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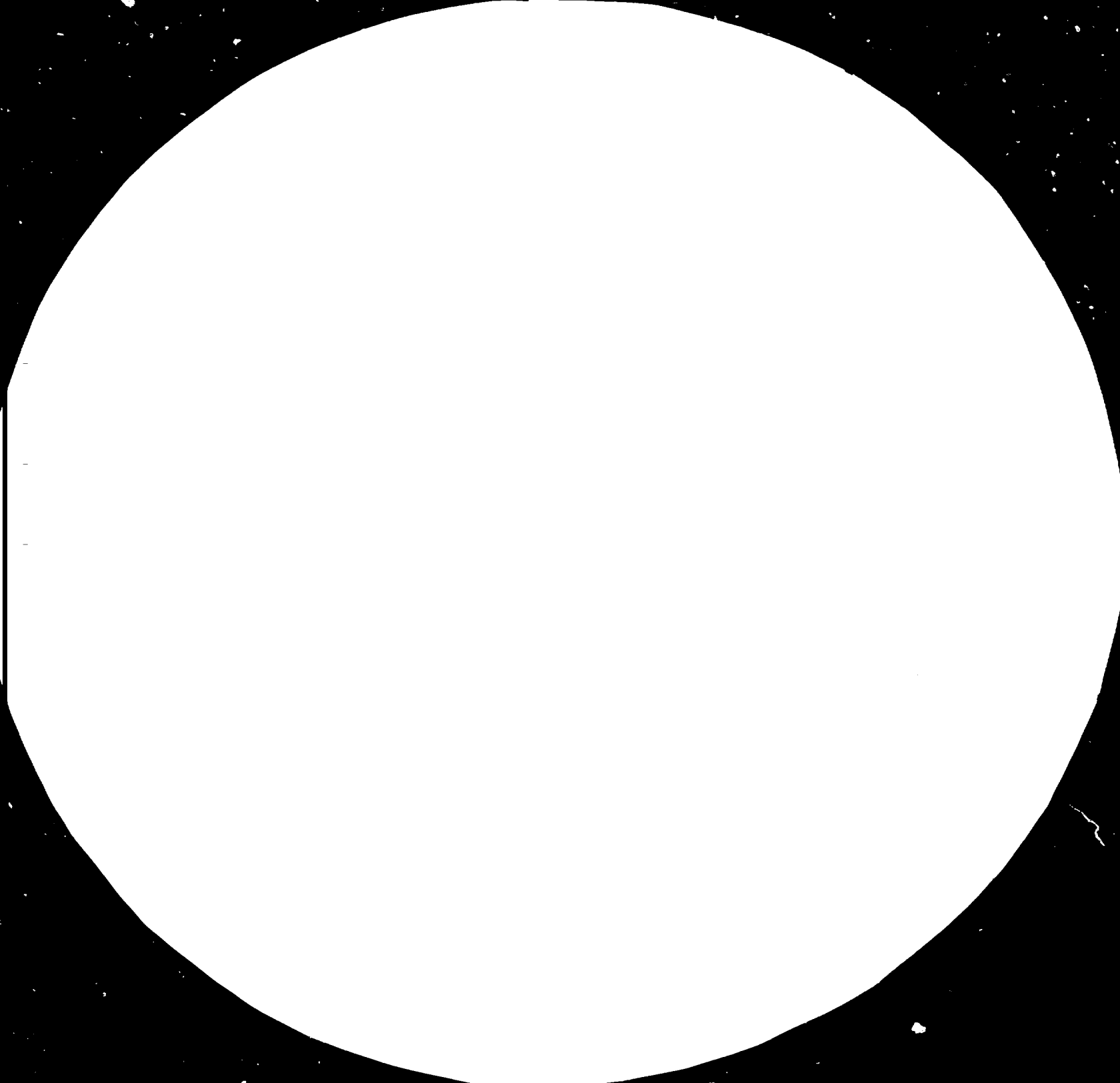
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Distr.  
LIMITED

UNIDO/PC.113  
19 March 1985  
ENGLISH

UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION

Round-Table Ministerial Meeting on Co-operation  
among Developing Countries in the Food  
Processing Industry  
Novi Sad, Yugoslavia, 7 to 11 May 1985

14567

UNIDO'S ACTIVITIES TO PROMOTE  
INDUSTRIAL CO-OPERATION AMONG DEVELOPING COUNTRIES

The Case of the Food Processing Industry

Prepared by the

Section for Economic Co-operation  
among Developing Countries  
Division of Policy Co-ordination

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V.85-25276

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1. Introduction

The need to accelerate the economic and social progress of the developing countries has been a continuous pre-occupation of the developing countries themselves as well as of various international organizations. The United Nations Industrial Development Organization (UNIDO) continues to play a crucial role in the attainment of these objectives.

Within its programme of development assistance to developing countries, agro-industries in general and the food-processing industry in particular constitute one of the priorities of the Organization.

The Thirty-Ninth Session of the General Assembly recognized that economic co-operation among developing countries is an integral part of the efforts to establish the New International Economic Order, without being a substitute for or an alternative to co-operation between developed and developing countries.

This Round-Table Ministerial Meeting on co-operation among a selected group of developing countries in the food-processing industry is, on the one hand, a clear practical example of the above, and on the other hand, a further step towards consolidating one of the basic recommendations of the Lima Declaration and Plan of Action on Industrial Development and Co-operation in so far as two of its main relevant aspects are being taken into consideration, namely:

- a) The need to develop agro-based industries and to foster integration between agriculture and industry in the developing countries and,
- b) The United Nations Industrial Development Organization should be a forum for strengthening co-operation between developed countries and developing countries and among developing countries themselves.

This meeting is thus organized within the ECDC framework in pursuance of the above objectives.

In this connexion, the main characteristics of the meeting are that it addresses, in a practical way, a key aspect of today's most crucial problem facing developing countries and it evolves clearly within the full spirit of the Buenos Aires Plan of Action, which emphasized the need to promote and widen technical co-operation among developing countries and recognized that bilateral and multilateral arrangements constitute the fundamental aspects of such co-operation.

## 2. Overview of the Food-Processing Industry

The food-processing sector mainly covers ten different industrial branches, i.e., the meat and meat processing industry, the dairy industry, the fruit and vegetable industry, the fisheries industry, the vegetable oils and fats industry, the cereals industry, the sugar industry, the chocolate and confectionery industry, the animal feed industry and the beverage industry.

At the international level, production and trade in the food-processing industry is dominated by large transnational enterprises and mainly by transnational corporations. These enterprises account for approximately one-third of the production in this sector in the developed and developing market economy countries.

In the developing countries, whenever this industry exists at all, it is geared primarily to satisfying domestic demands and in most cases, operates with out-moded technology and small or medium-sized plants. Most of the production in developing countries relates to staple foods with little manufacturing value added; as a result, the developing countries account for only about 16 percent of the world manufacturing value added in this sector.

### 2.1. The Importance of Agro-industry in general and the Food-Processing Industry in particular for Developing Countries

Agriculture is a strategically vital sector for the developing countries, especially for the least developed countries. Today more than before, agri-

cultural development is an indispensable source of growth in predominantly agrarian societies, and it is a major element in increasing the income-earning opportunities of the poor. However, the development of agriculture and industry are closely interrelated. In view of the basic complementarity between industry and agriculture, every attempt should be made to promote agro-based or agro-related industries. The food-processing industry, through its capacity of generating more income and employment - apart from increasing the availability of food - constitutes a major element for political and social stability.

As in other developing regions, this aspect is more acute in the African continent. The satisfaction of the basic needs of the African people through the achievement of self-sufficiency in food production constitutes a basic goal of the governments of African countries as set down in the broader objectives of the Industrial Development Decade for Africa as well as those of the Lagos Plan of Action, which have aimed at a 1.4 percent African share in world industrial production by 1990.

In this connexion, under a long-term strategy it is expected that more and more importance will be attached to the processing of local resources and agricultural production, with its subsequent food-processing industry, and that production must be increased and diversified.

The actual situation in Africa shows that it is becoming more imperative to adopt and implement an integrated approach in the development of agricultural production, since:

- a) food aid does not solve the problems of hunger and malnutrition;
- b) experience shows that industrial inputs account for about 50 percent in any successful agricultural model.

It should be emphasized that UNIDO, (in close co-operation with the FAO), while tackling these critical aspects in terms of sectors and regions, also



attaches great importance to the different stages of development of the regions in general and the countries in particular.

These activities must be understood as being complementary to an international co-operation effort in this sector for which new effective mechanisms are also being tried, such as the efforts to bring together co-operators of developed and developing countries. However, from the recent mass coverage given to the famine in certain parts of Africa, the importance and the contribution that this industry could provide for the existing scarcity of food in poor countries, and especially in this part of the globe, is obvious. Thus, this particular exercise within the ECDC concept of convening this Round-Table Ministerial Meeting bringing together developing countries at different stages of development so that existing capacities and needs of developing countries can be matched on a mutual beneficial basis, is a clear example of this pre-occupation.

### 3. Review of the Main UNIDO Activities Related to the Development of Agro-industries

Different types of activities are being undertaken to cope with the different aspects of industrial development and the needs of developing countries. These activities range from assistance given by UNIDO in the reviewing and (re)designing - whenever necessary - of the policies and strategies of developing countries, through the preparation of studies to help those countries to define critical areas for action and directing technical assistance, up to the establishment of special programmes like the System of Consultations and the implementation of promotion programmes.

#### 3.1. Technical Assistance

The development of agro-industries in developing countries is one of the main priorities of UNIDO. The UNIDO Industrial Operations Division, through its Agro-Industries Branch, constitutes a basic activity to accelerate the

industrialization of developing countries and to build up integrated agro-industrial programmes.

Technical assistance provided by UNIDO is in principle based on official requests for assistance which one way or the other reflect the main problems of the food industry in developing countries. In addition to the preparation of techno-economic feasibility studies, development plans for various industrial sectors, development of small-scale industries, etc., which may all be related to the food industry as well, more specific assistance is usually oriented to several basic activities:

3.1.1. Improving the operation of existing industrial plants which are faced with various problems:

- shortage of adequate raw material supply, shortage of spare parts, inadequate level of technical staff, etc., resulting in low utilization of installed capacities;
- low quality of products due to inadequate food testing and quality control, out-dated technology, non-existent or poorly equipped quality control laboratories;
- product development does not follow the market requirements;
- production technology is not properly selected for the products to be produced;
- production costs are too high and products not competitive on the export market;
- poor sanitary conditions, animal diseases (meat industry), inadequate infrastructure (transport, cold storage, distribution network), etc.

3.1.2. Institution building for some specific sub-sectors of the food industry, such as for the sugar cane industry, with the aim of establishing new, or expanding existing facilities (laboratory and pilot plant), introduction of R+D activities, training of counterpart staff through visits abroad, and in gradually building up consultancy service capabilities.

3.1.3. Research and development related to specific raw materials and products which are of interest to several countries or regions and which have not been exploited or have been exploited to a limited extent only. This may include development of a process technology as well as of a general design of plant operations.

3.1.4. Overall agro-food industry development involving all aspects of the organization, inter-relations between supply of raw materials, industrial processing and marketing (integrated approach) etc., on a country basis either for a single product or for a group of products.

3.1.5. Better utilization of food industry by-products and thus expansion of the production programme and making the production of basic products more economic. Typical examples are by-products of the sugar cane industry (bagasse, molasses) which may be used as a raw material for the production of a variety of products. Examples of projects implemented by UNIDO are provided in Annex I.

### 3.2. The System of Consultations

The UNIDO System of Consultations provides a unique forum for a continuing dialogue between developed and developing countries and among developing countries themselves. The meetings listed below have a direct bearing on the development of agro-based industries: the vegetable oils and fats industry, the fertilizer industry, the leather and leather products industry, agricultural machinery and the food-processing industry.

The consideration of the food-processing industry by the First Consultation has yielded some valuable results for the developing countries. The most far reaching of these was the importance accorded to the integrated development of the complete cycle comprising of food production, processing and marketing. The adoption of this concept was considered to be of major importance not only for food self-sufficiency, but also for the strengthening of the food-processing industry as a whole.

The Second Consultation held in Copenhagen, Denmark, 15 to 19 October 1984 continued its consideration of the problems of promoting an integrated approach for the development of the food processing sector at the national level by the specific example of the oilseed-animal protein complex, and the question of extended involvement of co-operatives and small and medium-scale enterprises in international collaboration, aimed at integrated development of the food-processing industry in developing countries.

As regards the second broad issue, the Consultation concentrated on identifying possible measures for promoting extended involvement of lesser-known partners in international collaboration, namely food-processing co-operatives and small and medium-scale enterprises from both developed and the more industrialized developing countries.

The Second Consultation also drew attention to the possibility of developing South-South co-operation which is aimed at accelerating food-processing development. Specific activities arising from the recommendations adopted by the Second Consultation, are also expected to combine this type of collaboration. An interesting example of establishing such collaboration could take place on the basis of a project being in the final phase of its implementation and jointly carried out by the Andean Group countries and UNIDO. The projects include the elaboration of a methodology for managing and programming the development of the fats and oils industry in Peru. The importance of these projects lies in the possibility of the versatile application of the model system based on a quantitative data analysis for promoting integrated development of various food processing complexes. It is the intention of UNIDO to disseminate the final results of these projects as widely as possible for use in other developing countries. On this basis, South-South co-operation might be promoted.

Another example of the action which could be initiated within the ECDC scheme, as recommended by the Second Consultation, could be the

examination of effects of removing tariff and non-tariff barriers on South-South trade in oils and fats. The World-Wide Study on Vegetable Oils and Fats Industry underlined, inter alia, that in future negotiations, more emphasis should be placed on removing existing tariffs in developing countries, which harmfully affect the trade in vegetable oils and fats between developing countries and non-tariff measures being applied both by developing and developed countries.

### 3.3. Sectoral Studies and the Agro-food Industries

The work being undertaken by UNIDO's Sectoral Studies Branch in this field of agro-food industries follows the three-stage approach usually applied by the Branch to all sectors, namely, analytical appraisals of current and future trends, elaboration of elements of alternative sectoral strategies and the application of research findings through action-oriented programmes. Studies at the first stage are addressed to public and private institutions and organizations, enterprises, researchers or other persons interested in the sector. They are also used as background for the Consultation meetings. Studies at the second stage are mainly for use within the System of Consultation. Activities at the third stage are as a rule undertaken in close co-operation with UNIDO's technical assistance programme and aim at practical testing or application of study results, with a view to strengthening the technical assistance capability.

3.3.1. Within the first stage, and in preparation for the Second Consultation on the food-processing industry, held in October 1984, a study was completed on the vegetable oils and fats industry (UNIDO/IS.477, UNIDO/IS.477/Add.1).

3.3.2. Developing countries need instrumental methods for designing alternative sectoral strategies for agro-food industries. A methodology for assessing and programming integrated agro-industrial food systems, which originated in the Andean Pact Secretariat, is presently being further

developed in co-ordination with JUNAC.<sup>1/</sup> Under the sponsorship of the Sectoral Studies Branch and in co-operation with the Agro-Industries Branch, it will be applied to an action-oriented programme for the oils and fats system in Andean Pact countries, starting in 1985.

3.3.3. The Branch is planning to develop this method further and transfer it to other developing countries. Such an action would constitute an example of South-South co-operation with UNIDO playing a catalytic role.

3.3.4. The fisheries industries are being studied by the Branch in relation to a possible Consultation on the sector. The fisheries industrial system of selected developing countries will be analyzed to identify technical and economic constraints to their development, to review industrial manufacturing and servicing needs, to establish lines of action and possibilities of international co-operation.

3.3.5. In support of the above activity, the Branch will establish a typology of countries with respect to parameters related to the availability of biological resources, degree of development of the fisheries industrial system and availability/non-availability of infrastructure, etc.

3.3.6. Within the Industrial Development Decade for Africa (IDDA), a project has been designed to increase the capacity of certain African countries to manage their fisheries industries. Through the project, the know-how for programming and managing the fisheries and other industrial systems mentioned above will be transferred.

#### 3.4. Development and Transfer of Technology

The Development and Transfer of Technology Branch activities are principally concerned with the promotion of the development of indigenous technologies with reference, among others, to the impact of transfer of technology and advanced technologies on such development. In addition, it provides for technology acquisition advisory services. With respect to economic co-operation among developing countries, particular mention should be made of the co-operative

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<sup>1/</sup> Andean Pact Secretariat

programme among technology transfer regulatory agencies which aim at the sharing of experiences and information of the developing countries in acquiring technology. This programme is supplemented by an effort to collect and disseminate information on technologies developed by developing countries, within the overall framework of the Industrial and Technological Information Bank. With reference to food processing, the Branch's activities include a plant-level co-operation programme; assistance to developing countries in respect to the formulation of policies and programmes for technology transfer and indigenous technology development; identification and evaluation of alternative technologies; linkages between industry and research and development.

Technology Advisory services are provided to strengthen the negotiating skills of enterprises and government institutions of developing countries for the acquisition of technology and concluding technology contracts.

The work in advanced technologies aims at sensitizing and building up awareness of the implications and potentials of technological advances in the developing countries. In particular, the advances in genetic engineering and biotechnology, (a specific example of work related to food processing is the effort to develop improved garri or cassava for enriched protein content); micro-electronics, marine industrial technology all of which would have an impact on the food-processing sector.

### 3.5. The Non-governmental Organizations (NGOs) and Co-operation Among Developing Countries

Although it is recognized that ECDC/TCDC should be organized by and between Governments (which can, for this purpose, promote the participation of public organizations) indigenous as well as international non-governmental organizations (NGOs) should be seen as additional resources for increased co-operation among developing countries. UNIDO has long recognized the important role the non-governmental organizations can play in the promotion of industrialization of developing countries and international co-operation. In order to cover urgent needs, as perceived by the developing countries and their institutions and enterprises, UNIDO has been led to consider

practical ways to involve non-governmental organizations (including private and public enterprise) in its technical co-operation programmes and other activities designed to promote international co-operation. It is well-known that much of the know-how of modern technology, expertise and research and development facilities has been developed in, and is available from, the private sector and NGOs. Many of these organizations have been co-operating with UNIDO in different fields of ECDC/TCDC.

In this connexion, it is worth mentioning that UNIDO has vigorously pursued a more action-oriented programme, based on cost-sharing projects with NGOs. These projects were better adapted to working relationships of developing countries with each other. UNIDO will continue to serve as catalyst and promotor of ECDC/TCDC through better involvement of NGOs, disseminating knowledge of expertise, technology and training possibilities widely available in developing countries and by encouraging their increased utilization. Within its programme for co-operation with NGOs, UNIDO can actively assist governments and interested organizations from developing countries in identifying suitable centres of expertise such as institutions, universities, co-operatives, foundations, research and development institutes and other relevant organizations involved in the food-processing sector, and assist in facilitating the establishment of contractual arrangements between the requesting developing country and the institutions from other developing countries involved. Such contractual arrangements may take the form of service agreements for provision of expertise, provision of training, technology transfer and other forms of co-operation.

Many international NGOs are already involved in development activities including the promotion of international co-operation on their own, either directly or by collaborating with NGOs in developing countries, especially with respect to rural development and agricultural development. In order to get indigenous NGOs in developing countries better involved in the industrialization process and international co-operation, it will be necessary to overcome some difficulties in developing relations between these organizations and UNIDO.



Governments of developing countries may contribute to such positive development by involving NGOs in project formulation and whenever possible, in implementation, using their technical and programming expertise. In addition, very often international and indigenous NGOs could provide complementary funding sources. For this purpose, UNIDO has maintained, since 1976, a Non-governmental Organizations, Business and Industrial Institutions Section, with the main objective to promote and co-ordinate co-operation between NGOs and UNIDO and mobilize and channel additional resources available to these organizations into the industrial development process of the developing countries.

4. Industrial Co-operation among Developing Countries:  
Objectives, Components, UNIDO's Institutional Arrangements

The need to accelerate the industrialization of developing countries is the main driving force for establishing, developing and implementing concrete actions on industrial co-operation among developing countries with a view to ameliorating their economic situation.

The international community recognizes this aspect and during the recent Fourth General Conference of UNIDO, a resolution was adopted concerning the strengthening of economic co-operation among developing countries.

The following five mutually supporting components constitute the basic elements recommended and adopted in broader terms by the General Assembly and specified and monitored by the UNIDO Industrial Development Board. An attempt is made to relate them wherever possible to the specific subject of the food-processing industry. They are primarily intended:

- a) To promote the spirit of solidarity and to increase the awareness of the necessity and possibility of economic and technical co-operation among developing countries,
- b) To encourage the developing countries to adopt policies and measures favourable to ECDC/TCDC in order to obtain maximum benefit for them,

- c) To promote co-operation in specific industrial projects as well as specific projects in order to strengthen the indigenous capabilities of the developing countries.

As mentioned before, within UNIDO's mandate, the promotion of industrial co-operation among developing countries constitutes one of the highest priorities. The co-ordination of such activities deemed it appropriate to create a separate section within UNIDO's structure. The Section for Economic Co-operation among Developing Countries (ECDC) was established within the UNIDO Secretariat on 1 June 1977.

#### 4.1. Organization of Solidarity Meetings in Least Developed Countries

Eleven Solidarity Ministerial Meetings which provide a new venue for assisting the least developed countries in their economic and industrial development have been organized. The main objective of the Solidarity Meetings is to identify means of co-operation whereby the participating developing countries can help in implementing specific industrial projects in the host least developed countries. In addition to enhancing the spirit of collective self-reliance, these meetings serve to develop practical mechanisms to facilitate the progress of technical and financial development of the host country. The mechanisms of co-operation agreed upon take various forms, such as loans or grants for purchase of machinery and equipment, joint ventures, exchange of technology and know-how, training, industrial research and experts services. As a result of the Bangladesh Solidarity Meeting, a new sugar mill was established with the assistance of Pakistan. Annex II is a sample of some projects in the field of agro-industry which have been discussed during the Solidarity Ministerial Meetings.

#### 4.2. The Promotion and Development of Joint Programmes in Specific Industrial Sectors

Programmes carried out jointly by UNIDO and some more advanced developing countries are proving to be an effective way of optimizing, in a global way, the scarcity of resources available for the industrialization of developing countries with special emphasis on the least developed countries. Within UNIDO's programme, priority is given to the following sectors: food processing, agricultural machinery, pharmaceuticals and building materials.

The convening of this Round-Table Meeting at the Ministerial level now in Yugoslavia shows the application of cross-linkages between the overall concept of ECDC/TCDC and its application in concrete terms to the priority sectors of importance for developing countries. This exercise has been very useful within the sector of the food-processing industries and in the case of Yugoslavia, as referred to in Annex I, some concrete projects have emerged. A new impulse will be given in the future by way of systematically preparing an inventory of the potentials existing in those more advanced countries so existing capabilities and required needs of countries at a lower stage of development can be matched.

#### 4.3. Follow-up of Conclusions and Recommendations of Consultation Meetings

As mentioned before, the System of Consultations is also a forum for dialogue among developing countries. The Consultation considered two main issues which are closely related to the subject of this Meeting:

- 1) Strengthening food-processing industries through the integrated development of all sectors of the food production, processing and marketing chain;
- 2) Expansion of technical and economic co-operation for strengthening the food-processing sector in developing countries, including access to markets.

In the specific case of the food-processing industries sector, participants from developing countries stressed the urgent need to strengthen regional and sub-regional co-operation which is particularly important for small developing countries with limited financial, market and raw material potential.

To implement the above and starting from a broader coverage, UNIDO convened a Round-Table Ministerial Meeting on agro-industry development in 1982 in Iraq. The Round-Table Ministerial Meeting now held in Yugoslavia narrows down the subject and will focus on the food-processing industry in particular. In June 1985, a High-level Inter-governmental Meeting on co-operation among developing countries in the field of agro-industry development will be convened in Brazil on a mainly regional basis, for the Latin American countries.

#### 4.4. Promotion and Development of Multinational Production Enterprises and Enterprise-to-Enterprise Co-operation among Developing Countries

Multinational production enterprises as pursued in UNIDO's programme and in accordance with the General Assembly Mandate on ECDC are confined to equity arrangements among two or more developing countries or their nationals to increase their industrial manufacturing output and/or encouraging national resource development through a process of mutual and concerted actions for creation, expansion and/or better utilization of their production potentials as well as fostering their intra-trade flows and their bargaining position in the world market with a view to attaining reciprocal benefits from economies of scale, specialization and resources complementarities. In this connexion, multinational production enterprises of developing countries (MPEDCs) are a specific component of a much broader concept of enterprise-to-enterprise co-operation arrangements (ETEC) among developing countries.

For the benefit of the developing countries and in order to set up the parameters of its characterization of MPEDCs versus the conventional approach of transnational/multinational enterprise, several other criteria should be fulfilled, such as:

1. Equal treatment of all investors in terms of distribution of the benefits, exercise of control, access of technology and other relevant resources of the company;
2. Contribution to the achievement of specified national goals and needs;
3. Promotion of investors technological build-up and strengthening their bargaining power vis-à-vis the outside world;
4. Contribution to better use of available local resources and setting up conditions for the economies of scale and specialization;
5. Facilitating other forms of ECDC among the countries concerned.

The first phase of this programme, to which the mandate of the General Assembly attaches great importance, is being completed by defining this phenomenon in developing countries and its potential for a better utilization of the existing resources. The second phase will take into account the sectoral experiences and will attempt to draw up guidelines in general for its establishment and specific principles to be followed on a sectoral basis. It is thus expected that these types of activities in the food-processing sector will constitute a sound basis for the preparation of the above.

4.5. Support Measures to the Implementation of the Caracas Programme of Action on Economic Co-operation among Developing Countries

Since the Programme of Action was adopted in Caracas in 1981, UNIDO has paid special attention to the support measures towards its implementation in promoting and implementing technical co-operation among developing countries. Apart from participating in a number of meetings organized in 1982 and 1984 by the Group of 77 and making its contribution, direct support

was given to specific aspects. UNIDO supported the "Meeting of Experts on Technical Co-operation among Developing Countries in Energy", in Vienna from 24 to 27 May 1983 and the "Meeting of Experts on Economic Co-operation among Developing Countries in Industrialization", held in Vienna, from 30 May to 3 June 1983. In addition, several background papers on a sectoral basis were prepared, such as the one on manpower development, presented in Bucharest in 1983.

Paragraph 82 of the Caracas Programme of Action recommended assistance to requesting developing countries, particularly least developed countries, in specific tasks concerning identification, preparation or evaluation of industrial projects through the utilization of existing expertise in other developing countries. The spirit of this recommendation has also been applied in the design of food-processing industry strategies, planning systems and development of human resources. Several projects mentioned in Annexes I and II show that UNIDO activities in the food-processing sector are closely related to the relevant recommendations and requirements of the Caracas Programme of Action.

5. Programme of Action in the Food-processing Industries within the Framework of ECDC

As referred to before, this meeting is expected to act as a bridge for matching needs and existing capabilities in the interest of all participants and energetic effort should be made so that concrete results can be achieved. As a medium-term strategy, UNIDO has requested all participants to provide the meeting with elements regarding:

- a) The development of the agro-industry in their countries,
- b) The main difficulties in increasing and strengthening co-operation among developing countries in this sector,
- c) Already existing mechanisms for implementing actions in this field.

It is expected that this will provide a real analysis of the actual problems and their solutions existing in developing countries so that a realistic programme of action might be drawn up.

As mentioned before, this sector covers several different industrial branches. In addition to the above, participants may wish to advise and recommend actions to be taken by UNIDO and the countries themselves regarding some aspects of direct importance to the development of the agro-industries in developing countries such as:

- The need to develop local technologies and which type of pilot plants are required;
- Guidelines for the design and construction of food processing plants in developing countries, wherever feasible;
- Local production of equipment;
- Energy requirements;
- Better utilization of by-products;
- Training programmes designed for local needs either through existing training centres or from other developing countries;
- Action to be taken as far as fish processing is concerned since its major importance lies in covering part of the protein demand in developing countries;
- Difficulties in obtaining the necessary financial requirements to be allocated directly to the food-processing industry and ways and means of overcoming these actual difficulties;
- Finally, to contribute to a balanced regional development on the basis of a rational production structure with sectoral and inter-sectoral linkages, including the inputs to be provided by the packaging industry.

## 6. Innovative Approach

A general description of the main mutually supporting components which form the basis for promotion of UNIDO activities within the spectrum of economic co-operation among developing countries was given before.

Although there are some concrete examples of actions/programmes of co-operation among developing countries in the field of industry, there are on the one hand, a considerable number of factors and constraints, and on the other hand, it seems to be difficult to establish workable and results-oriented mechanisms for promoting ECDC.

Apart from the so-called traditional activities within the ECDC/TCDC context, namely fellowships, orientation visits and exchange of experience, UNIDO has established other mechanisms for increasing and strengthening effective co-operation among developing countries. Recently, as an example of co-operation in programmes and projects between two or more countries under trust fund arrangements, an agreement was concluded between China and Libya in December 1984, whereby it was agreed that Chinese manufacturing enterprises would provide, directly or through UNIDO, plant operation personnel, particularly in the field of iron and steel and petrochemical industries. This kind of approach could be easily adapted to the ECDC/TCDC activities in the field of agro-industry.

UNIDO decided to initiate, as a supplement to the Solidarity Meetings, another type of exercise, namely Round-Table Ministerial Meetings, which are organized on the basis of mutual benefit under the general guidelines of ECDC/TCDC, and on specific industrial sectors. These Round-Table Ministerial Meetings serve the purpose of overcoming some of the constraints of the programme of Solidarity Ministerial Meetings. If the areas of common interest for co-operation can be well identified, the developing countries



will participate in the meeting voluntarily and the follow-up of the agreements reached will be actively carried out by the co-operating partners themselves, with or without UNIDO's involvement. In organizing the meeting, full use of the experience gained in the Solidarity Ministerial Meetings and their advantages will be made available.

For the purpose of achieving maximum results, the following principal guidelines should be observed:

a) Solidarity and Mutual Assistance - The developing countries have a common desire to develop their national economy and to improve the living conditions of their people. They undertake common tasks to establish the New International Economic Order. The meeting should be guided by the spirit of solidarity among the developing countries. The participating countries should appreciate each other's needs and difficulties and try to help each other as much as possible.

b) Equality and Mutual Benefit - The co-operation will be based on equality and mutual benefit. This means that all the co-operating partners are equal and the co-operation activities should be beneficial to all. The co-operation should not be simply "give and take", but rather each party could benefit from the co-operation technically and/or financially. There are no simple donor countries and recipient countries. Each one will give something to others and at the same time, it will get something from others as well. If they co-operate commercially, the terms of the deal could be better than that with the developed countries.

c) Stress on Practical Results - The co-operation should be arranged on the real needs and capabilities of the co-operating countries. The co-operation should directly promote the development of the selected industrial sectors and bring practical results.

d) Diversity in Forms - The forms of co-operation should be very flexible. They could be exchange of experience, expertise and training opportunities, joint research and design, joint venture and multinational production enterprises among developing countries, etc. The diversity of conditions determines the different forms of co-operation. The form can be developed from simple to complex and from individual to comprehensive, depending on the wishes and conditions of the co-operating countries.

e) Orientation of Concrete Action and Projects - The meeting should be action-oriented and the co-operation should be project-wise. For this purpose, before the meeting, missions of consultant and/or staff member, to the potential co-operating countries are essential, to identify the possible projects of co-operation and to prepare the project portfolio for co-operation. It is not enough for the Ministerial Meeting to only adopt a declaration and programme of action, but it is more important to reach agreements on the specific co-operation projects, bilaterally and/or multilaterally, and to decide the concrete follow-up action.

This Round-Table Ministerial Meeting has been organized within the parameters referred to above. Others will follow, namely the Round-Table Ministerial Meeting on co-operation among developing countries in the field of agricultural machinery, scheduled to be held in China in 1986.

#### 7. Conclusion

The demand for increased food supplies is related both to population increase and income. This problem is of great importance to the developing countries where, after all, population growth is higher and income is lowest and in which large segments of the population are malnourished or actually hungry. Even with increased production and processing of food, the population growth quickly absorbs this increase and a disquieting paradox persists. The already well-fed people are able to expand their food production faster

than their requirements demand, whereas for the poorly fed people, the reverse is the case.

This situation is more acute in certain countries within the African continent, and no single or simple solution exists. Progress has to be organized in certain concurrent directions, such as:

- a) Increasing agricultural inputs;
- b) Making better use of existing food supplies;
- c) Strengthening research, agricultural services and rural institutions;
- d) Concerted expansion of international trade and foreign aid, and
- e) Creation and rational utilization of resources leading to a sound integral development of the agro-industry sector.

In view of the above, the question remains how this progress could be attained. When analyzing the situation in developing countries in this vital sector of agro-industry, it seems that ECDC/TCDC is a promising way out. The practical approach applied in the organization of this meeting will substantially promote ECDC/TCDC since a tangible outcome of this meeting is expected. The positive response given by developing countries to this initiative of UNIDO is an important element of the firm determination of developing countries of following a more pragmatic approach for the promotion of their economic and technical co-operation even with the actual constraints being faced by them, especially in those aspects where foreign currency is required to implement the projects agreed upon between themselves.

As is well-known, the 80's were declared the Industrial Development Decade for Africa on which UNIDO has a comprehensive programme. It is hoped that this exercise now undertaken by UNIDO, through these concrete programmes on solidarity and on a mutually beneficial basis among developing countries, will contribute to the outcome of concrete results, so that at the end of the decade, the 80's could be considered as the DECADE OF SOLIDARITY.

ANNEX I

EXAMPLES OF UNIDO PROJECTS IN THE FOOD INDUSTRY

1. Operational Projects

DP/CPR/82/005	National Cane Sugar Research Centre	\$ 507,833
DP/CUB/74/011	Centro de Desarrollo de Fermentaciones Industriales y Nutricion	\$ 869,163
DP/EGY/81/010	Sugar Cane Training and Development Centre	\$ 300,000
DP/ANG/82/022	Rehabilitation, Modernization and Expansion of the Food Processing Industry Programme Phase II	\$ 489,473
DP/ANG/84/009	Rehabilitation of Tomato Processing Plant	\$ 12,872
DP/MEX/82/015	Riesgo compartido productividad y cambio tecnologico en la cadena alimentaria	\$ 354,250
DP/MEX/82/016	Promocion y desarrollo de la agroindustria integrada	\$ 188,000

2. Pipeline Projects

DP/URT/xx/xxx	Development of the Agro-based (coconut) and rural industry in Zanzibar (solvent extraction)	\$ 894,800
UF/ETH/83/147	The preparation of a utilization scheme for slaughter-house by-products	\$ 135,600
xx/CPR/xx/xxx	Assistance to the extension and modernization of animal feed industry (Phase I - survey)	\$ 25,000
xx/CPR/xx/xxx	Assistance to the extension and modernization of animal feed industry (Phase II)	\$ 900,000
xx/CPR/xx/xxx	Assistance in the establishment of a pilot plant for extrusion cooking of food (cereals)	\$ 580,000
xx/CPR/xx/xxx	Assistance to the expansion and modernization of dairy industry (Phase I - survey)	\$ 30,000
xx/CPR/xx/xxx	Assistance to the expansion and modernization of dairy industry (Phase II)	\$ 1,000,000
DP/NIR/83/020	Preparatory assistance to define a project aimed at assisting in rehabilitation, modernization and expansion of selected existing agro-industries and establishing new ones	\$ 117,090
xx/NIR/xx/xxx	Integrated Food Industry Complex	\$ 2,000,000
DP/ANG/83/004	Rehabilitation, modernization and expansion of the food processing industry programme Phase III (with participation of the Federal Republic of Brazil)	\$ 1,297,600

DP/ZAM/84/xxx	Modernization and expansion of the Mwinilunga Pineapple Cannery	\$ 180,000
RP/ETH/84/xxx	Integrated agro-industry development for grape industrialization	\$ 6,492
xx/BEN/85/xxx	Techno-economic study on the agro-industrial complex d'ISSABA (in co-operation with the Government of Yugoslavia)	\$ 542,500
xx/SUD/85/xxx	Integrated agro-industry development for tomato and other fruit and vegetable industrialization (in co-operation with the Government of Yugoslavia)	\$ 30,000

3. Pipeline Projects Derived from Specific Co-operation with Yugoslavia<sup>1/</sup>

RP/RAF/83/003	Long-term programme of co-operation in the development of agro-industries in selected African LDCs (Ethiopia, Sudan, Guinea and Benin)
Sudan:	Integrated project for the production and processing of tomatoes: The project envisages the organization of the production of 30,000 to 36,000 tonnes of tomato and the processing into tomato paste ( 5,000 to 6,000 t/year). With a view to a better utilization of this industrial capacity, the processing of available fruit into pulp, juices and nectars is also anticipated.
Ethiopia:	Wine grape and wine production project: The project anticipates the growing of vineyards for the production of 12,000 to 15,000 tonnes of wine per year in the final stage.
Guinea:	Kolente agro-industrial complex: The project envisages the organization of the production of maize, soya bean, vegetables and tuberous plants on an area of approximately 3,000 ha (with irrigation or dry farming) as well as the construction of capacities for their processing (maize mill, fodder factory, silos, oil plant, seed treatment plant).
Benin:	Issaba agro-industrial complex: The project anticipates the production of maize (grain or silage), leguminous and tuberous plants and hay on an area of approximately 5,000 ha (with irrigation or dry farming) mostly for fodder and fattening of 2,500 milk cows, heifers and calves. Main products: milk (4 million litres per year) and 150 tonnes of meat.

<sup>1/</sup> Subject to the formal agreement of the Governments concerned, it is now proposed to carry out the feasibility studies for all four projects.

ANNEX II

EXAMPLES OF CO-OPERATION PROJECTS IN THE AGRO-INDUSTRY SECTOR  
DISCUSSED DURING THE SOLIDARITY MINISTERIAL MEETINGS

Technical and Industrial Training

Project alcohol, textile manufacture cotton waste mill, sisal manufacture, sugar factory, clay roofing common facilities centre (Tanzania/Brazil).

Prefeasibility, Feasibility and Market Studies

Training centre for textile industry (Sudan).  
Leather and leather industry (Sudan/Brazil).  
Quality control centre for textile industry (Sudan/India).  
Cattle feed and manufacturing project (Burkina Faso/Tunisia).

Consultancy and Expertise

Textile project, non-alcohol brewery, modernization of industrial plant processing (Sudan/Greece).

Technical and Industrial Training

Fertilizer-Urea production project (Rwanda/Algeria).

Establishment of Plants, Laboratories, etc.

Development of the cotton and textile industry through the supply of a full set of cotton spinning equipment (China/Nepal).

Establishment of a sugar mill (Pakistan/Bangladesh).

Establishment of a quality control and test laboratory in the food-processing industry (Yugoslavia/Afghanistan).

Establishment of a manioc processing plant (Brazil/Haiti).

Provision of a rice bran oil extraction plant (China/Bangladesh).

Several other projects are being initiated as a result of the commitments made by the participants at the Solidarity Meetings, such as the visit of the Rwandese Director for Agro-Industries to the Philippines to discuss possible co-operation in the implementation of two projects (ramie spinning and banana fibre processing), and the visit of five Chinese experts to Sana'a, Yemen Arab Republic, to implement the first stage of a project entitled "Consultancy services and executing the necessary changes to complete the oil factory which belongs to the Cotton Company at Hodeidah".

