Vienna and other substantive aspects were addressed by the participants.

Based on the results of the experience gained in Brazil, it was recommended:

- To further promote the idea of a computerized system of information for the other SIDFA offices in the region by securing necessary financing.

In this connection, the possibility was mentioned to have a UNIDF-financed consultant identify the requirements of other SIDFA offices in the region.

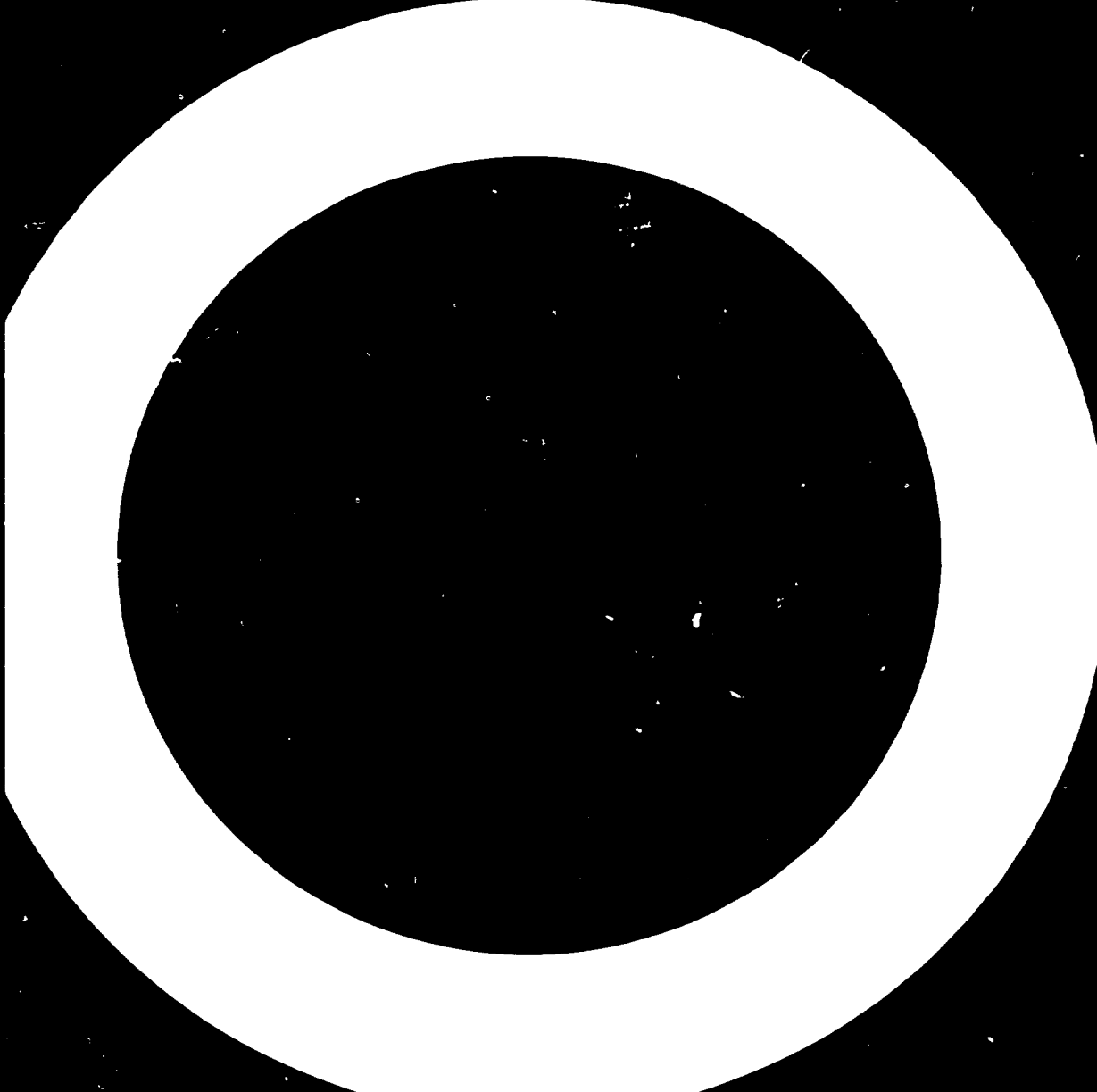
CLOSING OF THE MEETING

Final interventions were made by Mr. Gustavo Silva Aranda, Resident Representative, UNDP, Mexico, Ms. Graciela Vázquez Díaz, Vice-Director for International Technical Co-operation, Ministry of Foreign Affairs on behalf of the Mexican Government and Mr. Sergio Dello Strologo, UNIDO SIDFA in Jamaica on behalf of all SIDFAs participating in the Meeting.

The significance and the importance of holding such Meetings on a regular basis - hopefully once a year - were recognized by the speakers and the formula chosen through the direct involvement of the host Government, UNDP and the Regional Economic Commission praised as particularly beneficial to the achievement of their goals.

Warm thanks were extended to the Mexican Government for their generous hospitality and for the valuable insight offered to the participants on the economic and industrial development patterns and options of the country.

The Meeting was officially closed by Mr. V. Veltzé-Michel, Acting Head, Field Reports Monitoring Section, Division of Policy Co-ordination, on behalf of the Executive Director of UNIDO.





SCHEDULE OF MEETING

MEETING: SECOND REGIONAL SIDFA MEETING FOR THE LATIN AMERICAN AND THE CARIBBEAN REGION

DATES: 10 - 15 December 1984

PLACE: Mexico City, Hotel Del Prado

SECTION/DIVISION: FLD/DPC

TIME	9	10	11	12	13	14	15	16	17
Mo. <u>10</u>		Inauguration <u>ITEM 1</u>	UNIDO's Role in Regional Co-operation (UNIDO) Areas of Co-operation between Mexico + UNIDO (Mex. Gov.) <u>ITEM 2</u>		LUNCH BREAK		The UNDP in Lat. America (UNDP/NY) <u>ITEM 3</u>	ECLAC and the Industrial Development (ECLAC) <u>ITEM 4</u>	
Tu. <u>11</u>		Industrial Develop Policy + the Role of TCDC/ECDC in Mexico (Mex. Gov.) <u>ITEM 5</u>	MEXICO/UNIDO exchange of views (All participants) <u>ITEM 6</u>		LUNCH BREAK		Regional Development in selected areas - Presentation and Discussion based on SIDFA's contributions (SIDFAs) <u>ITEM 7</u>		
We. <u>12</u>		SIDFA report on countries of coverage (SIDFAs) <u>ITEM 8</u>				LUNCH BREAK	Strategy for Programme Development and ECDC/TCDC (Division of Policy Co-ordination) <u>ITEM 9</u>		
Th. <u>13</u>		Project Delivery (Division of Industrial Operations) <u>ITEM 10</u>				LUNCH BREAK	Technology Transfer, Industrial Studies + other major UNIDO activities (Division of Industrial Studies) <u>ITEM 11</u>		
Fr. <u>14</u>		Reviw of SIDFA Programme (Field Reports Monitoring Section Division of Policy Co-ordination) <u>ITEM 12</u>				LUNCH BREAK	Conclusions and Finalization of Report (Drafting Group) <u>ITEM 13</u>		

Annex II

List of Participants

UNIDO Headquarters

Dr. Abd-El Rahman KHANE	Executive Director
Mr. Anatoli VASSILIEV	Director, Division of Industrial Operations
Mr. Víctor VELTZE MICHEL	Acting Head, Field Reports Monitoring Section, Division of Policy Co-ordination
Mr. Krishnaswamy VENKATARAMAN	Special Technical Adviser, UNIDO Technology Programme, Division for Industrial Studies
Mr. Enrique AGUILAR	Acting Head, Public Information Section, Division of Conference Services, Public Information and External Relations
Mr. José CABRERA	Chief, Latin American Unit, Programme Development and Evaluation Branch, Division of Policy Co-ordination
Mr. Oscar GONZALEZ HERNANDEZ	Senior Industrial Development Officer, Regional and Countries Studies Branch, Division for Industrial Studies
Ms. Ida DI PIETRO	Programme Officer for Latin America, Division of Industrial Operations
Ms. Carlotta SPERLING	Officer in Charge of the Reporting Unit, Field Reports Monitoring Section, Division of Policy Co-ordination
Ms. Sonia LUSTIG DE SCHÖNSTEIN	Conference Secretary, Field Reports Monitoring Section, Division of Policy Co-ordination

SIDFAs AND JPOs

Mr. Peter RYAN	SIDFA, Barbados
Mr. Raul PEÑAHERRERA	SIDFA, Bolivia
Mr. Luis SOTO KREBS	SIDFA, Brazil
Ms. Magdalena SAVARAIN	SIDFA, Honduras
Mr. Sergio DELLO STROLOGO	SIDFA, Jamaica
Mr. Juan AYZA	SIDFA, Mexico
Mr. Han STEEN	JPO, Mexico
Ms. Eva SCHUBERT	JPO, Mexico
Mr. Marino DIZY	SIDFA, Peru
Mr. José EGUREN CORSO	JPO, Venezuela

UNDP

Mr. Hugo NAVAJAS MOGRO	Director, Regional Bureau for Latin America, New York
Dr. Gustavo SILVA ARANDA	Resident Representative and Resident Co-ordinator of the United Nations System in Mexico

ECLAC

Mr. G. Rosenthal

Director, Mexico Office

SELA

Mr. F. Verona

Director of External Relations
Mexican Officials

SECOFI

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Secretario de Comercio y Fomento
Industrial

Lic. MAURICIO DE MARIA Y CAMPOS

Subsecretario de Fomento Industrial

DIRECTORES GENERALES

Lic. MIGUEL ANGEL RIVERA VILLASEÑOR

Director General de la Industria Metal
Mecánica y Bienes de Capital

Lic. RUBEN BELTRAN GUERRERO

Director General de Invencciones, Marcas
y Desarrollo Tecnológico

Ing. TOMAS RODRIGUEZ WEBER

Director General de la Industria
Química y Bienes de Consumo

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Director General de Promoción Industrial

Lic. JUAN GARIBAY MENDOZA

Director General de la Industria
Mediana y Pequeña

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Lic. ABEL GARRIDO RUIZ

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Económicas y Asuntos Internacionales

Lic. HECTOR VAZQUEZ TERCERO

Director General de Controles al
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Lic. ROBERTO GATICA SUAREZ

Director General de Controles al
Comercio Exterior de Productos Primarios

Lic. GUILLERMO CALDERON MARTINEZ

Director General de Asuntos Fronterizos

Lic. SALVADOR GARCILITA

Coordinador de Asesores

S.H.C.P

Lic. FRANCIZCO SUAREZ DAVILA

Subsecretario de Hacienda y Crédito
Público

Lic. SALVADOR ARRIOLA BARRENECHEA

Director General de Asuntos Hacendarios
Internacionales

S.A.R.H

Ing. FEDERICO CUANALO DE LA CERDA

Subsecretario de Ganadería y Operación

S.P.P

Dr. JOSE PARAMO DIAZ

Programación y Presupuesto de
Desarrollo Industrial y de Servicios

S.T.P.S

Ing. ALBERTO AMADOR LEAL	Director General de Capacitación y Productividad
Lic. ENRIQUE LOMBERA PALLARES	Director General de Asuntos Internacionales

S.E.P

Lic. CARLOS ARRIOLA WONG	Director General de Relaciones Internacionales
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I.M.C.E

Lic. MANUEL ARMENDARIZ ECHEGARAY	Director General
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S.R.E

Lic. GRACIELA VAZQUEZ DIAZ	Subdirectora de Cooperación Técnica Internacional
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Embajadora CARMEN MORENO DE DEL CUETO	Directora General de Relaciones Económicas Multilaterales
Embajador SANTIAGO MEYER PICON	Director General de Cooperación Técnica Internacional
Lic. JUAN ANTONIO MATEOS	Director General de Organismos Especializados de la O.N.U.

SEMIP

Act. MARIO BARREIRO PEREDA	Subsecretario de la Industria Paraestatal de Transformación
Ing. ROMARICO ARROYO MARROQUIN	Subsecretario de la Industria Paraestatal Básica
Lic. ROBERTO DAVILA GÓMEZ PALACIO	Director General de Transacciones Internacionales de la Energía y de la Industria Paraestatal

I.M.C.E

Lic. ROBERTO FRIEDERICH HEINZE	Coordinador de Promoción
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C.F.E

Ing. FERNANDO HIRIART BALDERRAMA	Director General
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NAFINSA

Dr. ERNESTO MARCOS JACOMAN	Director Adjunto de Promoción Industrial y Empresas Filiales
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LANFI

Ing. FRANCISCO GUERRERO ARCOSHA	Director General
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CONACyT

Dr. HECTOR MAYAGOITIA DOMINGUEZ	Director General
Dr. DANIEL RESENDIZ	Secretario General
Dr. FRANKJLIN RENDON	Director Adjunto de Desarrollo Tecnológico

FOMEX

Lic. MANUEL ACEVEDO GARAT	Director General
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PAI

Lic. CARLOS ROBLES OYARZUN	Secretario Técnico
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FERTIMEX

C.P. MIGUEL ANGEL DAVILA MENDOZA	Director General
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PEMEX

Lic. MARIO RAMON BETETA	Director General
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FIDEIN

Lic. RAUL RODRIGUEZ GARCIA	Director General
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FOGAIN

Lic. SERGIO LUIS CANO	Director General
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BANXICO

Lic. MIGUEL MANCERA AGUAYO	Director General
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BANCO NACIONAL DE COMERCIO EXTERIOR

Lic. ALFREDO PHILIPS OLMEDO	Director General
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CONCAMIN

Dr. JACOBO ZAIDENWEBER	Presidente
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CANACINTRA

Ing. CARLOS MIRELES GARCIA	Presidente
----------------------------	------------

Lic. EMILIO ZORRILLA VAZQUEZ	Director General Productora Mexicana de Tubería
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Dr. JOSE CORDOVA	Jefe de Asesores Económicos del Señor Secretario de la SPP
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Ing. CARLOS CARRILLO	Coordinador General del Centro de Evaluación de proyectos de la SEMIP
Lic. ADOLFO HEGEWISCH	Subsecretario de Inversiones Extranjeras y Transferencia de Tecnología
Lic. JAIME ALVAREZ SOBERANIS	Director General de Inversiones Extranjeras, SECOFI
Lic. NARCISO ACEVEDO	Subsecretario de Planeación S A R H Encargado de la Coordinación del Programa Nacional de Desarrollo Rural Integrado
Ing. ELEAZAR COTA	Coordinador de Integración y Desarrollo Encargado del manejo de las agroindustrias Paraestatales y de Fomento Agroindustrial S A R H
Ing. ALBINO LEVET CONTRERAS	Director General de Desarrollo Agroindustrial S A R H
Lic. VICTOR M. DEL ANGEL	Encargado del Despacho de la Dirección de Estudios de la S A R H

Annex III

List of Background Documentation

- UNIDO/PC/R.10, Background document
- UNIDO/PC/R.11, Regional development in selected areas, by Mr. M. Dizey/SIDFA in Lima, Ms. M.F. de Savarain/SIDFA in Tegucigalpa, Mr. S. Dello Strologo/SIDFA in Kingston, Mr. P.F. Ryan/SIDFA in Barbados, Mr. J. Ayza/SIDFA in Mexico City, Mr. P. Peñaherrera/SIDFA in La Paz and Mr. L. Soto-Krebs/SIDFA in Brasilia
- Note on Strategy for Programme Development, by PC/DEV
- Discussion Paper on Project Delivery, by DIO
- Memorandum on Field Experts, by Mr. Vencatachellum, SIDFA in Addis Ababa
- Note on Development and Transfer of Technology, by IS/TEC
- Note on UNDP Resident Representatives Meeting in Santo Domingo, by IS/TEC
- Note on prospective industrial development in Latin America and suggestion for UNIDO's assistance, by IS/REG
- Note on "Activities related to Latin America", by IS/SEC
- Paper on "The ECLAC/UNIDO Industrial Restructuring Surveillance Programme"
- Note on UNIDO's activities and programme for the integration of women in development + draft project document for a workshop on Industrial Planning for women, by Ms. Chambalu, PC/OD
- ID/B/C.3/131 - "Industrial Development Field Advisers Programme - UNIDO network of Industrial Development Field Advisers", Report by the Executive Director
- ID/B/C.3/L.97/Add. 2 - "Draft Report of the Permanent Committee on the Work of its Twenty-First Session - Agenda item 6: Industrial Development Field Adviser Programme"
- ID/B/C.3/L.102 - "Industrial Development Field Adviser Programme (agenda item 6) - Draft conclusion submitted by the Chairman"
- Note on the SIDFA Programme, by Mr. G. Bauer, PC/FLD
- Note on SIDFA Duty Travel, by Mr. G. Bauer, PC/FLD
- Note on the Reporting System, by Ms. C. Sperling, PC/FLD
- UNIDO/PC.106, Guidelines on Reporting for SIDFAs and JPOs
- Note on Computerization of SIDFA offices, by Ms. C. Sperling, PC/FLD
- Note on JPO Programme, by Ms. M. Souza, PC/FLD
- JPO Programme Review, by Ms. M. Souza, PC/FLD

Annex IV

Opening Speech of Mr. Gustavo Silva Aranda, Resident Representative, UNDP, Mexico

Mexico, which we United Nations field service officials try to serve with a particular loyalty and professional dedication, is once more host to a United Nations Conference. This time it is the venue for the second regional meeting of Senior Industrial Development Field Advisors, the so-called "SIDFAs", whose commitment and creative capacity placed at the disposal of the countries in which they serve, particularly this Latin American region of ours, is a matter of pride for the United Nations Industrial Development Organization, UNIDO, as is the work, indeed, which will always be remembered, which that respected Mexican professional and engineer, Pablo Cuevas Cancino, was doing in this field not so long ago.

As co-ordinator of the United Nations field service I have been given the pleasant duty by Mr. Javier Pérez de Cuéllar, the Secretary-General of the United Nations, of ensuring that success crowns the deliberations of this meeting which is taking place precisely at a crucial time for the attainment of concrete and tangible objectives in the field of industrial development to bring us nearer the goals for developing countries for the year 2000, laid down, in the Lima Declaration and Plan of Action. It has now become imperative permanently to revise our programme since the Lima Conference, within the guidelines and objectives fixed on a sovereign basis by the countries in which we serve, in order to make recommendations which rationalize and harmonize industrial development schemes in keeping with the times in which we live where even what happens tomorrow is already too late for today.

UNIDO, which I remember with affection and interest because of the years I spent as Ambassador and Permanent Representative of my country in Vienna, bears this enormous responsibility and to carry it out needs the support, understanding and confidence of countries.

At this time when we are at a serious economic crossroads, in which the future of Latin America depends on its capacity for industrialization, it is pleasant to note that the United Nations, as a field service, and despite its continual budgetary cutbacks, maintains a persistent effort in this direction. As UNIDO representative in Mexico I can vouch for this commitment of the Organization and the corresponding receptiveness, confidence and utmost harmony which surround our activities.

Our efforts, the result of joint action between UNDP, the United Nations Development Programme, and UNIDO, an industrial development organization, relate to various sectors within the country, ranging from mechanical, chemical and other industries of particular economic types across the industrial spectrum, namely scientific and technological development, small- and medium-sized industry to the current levels of biological and biogenetic science, which are priorities in Latin America.

In Mexico, a country with a thousand-year-old tradition and international prestige, which has a steadily growing national industrial base, the presence of the United Nations field service, in particular UNDP/UNIDO, within the overall guidelines fixed by the country as an operational framework, is characterized by activities in maintaining, adding to and developing its productive plant and by a

creativity which has brought us to the present state of industrial, scientific and technological development. These projects of high national priority which include such a varied range in areas as diverse as electrical laboratories, capital goods, scientific and technological development, agro-industry and small- and medium-sized industry must now answer the challenge which confronts the industrial progress of our beautiful and beloved Mexico.

The tasks are enormous, the challenge ever greater: all of us are aware of this, and none more so than those like the SIDFAs who are standard-bearers in this noble task undertaken by UNIDO. I am sure that at the end of your deliberations there will be a set of proposals which will serve as the plan for future activities within the co-operative effort of countries, UNDP and UNIDO.

Thank you very much.

Annex V

Address of Dr. Abd-El Rahman Khane, Executive Director of UNIDO

I would like to welcome you to the Second Regional Meeting of SIDFAs for the Latin American and Caribbean region. I would also like especially to express my gratitude to the Government of Mexico for hosting this Meeting, for the generous hospitality accorded to us, and for providing the excellent arrangements which we appreciate as an important contribution to the successful deliberations of our Meeting. My thanks also to you Mr. Minister for having taken the time to honour us with your presence this morning, despite your many other demanding duties, and to address our Meeting. I also have much pleasure in welcoming my colleague and dear friend, Mr. Navajas-Mogro, Director of the Regional Bureau for Latin America, UNDP, New York, and in thanking him for having taken the trouble to come down here to participate in this Meeting.

This Meeting is devoted to reviewing, with our colleagues the Senior Industrial Development Field Advisers, UNIDO's operations in the region, with the objective of finding out how UNIDO can better contribute to the important efforts of the region in industrialization; to identify from their experience in the field what can be done to improve, both in quality and quantity, our technical co-operation activities in the region; and to achieve greater co-ordination in the interrelation of all UN activities relevant to the industrial sector.

Since the convening of the Second General Confence of UNIDO, in March 1975 on this Continent, in Lima (Peru), which called for an increase in technical assistance to help developing countries to industrialize, the annual delivery of this programme increased from some US\$ 24 million in 1974 to US\$ 92 million in 1982, declining to US\$ 78 million in 1983, and rising again to some US\$ 85 million in 1984. Had it not been for the financial difficulties of UNDP, I am sure UNIDO would have further increased its performance in this field. However we should remark that the share of Latin America in this technical assistance activity has been restricted as a consequence of the relatively limited funds received from UNDP, especially since 1977.

In other fields however the Continent was sharing equally with other groups of developing countries in benefiting from UNIDO's activities, for example those centered around global industrial restructuring, increasing national technological capabilities, developing new and renewable sources of energy, and mobilization of industrial financing. UNIDO's own study and research capability, particularly in economic modeling, and the production of world-wide studies in a number of important industrial sectors such as fertilizers, petrochemicals, pharmaceuticals, iron and steel, agro-industries, agricultural machinery and capital goods, can contribute further to the awareness of problems and prospects existing in relation to the world-wide process of industrial restructuring. The System of Consultations, which provides the only sectoral forum for global management of the industrial redeployment process, is an additional opportunity. It extends now over 14 industrial sectors to represent more than 60% of the world industrial activity. It has already proved its usefulness if not yet leading to fully fledged negotiations in individual industrial sectors. The model contractual arrangements which have been developed through the system are more and more widely utilized. However the potential represented by regional and

interregional consultations for assisting economic co-operation among developing countries is still dormant on account of budgetary limitations. Maybe regional structures such as SELA could, with the assistance of UNIDO, adopt such a mechanism with a view to enhancing the prospects for Economic Co-operation among Developing Countries.

In this latter field, the UNIDO existing programme seeks to promote and to assist in the implementation of the Caracas Plan of Action. I am well aware of the interest and efforts of the Mexican Government in further developing co-operation among the developing countries within and outside the region. The Meeting will consider in detail this item and will try to find new ways and means for UNIDO to support and assist in this field the endeavours of the countries and regional organizations in Latin America and the Caribbean.

The Development and Transfer of Technology Programme is another important sphere of activity of the Organization. It aims at helping developing countries to establish and strengthen their national capabilities in the selection, acquisition and development of technology. Developing countries are made aware of the advances at the frontier of technology, assisted in formulating technology policies and in negotiating the technology transfer process. On the other hand, you are already aware of the contribution of UNIDO to the establishment of the International Centre for Genetic Engineering and Bio-technology (ICGEB). Similarly, I should like to mention that work is in hand to identify institutional gaps in technology related to fields such as micro-electronics, new materials, marine industrial technology and energy, and UNIDO's future endeavours will be geared to establishing international centres like the ICGEB. Information relating to available and emerging technologies is closely monitored and widely disseminated through UNIDO's Industrial and Technological Information Bank (INTIB) and its Technological Information Exchange Scheme (TIES).

In conclusion of this brief review I would like to stress that each extension of UNIDO's activities such as the System of Consultations, the Programme of Industrial Studies and Research, and the Programme for the Development and Transfer of Technology, has served to enhance the quality of the programme of technical assistance, which remains the main activity and the "raison d'être" of the Organization. Here I would like to add that technical information from the field through the SIDFA and JPO programmes has strengthened the programmes throughout UNIDO, while least developed country problems and economic co-operation among developing countries have gained further attention and acquired sharper focus.

As you know, the Fourth General Conference of UNIDO, which was convened in August this year in Vienna was the only major economic North-South Conference held during 1984. Although the Conference did not come up with any really new programmes for UNIDO, it did reconfirm the general direction of our activities, and impart greater intensity and new emphasis to several current programmes. These new dimensions however cannot be followed through unless additional resources are made available to us. But whatever importance one could give to UNIDO's contribution to the process of their industrialization, developing countries I am firmly convinced cannot improve their economic situation in an adverse global climate of reduced financing, decreasing world trade due to growing protectionism, and crushing levels of external debt. In

this respect I would like to say that we should welcome as a positive sign the decision to have the International Monetary Fund discuss within the next few months within a medium-term framework the questions of international indebtedness, international capital flows, trade policies, and the role of surveillance in these issues. On the question of protectionism, external debt and financing of the industrialization process of the developing countries, the Fourth General Conference offered us the opportunity to express UNIDO's views on what we consider the most important issues to be dealt with urgently by the international community, if there is the desire to come closer to the Lima target so as to avert a catastrophic situation by the year 2000.

Another point which is in the mind of all of us is the impending conversion of UNIDO to a Specialised Agency. Discussions are taking place in New York in the General Assembly with a view to speeding up the process of transformation. It is hoped that it will be accomplished during 1985. The flexibility resulting from the new status of the Organization will allow the latter to utilize its great potential and resources with a higher degree of effectiveness than heretofore. Over the years the Organization has indeed continued to develop, achieving considerable progress in increasing and broadening the scope of its activities and improving its productivity. But, with its conversion I am sure these advances will further accelerate, serving better the cause of development of the developing countries, and making its modest contribution to the establishment of a New International Economic Order.

As I already mentioned, a major concern of UNIDO is its level of response to the technical co-operation needs of Latin America and the Caribbean. Project delivery has declined or at best remained stagnant over the recent years. As in general approximately 80% of our resources for technical assistance delivery is funded by UNDP means that this region is receiving a relatively higher share of UNIDO's own resources. But the amounts in question being too small in absolute terms, we should endeavour to mobilize more resources from and for the region. Today I see no alternative for the countries which want to benefit from the valuable expertise of UNIDO, than to entrust to the Organization their own funds, with the understanding and condition, that the crucially needed expertise cannot be obtained by the country directly or under better terms than through UNIDO. The SIDFAs can play an important role in this respect by defining through direct contacts with governments the programmes most suitable for this type of financing and UNIDO's execution.

With this in mind, I wish to assure the interested governments of UNIDO's determination to provide the high level of industrial expertise, which the Latin American countries would find imperative to up-grade their industrial endeavours. In this connection I would like to say that I am aware that the use of local expertise has become extremely important in view of the continuing financial crisis. I am sure that in most disciplines regional expertise would be available for the region's development. UNIDO is willing to improve its roster of such regional expertise and promote its utilization in the Latin American and Caribbean countries and outside the Region. The same approach is relevant to national institutions, laboratories, universities and professional associations.

Being a Continent which is largely besieged by the problems of crushing external debt, I can very much appreciate the pre-occupation which most countries in Latin America must have with national economic policies which could help them to ride out the present crisis. I hope these brief remarks, which were intended to recall the large range of UNIDO activities and expertise that could be utilized, will be of interest to the countries concerned. I also hope that they will assist you, my dear colleagues, in your deliberations on how best UNIDO can contribute to the solutions of the industrial problems of the Latin American and Caribbean Region.

I thank you for your kind attention.

Annex VI

Statement of His Excellency Mr. Mauricio de María y Campos, Vice-Minister of Industry and Trade

The present Administration had scarcely taken office when the Government of Mexico, headed by President Miguel de la Madrid had to deal with the most serious crisis in the history of modern Mexico by carrying out an immediate programme of economic reconstruction.

Soon afterwards, the emergency measures were of necessity followed by a national development plan, which began in our country with a long-awaited process of structural change which could not be postponed.

For its part, the Secretariat for Trade and Industrial Promotion, in consultation with management and labour, drew up a sectoral programme which was presented to the nation last July and which seeks to provide an answer to the great challenges facing the development of Mexican industry and foreign trade.

The fundamental aim of the national programme for industrial promotion and external trade (PRONAFICE) 1984-1988 is to inject a new impetus into development which will enable Mexico to establish itself by the end of the century, on sounder bases, as an intermediate industrial power.

Among its main objectives the new industrial policy seeks to optimize the degree of interaction both between different industrial sectors and between industry and the remainder of the economy. We believe that this can only be achieved by exploiting the natural and human resources of the country in a more rational manner than in the past and by converting the home market, to provide an increasingly effective support to the industrialization process.

In short, as Aldo Ferrer, the economist, recently pointed out on his visit to Mexico, we are learning to live within our means.

In the context of the above process, it is equally important that we correct serious imbalances in the supply structure, which led to the neglect of basic necessities of large sections of the population and the satisfaction of whose needs is now a matter of special concern in the policy for regulation and promotion.

Another fundamental lesson that the recent past has taught us is that it is not possible to have a self-supporting industrial development if we do not have an efficient and competitive industry capable of generating the foreign currency required to satisfy its operating and investment needs. The new industrial strategy seeks to proceed gradually, but with strength and determination, in the re-structuring of existing industry and in the construction of new industry by the effective replacement of imports and selective promotion of exports.

We are convinced that the new industrial strategy will enable the country to face new international market conditions which are more complex and dynamic than ever before, in the context of the profound changes in the structure of world economic relations and in particular the flows and composition of international trade.

The so-called Third Industrial Revolution which is currently taking place under the driving force of certain advanced technologies such as microelectronics, biotechnology and new materials is creating new rules of the game in industry and world trade.

Against this background, the industrialization schemes followed by developing countries, and particularly those of our region, have remained totally or partially obsolete. Today it is necessary to define and implement new models of industrialization which are more relevant, not only to the social, political and economic changes in our nations, but also to the possibilities available to us of changing to the new technology, not as a rival, but as a partner in our integral development.

For this it is essential, in addition, to support the development of that national entrepreneurial spirit which is capable of taking risks, generating its own technology and exercising an effective leadership and innovatory role.

Only in this way will it be possible to establish new industries on sound foundations and at the same time transform traditional lines of work into increasingly competitive modern industries.

It was in this spirit of renewal that we attended the preparatory meetings for UNIDO IV organized by ECLAC (Economic Commission for Latin America and the Caribbean) in Santiago, Chile and by SELA (Latin American Economic System) in Havana. It was in this same spirit and with a joint position that Mexico and the other Latin American and Caribbean countries gathered at the Fourth General Conference of UNIDO held in Vienna during last August. At this important international meeting the Mexican delegation joined with many developing countries in stating that now, more than ever, UNIDO can play a decisive role in the process of reconciling industrial policies in the various regions of the world by a permanent process of consultation and support. It would permit the updating and continuing co-ordination of national strategies and would reinforce the efforts which we, the developing countries, and to a conspicuously growing extent the Latin American countries, are making to take on a constructive role in the new industrial technological revolution, making use of new machineries for international co-operation which are more flexible and accessible than those used up to now.

Unfortunately the outcome of UNIDO IV was not what we would have wished. Once again some of the developed countries showed that their interest in international co-operation did not extend beyond speeches, and that what prevails in practice is an emphasis on protectionism, a growing bilateralism and virtual indifference towards the crisis which we nations in process of industrialization are experiencing.

Fortunately, the winds of change blowing in Latin America enable us to conceive new forms of industrial co-operation - regional ones, which we are now exploring and beginning to set in motion under the leadership of a new generation of government officials.

We therefore view with approval and wholeheartedly support UNIDO's efforts to strengthen and improve its support services to developing countries and in this case the countries of Latin America and the Caribbean.

I am convinced that this meeting of Senior Industrial Development Field Advisers of UNIDO assigned to the region will enable increasingly suitable methods to be devised to facilitate, not only the co-operation of UNIDO with the countries of the region, but also the efforts which we have already begun jointly to achieve better co-ordination and alignment of our respective industrial policies within a short space of time.

The presence of a guest as distinguished as Dr. Abd-El Rahman Khane, Executive Director of UNIDO, constitutes a guarantee of the success of the discussions.

Mr. Hector Hernandez, Secretary for Trade and Industrial Development, asks me to wish you all good fortune in the arduous but rewarding road which lies ahead of you and to express his pleasure that Mexico can today be the host to such dear and distinguished friends.

Having said this, I declare open today, 10 December 1984, this Second Regional Meeting of Senior Industrial Development Field Advisers of UNIDO.

Annex VII

Statement of Mr. A. Vassiliev, Director,
Division of Industrial Operations, UNIDO

The Executive Director in his presentation made reference to the relatively low level of UNIDO project delivery for the Latin America and Caribbean region in comparison to total UNIDO delivery of technical co-operation. In this connection, it is important to note that this is not primarily due to a lack of funds in the region for overall United Nations technical co-operation activities. In fact, as the share of UNDP IPF funding has decreased for the region from 22.5 percent, to 15.4 per cent and to 9.6 per cent in the first, second and third programming cycles respectively, the cost sharing by countries in the region to support the UNDP technical co-operation programme has been increasing from 10.5 per cent in 1981 to 25 per cent in 1982 and to 29 per cent in 1983. For the third country programming cycle (1982-1986) \$ 110 million was given by Governments for cost sharing in support of the approved IPF budgets for that period of \$ 215 million.

This is in part why we feel that a significant increase in the level of UNIDO's technical co-operation to the Latin America and Caribbean region can indeed be realized if we in UNIDO are attuned to the industrialization problems of the region and if we then, through a continuous dialogue with Governments and public and private industry, will identify, design and execute projects aimed at addressing such problems. In all these endeavours the SIDFAs, as UNIDO's representatives in the field, have a crucial role to play, not only in the identification of projects but also in assisting Government in their choices and in advising UNIDO on available expertise in the region. This will enable our organization to establish a special roster of qualified experts who could assist nearby countries on a high-level basis.

Another task that we will entrust to the SIDFAs is to undertake an inventory of all available institutions related to industrial development, which would be willing to assist the countries of the region in co-operation with UNIDO.

Dear Colleagues, this meeting we are all attending, besides providing an opportunity to review UNIDO's programmes in Latin America and the role played by the SIDFAs in their promotion and implementation, is also offering us the chance to discuss the impact of UNIDO's activities on the socio-economic development of the region and to identify ways and means to better adjust our programmes to the reality of Latin America.

As mentioned in the Havana Declaration, drawn up at the High Level Latin American Co-ordination Meeting prior to the Fourth Conference of UNIDO, there is an urgent need to strengthen co-operation among Latin American and Caribbean countries to achieve important advances in the field of industrialization.

Undoubtedly, growing co-operation among developing nations will further strengthen their role in the world economy. Regional co-operation, in fact, when aimed at generating or adapting knowledge needed for a socially relevant self-sustained development process, can contribute towards a more equitable world order where choices are greater, solutions are better adapted to specific circumstances of different countries and dependence is decreased.

Through our operational programmes in Latin America we try to address fundamental problems which, if not solved, might severely hinder the economic and social growth of the countries of the region.

In view of the heterogeneity of Latin American countries, strategies for development in the region greatly vary according to the needs and requirements of the individual nations. However, the operational framework focuses on self-reliant development, conceived not in terms of national isolation but in balanced forms of associations with other national units, thus making it a collective self-reliant effort. Technical assistance projects, geared to meeting people's basic needs, maximizing the use of local human and material resources and reducing dependence on the industrialized countries, constitute in fact the bulk of our programmes in the region.

A number of projects also, both national and regional, based on the assumption that development, in the decades to come, will be closely tied up to new technologies, environmental issues and increasing attention to social aspects of industrialization, relate to the above issues and address questions such as autonomous development of non-destructive testing capacity, upgrading local production methods of specific electronic interface equipments, prevention of pollution from air and liquid effluents, involvement of women in the process of industrial development.

Specially in the field of new technologies, the idea of regional co-operation is sound: given limited resources it makes sense to share manpower and infrastructure. The duplication of laboratories and equipment is not cost-effective and scientists and technicians should be deployed to address those problems that groups of Latin American countries have in common. As an example is worth mentioning the inter-governmental meeting to be held here in Mexico early next year which is expected to lead to the establishment of a sub-regional centre for research and development in bio-technology and genetics for pharmaceutical products. This UNIDO executed project, to be financed from UNDP funds and a generous allocation of funds by the Mexican Government, will be the beginning of a network where national laboratories and institutes interlink and interact in R and D activities.

Finally, although the bulk of UNIDO's activities lies on traditional technical assistance, one should not forget the forward and backward linkages that this has with other activities in the house such as the system of consultations, the studies programme and the technology group.

Let us take the studies programme and the role it plays in surveying the industrial sector in specific countries or grouping of countries. Such surveys serve the purpose of a framework within which the specific technical assistance activities may be identified, so that they fit and play a significant role in the overall economic context rather than being ad-hoc and sometimes ill-placed isolated efforts.

Of particular importance to Latin America is the provision of research findings and information in respect of:

- (i) technological developments and innovation policies;
- (ii) industrial production trends and industrial policies;

- (iii) international and regional development prospects in key industrial sub-sectors;
- (iv) industrial co-operation mechanisms applicable to Latin American industrialization;
- (v) emerging pattern of industrial production, restructuring and related services in the international scene as a whole.

To conclude I would like to refer once again to the Havana Declaration and to the statement of the participating countries stressing the importance of UNIDO support in the search for solutions to the problems afflicting the region in its industrialization process. In this regard, I believe, dear colleagues, that it is more than ever imperative for all of us to increase our efforts so as to respond to the maximum possible extent to the high expectations of the countries of this region. I hope, this meeting will help us to devise appropriate measures and innovative approaches to fulfill our task.

Thank you for your co-operation.

Annex VIII

Statement of Ms. Graciela Vázquez Dfiaz, Vice-Director for International Technical Co-operation, Ministry of Foreign Affairs

It is a high honour and gratifying responsibility to speak to you today as representative of the Ministry of Foreign Affairs and, in particular, of Mr. Jorge Eduardo Navarrete, the Under-Secretary for Economic Affairs, who is out of the country and not able to be with us today.

It is my responsibility to speak to you on the subject of "areas of co-operation between Mexico and UNIDO, within the framework of economic and technical co-operation among developing countries" which hereafter we shall call ECDC and TCDC. I shall first analyse the subject from the point of view of Mexican foreign policy. I shall then bring in the international factor in industrial development, in the national programming of international technical co-operation (ITC). Finally I shall situate it within the medium term perspective of the national ITC programme, linking it to regional possibilities.

Gentlemen, in an increasingly interdependent and ever-changing world it is fitting and necessary to speak of programming and co-ordinating national and international endeavours. That is why we are here today in a meeting of this kind.

We shall have to state requirements of a structural nature which will have a bearing on the formulation of policies and strategies for innovation, as well as comparative advantages which will allow us to compete on equal terms, or at least, with less reliance on the more industrialized world.

Among the fundamental principles of its foreign policy, Mexico has on many occasions reiterated its political will to strengthen the bonds of friendship and economic and technical co-operation with other developing countries, especially with those which through their historical and cultural affinities, as well as through their common position in the face of the current economic situation, call for regional solidarity. LATIN AMERICA is a national priority and this point was made clear by the countries of Latin America when they approved the Quito Plan of Action, which defined seven priority areas: industrial development was one of these. President de la Madrid reaffirmed it during his State visits to Latin American countries.

Of the five basic principles of my country's foreign policy, international co-operation, in two of its aspects, economic co-operation and technical co-operation, constitutes a valuable instrument for supporting and supplementing national endeavours in economic and social development, by a global approach to national and international problems.

In 1972, at the third United Nations Conference for Trade and Development, Mexico presented the initial proposals for the Charter of Economic Rights and Duties of States which demanded just and equitable treatment for the developing countries and respect for the sovereign equality of States, without conditions which might diminish their sovereignty.

In 1974, in support of co-operation for development, the General Assembly of the United Nations passed a resolution approving the Plan of Action for the establishment of a New International Economic Order (NIEO) which sets out proposals for formulating codes of conduct. one for the transfer of technology and the other on the operation and regulation of transnational companies.

Between the second UNIDO Conference in 1975 and the Buenos Aires meeting (1978), the concept of technical assistance to developing countries changed to technical co-operation for development, which means creating, acquiring, adapting, transferring and sharing knowledge and experience for mutual benefit, with the object of achieving national and collective self-sufficiency.

International technical co-operation became a dual converging transfer of knowledge as a complement to national action and the objectives of technical co-operation among developing countries were formulated.

In 1980 the Latin American Association for Integration (ALADI) ^{1/} became involved in horizontal co-operative action and in May 1981 Latin American Governments approved the Caracas Programme of Action, which assigned to the Latin American economic system (SELA) ^{2/} the role of co-ordinating economic and technical co-operation among developing countries of the region, with the support of regional and specialized agencies of the United Nations: UNDP, ECLAC and UNIDO in respect of industrialization.

However, that was the starting point of the critical period through which Latin America is still passing, a direct consequence of an unstable and unbalanced interaction between the economies of the most industrialized and developing countries. In addition, criteria of rank were applied, negating the basic principles of multilateralism and universality in international forums and favouring protectionism and trade restrictions in bilateral relations.

The countries of Latin America had become net exporters of capital, a situation giving rise in many cases to stagnation and in some to regression.

As the bilateralist approach of the most developed countries becomes increasingly evident, the developing countries are seeking a dialogue both with the countries of the south, to identify more fully with them, and with the north, to achieve a more equitable and universal participation.

As the differences in industrialization levels which separate developing from developed countries grow ever larger, the approach adopted in national and regional industrial policies will have to weigh up the conditions which determine the guidelines for structural changes and their complex interactions in which industrial interdependence reflects the magnitude and conditions of investment programmes, research and development priorities, structure of the labour market, rates of growth in productivity, together with the selection and adaptation of technology according to the availability of natural resources, the size of the internal and external market and the country's stage or model of development, to name but a few of the fundamental factors.

Although in 1972, UNIDO II set the objectives to be achieved by developing countries, as 25 per cent of world manufacturing production and 30 per cent of international trade in goods, to date only 8 and 14 per cent respectively have been attained.

1/ Asociacion Latino Americana de Integracion.

2/ Sistema Economico Latino Americano.

In the fourth UNIDO conference, the Executive Director recognized that the current international financial and monetary system is not geared to helping the economic and industrial development of developing countries. Moreover it is clear that we are facing a new concept of technological change which is transforming industrialization strategies, both in traditional and new spheres, which will have an impact on vital areas such as energy and the training of manpower.

And this is where we come to identifying the areas of co-operation between Mexico and UNIDO.

The direction of the co-ordination, follow-up and evaluation of multilateral and bilateral international technical and economic co-operation activities is the responsibility of the Secretariat of Foreign Relations, in accordance with the provisions of the Organic Law of the Federal Public Administration (article 28) and the internal regulations which provide that the aforementioned responsibility is exercised by the Under-Secretary for Economic Affairs of the Ministry of Foreign Affairs.

Of the 19 projects included in the Mexico programme under the third programming cycle with UNDP, eight projects have UNIDO as the international executing agency, which represents 38.8 per cent of the total financial budget allocation under the Mexican Indicative Planning Figures (IPF). Gratitude is due to Ferdinand Fajnzylber, SIDFA in Mexico, for his work in contributing substantive elements to this country in the orientation of its industrial policy. In addition, five projects are in progress under the regular UNIDO programme, one of them in Guanajuato and another in Michoacán. The United Nations financing system for science and technology for development is supporting a major technological exploration project and certain countries are channelling "multi-bilateral" funds for activities related to industry through UNIDO.

The international technical co-operation activities which UNIDO carries on in Mexico concentrate on four main methods:

- (1) Design of industrial policy in specific areas.
- (2) Support for development in priority industrial sectors.
- (3) Strengthening of institutions for specialist technological development.
- (4) Regional programmes.

In the design of industrial policy projects are in progress in the areas of small and medium-sized industry, technological exploration and strengthening of the technological infrastructure. These projects have a national counterpart in the Secretariat for Trade and Industrial Promotion and the National Council for Science and Technology.

In support of the development of priority industrial sectors, projects have concentrated on agro-industry, technological change and productivity in food production and capital goods carried out by the Secretariats of Agriculture, Programming and National Financing and Public Credit.

In the strengthening of institutions for technological development, support has been given to the Institute for Electrical Research, Laboratories for Industrial Development, the Institute for Iron and Steel Research, some technological centres of the National Council for Science and Technology (CONACYT) and the Centre for Applied Chemistry at Saltillo, Coahuila.

With regard to regional programmes, at the beginning of this address we mentioned that Latin America is a national priority for Mexico. Indeed, my country is aware that the unprecedented social and economic crisis has made the process of Latin American industrialization particularly vulnerable to external factors. Both the internal factors of the break-up of productive sectors, and external factors of reduced financial flows, heightening of protectionism in industrialized countries, high interest rates, etc., have affected the region's industrialization process.

Mexico is the seat of two regional programmes for industry, one is with the Group of Latin American and Caribbean Sugar Exporting Countries (GEPLACEA) which through UNIDO disseminates technological information, gives guidance for training programmes and has initiated a subproject for equipment maintenance in the sugar industry.

The Centre for Research into and Development of Pharmaceutical Products has as its object the manufacture of antibiotics, one of the things which are greatly lacking in our region.

Mexico took part in establishing the Latin American Network of Biotechnology Centres. The National Council, which is also a member of CIIGB and a few days ago was the venue for the milk products conference, was formed for this purpose.

If industry is assigned the role of driving force in the process of economic development, horizontal co-operative activities will have to be intensified by:

- Drawing up a detailed inventory of the actual and potential supply and demand by institutions and specialists supplying and demanding economic and technical international co-operation. For this purpose UNIDO would have to liaise with SELA and regional bodies (ECLAC, the Latin American Institute for Economic and Social Planning - ILPES).
- Organizing seminars and training courses for priority areas of industry.
- Strengthening programmes which lead to the adaptation and development of advanced technologies in areas such as genetic engineering and biotechnology, pharmaceutical products and quality control of medicines, food industry, capital goods etc.
- Creating a communication mechanism for industrial matters to permit the rapid and systematic exchange of specialized information.
- Promoting greater co-ordination and consultation on industrial policies favouring the creation of Latin-American multinational companies and joint programmes of technological research.
- By intensifying the participation of experts and consultants from developing countries.

Mexico also relies on mechanisms for bilateral co-operation which have contributed to the conclusion of agreements with some Latin-American countries in connection with pharmaceutical products and capital goods, among others. However, the co-operation which UNIDO provides and can provide to Mexico and the region is of particular importance. In the same way, my country considers that UNDP can become a vital communication link in this area.

Lastly, if we follow the line of thought expressed by Fred Cottrell in his study Energy and Society, and if we take into account the conditions and resources necessary for our "low energy" society to become a "high energy" one, we shall have to summon up the determination and take the necessary steps to achieve the

transition and to establish the mechanisms for realizing the national and regional objectives of industrialization. This is the challenge that we face in the short term. Thank you for your attention, gentlemen.

We have high hopes for this meeting and we extend to you the warmest of welcomes.

Annex IX

Summary of the dialogue between UNIDO and Mexican officials

The presentation made by H.E. Mr. Mauricio de Marfa y Campos, Vice-Minister of Industrial Development, on "The Mexican Policy of Industrial Development" centred around the need for structural changes, acknowledged as early as in 1977-78, and the strategies currently adopted by the Government to achieve i.a. better interaction of industry with the other sectors of the economy and a higher degree of integration between the production of capital, intermediate and consumer goods.

Heavy dependence on foreign investment, imported technology and protectionist measures were described as the main features of Mexico's industry as a result of policies heavily geared towards import-substitution of final and some intermediate products, with consequent lack of efficiency and competitiveness in many sectors.

Today, clear guidelines have been set up by the Government to:

- (i) Define the respective role of the public and private sector in industry;
- (ii) Stimulate national entrepreneurship;
- (iii) Reduce dependency on external financial and technological inputs;
- (iv) Define the role and size of foreign investment;
- (v) Improve planning on a sub-sectoral basis (work has started on the automotive, chemical and pharmaceutical sectors; work will follow on small scale industries (SSI), micro-electronics; petro-chemicals, steel and textiles);
- (vi) Define the degree of protection granted to each sector.

The value of UNIDO's co-operation to achieve the above goals was stressed by the Vice-Minister.

Also, UNIDO should assist to achieve greater co-ordination among the industrial development strategies of individual countries in the Region.

Further details were provided on current Government policies for the development of SSI and of the pharmaceutical industry. For SSI, a programme has been recently launched which mainly aims at better co-ordinating existing institutions as well as supporting SSI through appropriate measures such as specific legislation, sub-contracting exchange, national and regional funds, information systems, training programmes for entrepreneurship development and mechanisms, within the National Council for Science and Technology (CONACYT) directed to solve technological problems of SSI.

For the pharmaceutical sector it was recalled that although the country's infrastructure is able to produce up to 99 per cent of the pharmaceuticals needed by the population, the sector still heavily depends on imports of raw materials and equipment.

At the same time out of 300 companies producing medicaments in Mexico, 70 have a majority share of foreign capital and cover 75 per cent of the market. At this juncton the Government of Mexico is pursuing a policy aimed at reducing external dependence and achieving, by 1988, a balance between imports and exports. Also, due to the high costs involved in the sector, regional co-operation is reported as a priority as well as accurate selection of the basic medicaments to be produced.

Mr. Vassiliev commented on this point by stating that harmonization of the considerable amount of pharmaceutical products currently on the market is mandatory for a rational use of available resources.

In the course of subsequent interventions by Mexican officials it was stressed that both quantitative and qualitative considerations are relevant to assess the adequacy of technical assistance, direct knowledge and actual understanding of the situation in the recipient countries by the agencies involved being the crucial factors to ensure the delivery of high-standard inputs. The UNIDO project to assist Mexico in the development of capital goods was mentioned as a successful example and its continuation was called for.

Regional and interregional considerations are becoming more and more important in the drawing up of national industrial policies in view of their increasing interdependence. Such aspects should be taken into due account when designing industrial development strategies and programmes. Several relatively advanced countries in the region are in a position to transfer technological knowledge and know-how to other less advanced countries: UNIDO should be instrumental in promoting and facilitating such inter-regional flow, with the SIDFAs playing a major role.

Other issues raised by the intervening Mexican Officials centred around:

- (i) Employment creation through small and medium-scale industry.
- (ii) Utilization of unused capacity through sub-contracting (and other) schemes.
- (iii) Promotion of industrial co-operatives.
- (iv) Formulation of industrial policies and potential support of UNIDO through its world-wide experience and outlook.
- (v) Role of women in industry, particularly in the border zones and the "industrias maquiladoras".

With regard to the last point, the huge potential of women for the industrial sector was acknowledged but also their more limited protection as workers. Integration of women in industrial development, it was said, does not only mean better skilled and more productive women in industry, but also women who are more respected and ultimately protected in the industrial medium through institutionalized provisions and mechanisms.

Annex X

Excerpts from the intervention of Mr. H. Navajas-Mogro, Director, Regional Bureau for Latin America, UNDP, New York

Mr. Hugo Navajas-Mogro, Director of the UNDP Regional Bureau for Latin America and the Caribbean, briefed the participants on the outcome of the meeting recently held in Santo Domingo between UNDP Resident Representatives in the region and representatives of most United Nations agencies.

After three decades of sustained growth, the region is now facing an economic and financial crisis of unprecedented proportions, resulting in increased external dependence, rising unemployment and, ultimately, marked external vulnerability. According to the scenario discussed at the Resident Representatives' Meeting, the economic situation of the region in 1990 would be - in the best of cases - at the same level as in 1980.

Three sets of problems were said to have been identified by the UNDP Meeting as relevant factors:

- (i) The crisis of the state as administrator and decision-maker;
- (ii) Deteriorating social conditions, whereby over 130 million people live today under the "critical poverty line", as defined in accordance with internationally established standards. This means that one third of the population of the region could not benefit from the development process;
- (iii) Need to develop Science and Technology to improve the productivity of Latin American economies. (A few figures: six countries represent 85 per cent of the total world investments for Science and Technology. In the Latin American region, on average 0.6 per cent of GDP is allocated to Science and Technology investments, as compared to 2.5 per cent in the United States. Furthermore, a minimum percentage of patents recently given for technological innovations belong to Latin American countries.)

Mr. Navajas-Mogro also stressed that in a time of shrinking resources it is mandatory to develop new ideas and strategies to maximise the impact of development co-operation activities. The UNDP Meeting in Santo Domingo emphasized the need for a global vision of the political context of UNDP activities in the region, on the basis of which to select issues for concrete intervention in areas of concern to most countries. UNIDO's participation and involvement, he concluded, are most important in this respect.

Annex XI

Summary of the intervention of Mr. G. Rosenthal, Director, Mexico Office, ECLAC

The mandate and activities of ECLAC were drawn up by Mr. Gerd Rosenthal, Director of the Mexico Office. He referred to four practical activities of ECLAC undertaken in co-operation with UNIDO in the industrial sector, i.e:

- (i) The Surveillance Programme of Industrial Restructuring (IRES);
- (ii) Industrial policy studies based on the above programme for selected countries/industrial branches;
- (iii) The re-examination of the industrialization process in Latin America; and
- (iv) The promotion of co-operation in the area of capital goods.

With reference to IRES, Mr. Rosenthal briefed the Meeting on the central objective of the Programme, namely the continuous surveillance and interpretation of trends and policies in industrial restructuring in developed countries and their impact on and necessary reorientation of the industrial process in Latin American countries, with the purpose of providing participating countries' policy-makers with timely information on:

- developments in specific industrial subsectors;
- technological changes in processes and products;
- official strategies, plans and policies in relevant areas (including technology and trade policies);
- relevant corporate strategies in key subsectors.

The Programme, concluded Mr. Rosenthal, is thus designed to be a long-term activity involving ECLAC, UNIDO and government bodies, and this with built-in flexibility in terms of priority areas and subsectors to be analysed.

Annex XII

Summary of the intervention of Mr. F. Verona, Director of External Relations, SELA

SELA, said Mr. Verona in his address to the Meeting, is being increasingly involved in issues related to industrial development of the region, namely, from the point of view of Science and Technology development.

A Meeting of Experts from the 25 member countries of SELA was convened in May 1984 to focus on:

- (i) Information on: technological advances; infrastructure for technological development; existing enterprises operating in the sector.
- (ii) Linkages between the productive sectors and the institutional framework for technological development.
- (iii) ECDC.
- (iv) Advanced technologies.
- (v) Capital Goods.
- (vi) Engineering.
- (vii) Consultancy and sub-contracting.

Main aims of SELA in this respect are the promotion of improved co-ordination at regional level, in close working relations with, i.a. ALADI, CEPALC, Junta del Acuerdo de Cartagena.

Also SELA aims at promoting the definition of strategies for technological development at regional level on the model of, for instance, the Lagos Plan of Action for African countries.

UNIDO's activities are relevant to the work of SELA and UNIDO's support is needed by SELA especially for:

- (i) Preparation of studies;
- (ii) Technological information;
- (iii) UNIDO/CEPAL Capital Goods regional project (the speaker stressed that the project should continue);
- (iv) Issues related to sub-contracting;
- (v) Stimulating the definition of above regional strategies;
- (vi) Improving co-ordination among existing regional institutions, eventually by organizing yearly meetings.

The proposal of establishing a Regional Centre for Technological Development was mentioned as an issue to be further developed and analysed also in co-operation with UNIDO.

Annex XIII

Final intervention by Mr. S. Dello Strologo, SIDFA, Jamaica, on behalf of all the SIDFAs

Having attended three SIDFA meetings, one a World Meeting in Vienna and one a Regional Meeting in Brasilia, I consider that they are an essential part of the proper working mechanism of an agency of the UN. The UNDP recognizes this as well as other bureaus of the UN System, as they meet on a yearly basis. We meet far too rarely. We are UNIDO's de-facto representatives and we need to have constructive meetings of this kind every year. They have always been extremely important in the past. This one has been one of the most productive because of the opportunity of a working exchange with Dr. A. R. Khane, Executive Director of UNIDO, Mr. A. Vassiliev, Director, Division of Industrial Operations, Mr. V. Veltzé-Michel, Acting Head, Field Reports Monitoring Section, Division of Policy Co-ordination, Mr. O. Gonzalez Hernandez, Senior Industrial Development Officer, Regional and Country Studies Branch, Division for Industrial Studies, Mr. K. Venkataraman, Special Technical Adviser, UNIDO Technology Programme, Division for Industrial Studies, Mr. J. Cabrera, Chief, Latin American Unit, Programme Development and Evaluation Branch, Division of Policy Co-ordination, Ms. Ida Di Pietro, Programme Officer for Latin America, Division of Industrial Operations, Ms. Carlotta Sperling, Officer-in-Charge of the Reporting Unit, Field Reports Monitoring Section, Division of Policy Co-ordination, and Mr. Enrique Aguilar, Head of Information Service.

In these five days we have gained valuable experience on both a formal and informal basis. The working hours contributed have far exceeded the scheduled times.

The involvement of Mexican Government Officials at such a high level was a signal honour and provided a unique and valuable relationship. We were privileged to have had an insight into the economic-industrial planning of this key nation in the hemisphere.

I hope that the officials of the Mexican Government have benefitted from this insight into the internal workings of a UN agency and the complexity of monitoring controls required for the delivery of technical assistance.

The fine appreciation of Dr. Gustavo Silva Aranda, Resident Representative to the Republic of Mexico, underlined the importance of UNIDO assistance to the Government through its SIDFAs in all aspects of industrial planning.

Since the SIDFAs are technical UNIDO representatives in the field, we monitor the projects and we feel the industrial pulse of the regions.

The Field Reports Monitoring Section is the heart of the SIDFA system and their preparation of the agenda and documentation for this meeting should be commended. Their backstopping of the SIDFAs is very useful to solve problems and bottlenecks which we sometimes encounter with the substantive sections. I hope that in the future more people in key positions in Vienna will be present at these conferences.

Personal contacts like we have had here are infinitely more valuable than hundreds of cables to Headquarters. Relations with the Government, confidential in-house complaints are often not recorded in writing, but here this week we have heard a lot.

UNIDO Headquarters must rely on real personal contacts for credibility with governments. The SIDFAs and the Field Reports Monitoring Section's support staff are the main channel to create and maintain these personal contacts. In the name of my colleagues I would like to compliment and thank Mr. Vassiliev and Mr. Veltzé-Michel and their hard-working staff.

