



Chairman: Mr. Walter GUEVARA ARZE (Bolivia).

AGENDA ITEM 38

United Nations Industrial Development Organization:

(a) Report of the Industrial Development Board (continued) (A/8003 and Corr.1, chap. VI; A/8016, A/8066, A/8073 and Corr.1)

1. Mr. ARVESEN (Norway) recalled that his country had become a member of the Industrial Development Board in 1969 and intended to make a constructive contribution to its work. Since UNIDO had been established, different points of view had prevailed with regard to the role it should play within the United Nations system. In the early years member Governments had adopted a somewhat static approach to the question and it was therefore encouraging to note that attitudes were now becoming more dynamic. As the Executive Director had stated (1328th meeting), the time had come to take stock of UNIDO's early years and chart the path for future development. The Special International Conference could play an important part in that respect. Norway was in favour of holding the Conference, which should be convened during the first week of June 1971. His delegation hoped that it would contribute to the working out of new guidelines for future activity, thereby providing a sound basis on which the Industrial Development Board could continue to build.

2. His delegation endorsed the Executive Director's view that UNIDO should identify a number of limited areas of action in which international co-operation would be most effective. In its view, UNIDO's future work should be increasingly oriented towards operational activities arising from specific requests from developing countries. In particular, it hoped that UNIDO's capacity to act as an executing agency for UNDP projects would be strengthened.

3. His delegation attached considerable importance to the co-ordination of UNIDO's activities with the work of other organizations and wished to draw special attention to paragraph 319 of the report of the Industrial Development Board (A/8016). He supported the proposed increase in the number of industrial field advisers, though care should be taken to avoid duplication of the work of the subregional interdisciplinary advisory teams to be established under Economic and Social Council resolution 1552 (XLIX). He felt confident that the Secretary-General and the Executive Director would co-operate adequately for that purpose.

4. His delegation sincerely hoped that UNIDO would be given the opportunity to play a constructive part in the

Second United Nations Development Decade, thereby helping to achieve the goals and objectives set out in the International Development Strategy (General Assembly resolution 2626 (XXV)).

5. Mr. FERNÁNDEZ (Venezuela) agreed with the general principle that UNIDO's co-operation and technical assistance activities should be concentrated in the field, their principal goals being to improve the international competitiveness of the developing countries' export industries, to identify sectors of special interest for industrial development and to train experts. Due attention should also be paid to the guidelines laid down in the International Development Strategy. UNIDO had encountered difficulties in taking part in the preparatory work for the Second United Nations Development Decade, but rightly intended to play a more active role in the future.

6. In connexion with export promotion and the creation of export-oriented industries, his delegation attached great importance to co-operation with the UNCTAD/GATT International Trade Centre, the regional economic commissions and other organizations, with a view to carrying out multinational industrial projects. He therefore welcomed the introduction of joint planning and the pooling of resources between UNIDO and other Members of the United Nations. He was also pleased to note the progress made in harmonizing activities with the regional economic commissions and the United Nations Economic and Social Office in Beirut, which helped to achieve not only greater co-ordination but more effective use of available resources. While on the subject of regional problems, he drew attention to the fact that Latin America's share in UNIDO's technical co-operation activities was unsatisfactory and called for rapid improvement. He welcomed the UNIDO-UNCTAD studies on export-oriented industries, the products of which could benefit under the general system of preferences. Studies of that subject should be strengthened in the future.

7. Since UNIDO's financial resources were inadequate, they should be concentrated on operational activities and supporting services, as stated in paragraph 331 of the report of the Industrial Development Board. The ratio of operational activities to resources could be improved and an effort should be made to expand UNIDO's role as executing agency for UNDP projects. The role of the industrial field advisers would be of increasing importance with the introduction by UNDP of country programming procedures. He felt sure that UNDP could provide the necessary resources for increasing the number of such advisers. A further important aspect of UNIDO's activities was the transfer of technological know-how to the developing countries. In that connexion he agreed with the Executive

Director's view that UNIDO should serve as an intermediary. It was important to improve and expand multinational industrial research centres.

8. His delegation supported the proposed Special International Conference, which should provide an opportunity for deciding on UNIDO's role in the Second United Nations Development Decade, and was in favour of holding it during the period May/June 1971. He expressed interest in the proposal to convene periodic meetings of all UNIDO's members, but thought that further study of the question was needed.

9. His country had reached a decisive stage in its industrial development and was seeking to set up new industries with a view to diversifying its exports. In order to ensure their international competitiveness with regard to price, quality and productivity, his Government was drawing up a five-year plan. A UNIDO mission had visited Venezuela and helped to prepare a provisional programme of technical assistance, for which his Government wished to thank the organization. He suggested that UNIDO should study the possibility of including among its priorities industrial projects relating to the use of non-renewable natural resources.

10. Mr. FRANZÍ (Italy), after recalling his country's support for the establishment of UNIDO, suggested that the time had come for a critical examination of the results which had been achieved. That would be one of the essential tasks of the Special International Conference, which should give fresh impetus to UNIDO and suggest ways in which it could most effectively participate in the International Development Strategy. UNIDO's responsibilities were vast, since industrial development was directly or indirectly linked with almost all of a country's activities. Its primary responsibility should therefore be to draw up an order of priorities, taking into account both financial and manpower resources. The Executive Director had rightly stressed the need to identify a number of limited areas of action in which international co-operation would be most effective.

11. Italy had shown its interest in UNIDO by vigorously supporting an increase in the United Nations regular budget for technical assistance, by frequently encouraging UNDP to increase its technical assistance and pre-investment projects, which UNIDO would execute, and by supporting the idea that UNIDO should have its own financial resources. For 1969 and 1970 it had offered annual contributions of \$300,000 and would probably pledge the same amount for 1971. In addition, Italy had provided UNIDO with technicians and had organized training courses, seminars and visits. Its collaboration, at governmental level and through public and private industry, was of particular value in that Italy had recently passed through the stage of development in which the developing countries of Asia, Africa and Latin America, as well as certain European countries, now found themselves. Its technicians were therefore well aware of the problems of the developing world, a fact borne out by the success of Italy's bilateral agreements with countries of the third world.

12. He welcomed the increasingly effective collaboration between UNIDO and the specialized agencies and regional organizations. Such collaboration was particularly impor-

tant at a time when the UNCTAD Special Committee on Preferences had just completed its work and tariff measures were about to be adopted which might have a considerable influence on manufactures and semi-manufactures from the developing countries. Concerted action by UNIDO, UNCTAD and the UNCTAD-GATT International Trade Centre was particularly important.

13. He noted that UNIDO's activities in Latin America were at a lower level than in other continents. Furthermore, the programme which the UNDP Administrator was about to submit to the Governing Council at its eleventh session contained no pre-investment project, for execution by UNIDO, in a Latin American country.

14. The recruitment of experts was mainly limited to nationals of the industrial countries. It should be borne in mind that qualified technicians were in short supply and were rarely willing to abandon their jobs. He therefore wished to suggest that UNIDO consider making direct approaches to industrial enterprises.

15. He appealed once again to UNIDO to avoid becoming an unwieldy mechanism which would try to perform every function itself. It should remain flexible, continue to use the services of competent outside bodies and take care not to copy other United Nations organizations which, by trying to execute technical assistance or pre-investment projects directly, had held them up for many years.

16. He had doubts about the usefulness of sending representatives to frequent meetings on co-ordination. It would be more effective and economical to concentrate on basic studies and to give more precise directives to experts within the framework of the country programming procedures that UNDP was about to introduce.

17. Mr. NICULESCU (Romania) welcomed the evidence, contained in the report of the Industrial Development Board, of the progress UNIDO had achieved in operational activities and research. The organization was on the way to becoming a genuine instrument of international co-operation in the field of industrial development. Operational activities had expanded steadily every year in order to meet the immediate practical needs of the developing countries. They should be further encouraged in the future, since one of UNIDO's fundamental tasks was to promote international co-operation in the field of industrial development and to support the industrialization efforts of the developing countries. New ground had been broken with the Special Industrial Services programme and the system of industrial field advisers. His delegation considered that the Special Industrial Services programme should be consolidated and its effectiveness increased by adapting it to the needs of the beneficiary countries.

18. Considerable progress had been achieved in establishing collaboration with other bodies, in particular UNDP, UNCTAD, the specialized agencies and the regional economic commissions. The links with those bodies should be further developed, particularly at the regional level, with a view to increasing the effectiveness of programmes and concentrating them on priority areas.

19. On the subject of priorities, his delegation believed that special attention should be paid to the development of heavy industry and industrial research centres to facilitate

the transfer of industrial knowledge and skills. In addition, work on the application of modern science and technology to industrial development should be intensified. The experience of many countries, including his own, showed the importance of promoting new forms of industrial co-operation, which had an increasingly important part to play in relations between States regardless of their level of economic development or their social and political systems. The meeting of experts on industrial co-operation between developed and developing countries, held at Bucharest in July 1970, had brought out the importance of such activities. UNIDO should also attach high priority to achieving the targets set forth in the International Development Strategy for the Second United Nations Development Decade.

20. One of the tasks facing UNIDO was to identify the areas of action in which international co-operation would be most effective. In that respect, his delegation believed that the Special International Conference could give the organization fresh impetus and increase its effectiveness. In order to achieve those goals, steps would have to be taken to ensure that all countries concerned with the promotion of international co-operation in industrial development were able to participate.

21. His delegation wished to express its gratitude to UNIDO for its support of Romania's efforts to repair the damage done to its economy by recent natural disasters. His Government intended to continue to develop and diversify its collaboration with UNIDO, particularly in the field of exchanges of experience and expert meetings on industrial development.

22. Mr. ZAINAL (Malaysia) said that although UNIDO had made considerable progress much still remained to be done. The developing countries all agreed on the need for industrialization to accelerate economic growth, but as the problems varied from one developing country to another, there could be no single ideal solution. Yet for all countries successful development depended on balanced growth of the various economic sectors.

23. Enthusiasm for industrialization must not lead to neglect of the agricultural sector. Industrialization was not an end in itself, but a means to an end. More serious consideration should be given to industrialization based on agriculture and industrialization based on local raw materials, since most developing countries were still mainly suppliers of agricultural products or raw materials to the developed parts of the world. Preference should be given to labour-intensive method rather than large-scale mechanization. In addition to employing more people, that type of industrialization could also give the people a greater sense of satisfaction in participating personally in the development of their country. In other words, industries should be established in the light of the material and human resources of the developing country. The aim should be to produce for foreign markets goods that could be made from local raw materials by local labour, and thus earn much needed foreign exchange. Industrial policy should also be aimed at achieving the social objectives of the Governments, and above all providing employment.

24. He was glad that UNIDO was concentrating on operational activities, and particularly welcomed the pro-

posed expansion of the industrial field advisers. Operational activities could only be successful with a good team in the field who were aware of the particular requirements of a given developing country. UNIDO should avoid a top-heavy administration, since, although planners and policy-makers were needed, the success of their efforts depended upon the operational staff in the field.

25. He was happy to learn of the bilateral arrangements that had been concluded between UNIDO and a number of other organizations, and that the intention was to conclude similar arrangements with other international bodies and with the regional economic commissions. Considerable work had already been done on those lines, as in the case of the Asian Industrial Development Council. He welcomed UNIDO's co-operation in the Second Asian Industrialization Conference held at Tokyo in September 1970 under the auspices of ECAFE. The Conference had adopted a declaration calling on the member nations of ECAFE to regard the Second United Nations Development Decade as a decade of development of regional co-operation for Asian industrialization.

26. When resources were limited, duplication and waste must be avoided. Consequently his delegation attached importance to feasibility studies and pilot projects as a means of preventing waste. The industrial field advisers could do valuable work by assisting Governments in the better preparation and selection of projects. Perhaps the financial bodies to be associated with a given project might also be involved in the preparation of the feasibility studies; that might save work for them at a later stage. Malaysia welcomed the close relations being developed by UNIDO with financial organizations.

27. The training of staff for industrial development was vital, and it should extend to all levels. It should also be accompanied by education and research activities. There was an urgent need for trained manpower, and one way of solving the problem was for the developing countries to enter into joint ventures with developed countries in establishing new industries. That method provided greater facilities for the training of local staff. UNIDO had an important role to play in helping Governments to overcome their difficulties in that respect.

28. UNIDO could also usefully expand its advisory role in industrial and foreign investment policy, to ensure not only a balanced growth of the industrial sector, but also a balanced dispersal of industries throughout the country. With respect to foreign investment policy, he wished to express Malaysia's appreciation of the meeting held in Manila in September 1970 under the joint auspices of UNIDO and ECAFE. It was the third in a series of meetings organized by UNIDO in co-operation with other United Nations bodies to help the developing countries attract the foreign resources they needed for their industrial growth. It was hoped that UNIDO could further expand its work in thus mobilizing new resources from the industrial countries. It went without saying that UNIDO must always work within the context of the development plans and priorities of the developing countries.

29. The Government of Malaysia had recently drawn up a new strategy to accelerate its industrialization programme.

The Government had identified feasible projects and mounted a promotion drive to mobilize both local and foreign capital. In addition, it would take initiatives in industrialization and, if necessary, would participate in the establishment of industries either by itself, or in joint ventures with the private sector, both local and foreign.

30. Malaysia looked forward to the holding of the Special International Conference of UNIDO in 1971. It would be a useful occasion for outlining UNIDO's long-term strategy in the light of the growing industrialization needs of the developing countries.

31. Mr. PANIGRAHI (India) said that, although there were some grounds for satisfaction in the report on the work of the fourth session of the Industrial Development Board, there were limitations in resources, procedures and manpower that had prevented UNIDO from working to full capacity. The most significant decision taken at the fourth session of the Board had been the adoption of resolution 29 (IV) recommending that a special conference of UNIDO should be convened at the highest possible level of governmental representation in 1971. The conference should serve the useful purpose of focusing international attention on problems of industrial development on the eve of the Second United Nations Development Decade. It should make a significant contribution to working out in operational terms the policy measures for industrial development defined in the International Development Strategy, and give guidance in their implementation. India therefore supported the proposed agenda for the Conference, and the dates suggested, namely, from 1 to 8 June 1971. He hoped that the General Assembly would convene the Conference; if so, it would have the full support and participation of the Government of India.

32. The Secretary-General had recognized in his statement at the fourth session of the Industrial Development Board that UNIDO's natural resources were modest in relation to its mandate (see A/8016, para. 14); he had rightly suggested on that occasion that UNIDO should gain increasing support through imaginative projects, good management and successful achievements. However, India considered that the success of projects and their imaginative management depended not only on their conception, but also on their viability and implementation, and that in turn depended on the active co-operation of member States in UNIDO's activities. For that, countries must be willing to accept the need for integrated multilateral action for industrial development.

33. The developing countries needed little persuasion in that respect; they were aware that 80 per cent of the total world production of manufactures came from eleven countries, and only three of those countries were responsible for 60 per cent of world output. All countries, especially the advanced countries, must recognize the need to remedy that imbalance. The alternative was a growing economic gap that could only lead to chaos and political conflict. India therefore advocated the allocation of a larger share of UNDP resources for UNIDO operations, and also that the Special Industrial Services should be given the maximum possible resources. He hoped that more countries would pledge a direct contribution to UNIDO for 1971.

34. UNIDO had made considerable progress over the past four years through sound organization of the work of the secretariat and of the Industrial Development Board. The Working Group on Programme and Co-ordination had done most useful work in analysing, reviewing and advising UNIDO's work programme from year to year, which had enabled the Board to give clear policy directives governing UNIDO's activities. The deliberations of the Working Group had helped the member States of UNIDO to discuss programmes and policies in a realistic manner without unnecessary polemics. India therefore endorsed the decision of the Industrial Development Board to maintain the Working Group, and did not consider that any additional machinery was needed to assist the Board in its work.

35. It had been suggested at the fourth session of the Industrial Development Board that one reason why UNIDO had been functioning below full operational capacity had been the lack of country requests for projects. India considered that faster industrial development in the developing countries would be possible only if UNIDO made member countries aware of their industrial potential, and the member countries responded by making specific requests for UNIDO's assistance. India supported resolution 26 (IV) of the Board, and endorsed the action taken by UNIDO to adopt country programming procedures, long-term formulation of programmes and long-term budgetary projections.

36. It was satisfactory that UNIDO had been making co-operative arrangements with other international organizations, the regional economic commissions, financial organizations, and the specialized agencies in order to carry out its central co-ordinating role in industrial activities. India sympathized with the view of the Executive Director that UNIDO had not yet been given full authority to fulfil its mandate in co-ordinating multilateral activities for industrial development in the United Nations system, and endorsed Industrial Development Board resolution 27 (IV) on that question. However, that did not mean that there should be any duplication by UNIDO of industrial development activities already being carried out by other bodies, particularly UNCTAD. Moreover, UNIDO's central co-ordinating role should be so performed as to ensure that the industrial development work of other bodies was not dislocated.

37. India also supported resolution 28 (IV) of the Board, believing that UNIDO should be an action-oriented organization, rather than a mere disseminator of industrial information. UNIDO's achievements were not yet up to the expectations of the developing countries, but the suggestions in resolution 28 (IV) would go far to remedy the situation.

38. India would expect the Special International Conference on industrial development to deal with the International Development Strategy with special reference to industrial programmes during the Second United Nations Development Decade, the financing of multilateral activities for industrial development, and structural reforms in the United Nations bodies engaged in industrial development activities. The Conference should also undertake an evaluation of UNIDO's activities up to 1971, and should chart its future course of action during the 1970s.

39. India took an active interest in UNIDO; it had organized a high-powered national committee for UNIDO comprising representatives from Government, commerce and industry, with the Union Minister for Industrial Development and Internal Trade as its Chairman. Thus far India had pledged contributions to UNIDO totalling \$100,000. Indian industrialists and technicians had participated in UNIDO seminars and expert panels, which had been of considerable benefit to the participating countries. India had taken a special interest in UNIDO's promotional activities as a means of accelerating industrial co-operation not only between the advanced and developing countries, but also among the developing countries themselves. India had also received expert groups and study teams sponsored by UNIDO who had studied specific areas of industrial development in India. Such visits gave an impetus to multilateral and bilateral co-operation for industrial development. India would continue to co-operate actively with UNIDO in the coming years and contribute to its resources.

40. The essential conditions for UNIDO's future success were an assurance of the flow of resources for its activities and the gradual evolution of independent sources of finance for its operations; the expansion of its activities with adequate support from UNDP, and in particular, an increase in the number of UNIDO's field advisers at the regional and subregional levels; and the evolution of co-operative arrangements with important specialized agencies concerned with industrial development activities, so that UNIDO could play its part without jurisdictional confusion. India would support any draft resolution to strengthen UNIDO in carrying out its proper role in industrial development, and such a resolution would be particularly appropriate at the beginning of the Second United Nations Development Decade.

41. Mr. LOUYA (Democratic Republic of the Congo) said his delegation had great confidence in the efforts of the Executive Director and his staff to make UNIDO's activities more effective. It was regrettable that in an era of immense scientific, economic and technical progress the level of industrialization in most developing countries was far from satisfactory. The average annual growth rate of industry in the developing countries had remained for a number of years at 7 per cent, and they produced only 5 per cent of the world total production of manufactured articles.

42. Only industrialization would permit the developing countries to close the gap between them and the developed countries and thus to escape from their chronic poverty. His delegation believed that UNIDO, with the assistance of the other organizations such as UNCTAD, UNDP, the ILO, FAO and UNESCO, could facilitate co-operation between industrialized and developing countries. For industrial progress to become really significant during the 1970s, it was essential that both of those groups should make serious efforts to co-ordinate their activities, and UNIDO would be called upon to fulfil a role of liaison not only between countries, but also between international organizations.

43. His delegation therefore welcomed the measures taken by the Industrial Development Board to increase UNIDO's activities relative to investment, co-ordination and the training of technical personnel in the developing countries. Priority should be given during the Second United Nations

Development Decade to the development of heavy industry, the establishment of industrial research centres and the promotion of the transfer of scientific and technical knowledge, since those were the areas in which the needs of the developing countries were greatest. UNIDO should also assist the Governments of the developing countries in formulating industrialization policies and preparing long-term scientific plans and programmes for industrial development.

44. UNIDO's role in the Second Development Decade would be of primary importance, and it was essential that it should enjoy sufficient resources for that task. Requests for assistance were increasing and areas of activity were becoming more numerous. It was highly probable that certain projects involving the mechanical and export industries would in future become the subject of requests for assistance. The time had come for the industrialized countries to share their vast financial and technical resources with the remaining two thirds of mankind.

45. His delegation supported resolution 29 (IV) of the Industrial Development Board; the Special International Conference referred to in the resolution would give a new impetus to UNIDO's activities during the Second Development Decade.

46. Mr. KAMAL (Pakistan) said that, despite obstacles, UNIDO had succeeded in four short years in developing a well-consolidated work programme. It was playing an important co-ordinating role and its supporting activities in the industrial field had grown rapidly with the increase of voluntary contributions. There had been steady expansion in the Special Industrial Services programme and the system of industrial field advisers. Pakistan particularly appreciated UNIDO's activities in industrial promotion and in investment promotion through closer ties with the sources of financing.

47. Nevertheless, progress must be regarded as less significant when compared with the magnitude of the problems facing the developing countries; in view of the growing gap between rich and poor countries, the impact of the technological revolution, and the effort to attain the objectives of the International Development Strategy, it was clear that UNIDO's activities fell far short of the requirements. The Executive Director had recognized that in his statement at the 1328th meeting.

48. It was essential that UNIDO should be made much more effective so that it could respond to the growing needs of the developing countries. First and foremost, its financial position must be strengthened, and optimum use must be made of its resources. Obviously its efficiency was impaired because its budget had to be approved by a number of different sources. If its work programme was to have sufficient long-term impact and expand in order to meet the increasing needs of the developing countries, UNIDO must have sufficient control over its financial resources. Pakistan strongly supported a substantial increase in the present level of its resources under the regular programme of technical assistance, which had remained at \$1.5 million for the preceding three years. He appealed to all members of UNIDO to increase their direct contributions. Pakistan noted with appreciation the growing

range of activities financed by UNIDO through its own resources, and the increasing emphasis on operational and promotional activities. Pakistan strongly endorsed resolution 28 (IV) of the Industrial Development Board and felt that UNIDO's finances from all sources should be augmented. The time had come for full acceptance of UNIDO as an international organization in industrial development.

49. He was pleased that UNIDO had been able to expand and consolidate its activities in all fields and did not consider that its programmes were fragmented; projects generally reflected priorities that had been carefully thought out by the Governments of developing countries. He welcomed the idea of long-range programming of technical assistance in co-operation with the countries concerned.

50. Special attention should be given to ensuring fuller use of industrial capacity in the developing countries, particularly in engineering. Pakistan was particularly interested in light industries, especially cotton textiles, and had submitted a project request to UNDP for establishing a centre for the reorganization of that industry in Pakistan. UNIDO should pay more attention to the promotion of export-oriented industries, above all by helping them to compete in world markets.

51. UNIDO's work in industrial promotion and the promotion of industrial financing was particularly appreciated, and the results of the industrial promotion services at the Budapest International Fair organized in 1969 and the Second Asian International Trade Fair at Teheran in the same year had been most encouraging. The Asian Industrial Investment Promotion Meeting which had been held in Manila in September 1970 had been most useful, and he thought UNIDO's funds should be increased to enable it to expand such activities.

52. UNIDO had been active in its co-ordinating role in the United Nations system. It should strengthen its ties with international agencies and regional bodies. There was a useful programme for regional industrial co-operation between Pakistan, Iran and Turkey, and the Executive Director had rightly suggested that the contributions of the developing countries themselves could be effectively used to promote such co-operation.

53. He hoped that in the changes taking place in UNDP there would be due allowance for UNIDO's operational programme, and that it would remain flexible enough to meet the changing needs of developing countries.

54. Pakistan had been one of the sponsors of resolution 28 (IV) of the Board, calling for a special international conference of UNIDO in 1971. He was glad that most countries supported the proposal to hold the Conference in June. It would be a turning point in the evolution of UNIDO into an independent body in the field of industrial development. In view of the new priorities for the Second United Nations Development Decade, and the catalytic importance of industry, UNIDO's significant progress during its first four years should be recognized by the further strengthening of that organization. Pakistan fully endorsed the agenda for the Conference.

55. Mr. BRADLEY (Argentina) said that in the four years since its establishment UNIDO had passed through its growth stage and was now ready to confront the coming decade with a capacity for carrying out the very important tasks allotted to it under the International Development Strategy. A number of imaginative suggestions had been made during the discussions, and the greatest stress had been placed on UNIDO's task in the field of industrial development through direct assistance to Member States and to the resident representatives of UNDP, both in the preparation and in the implementation of projects.

56. His Government attached great importance to Special Industrial Services and to the transfer of technology in the manufacturing and processing industries. The number of industrial advisers should be increased to the greatest extent possible, particularly in view of the new country programming approach of UNDP. It should be possible to have a group of advisers for subregions of not more than three or four countries, and, where necessary, even in one country. Every effort must be made to provide UNIDO with the financial resources necessary for the achievement of that goal.

57. His delegation supported the proposal to hold a special international conference in 1971, and hoped that the preparation of its agenda and programme of activities would come up to the high expectations of the international community.

58. His delegation hoped that at the Pledging Conference, which would be held on 10 November, the highly industrialized countries would contribute to the maximum extent possible, in an effort to meet not only the needs of UNIDO itself but the concern of the developing countries to achieve more rapid and sustained growth leading to balanced economic development.

59. Mr. PEAL (Liberia) welcomed UNIDO's achievements in the short period of its existence, especially against the background of scepticism in certain important quarters which had attended its establishment and still continued to affect it. The report of the Industrial Development Board before the Committee constituted a cry for help which should be received with sympathy and concern. Since its establishment UNIDO had been faced, on the one hand, with constant demands to expand and diversify its activities, and, on the other hand, with a lack of both the funds and the authority essential if those demands were to be met.

60. To the developing countries, UNIDO was a symbol of one of their most urgent aspirations in the field of aid, and a reassurance that the hope of having that aspiration fulfilled remained alive. UNIDO must therefore expand its industrial field adviser programme, assist in identifying projects worthy of international co-operation, in the transfer of technology, and establish machinery to review and evaluate progress in the context of the International Development Strategy.

61. In view of the financial situation, the anxieties as to the future expressed in the report of the Board were entirely natural, as was the doubt concerning the attitudes of the technological, business and industrial centres of the

advanced countries towards UNIDO's programmes and activities. Those programmes and activities should be reviewed at regular intervals, at least once a year, and such review was even more desirable because the structure of the entire United Nations development system was currently being examined and the implementation of the International Development Strategy was about to begin.

62. His delegation therefore welcomed the convening of a special conference in 1971, and was prepared to support any resolution which would provide UNIDO with the resources, programme and flexibility which would enable it to fulfil its vital assignment in assisting the industrialization of developing countries.

63. Mr. PASHKEVICH (Byelorussian Soviet Socialist Republic) said it was generally accepted that UNIDO played an essential role in the United Nations system through its assistance to the developing countries in drawing up and implementing industrialization policies, as a necessary condition for the attainment of high rates of economic and social development which would assure them an appropriate place in the international division of labour and safeguard their national independence.

64. His delegation welcomed the useful work performed by UNIDO, in particular the results achieved by the Industrial Technology Division. The assistance given to the developing countries in the production of agricultural machinery and the organization of repair services was particularly praiseworthy. However, UNIDO should pay greater attention to the development of those branches of industry in the developing countries which afforded a firm basis for economic development, such as engineering, metallurgy and the chemical industry.

65. The meetings of experts for the exchange of experience in industrialization had undoubtedly been valuable in the training of national technical staff in the developing countries, as had the holding of training programmes attended by 144 fellowship holders. The organization by certain countries of in-plant training programmes for personnel from the developing countries was particularly useful.

66. His delegation believed that UNIDO should intensify its research and operational activities and should give more assistance to the developing countries in building industrial pilot plants, preparing intermediate and senior national personnel, and providing vocational and technical training in trades. Its role in attracting foreign private capital to the developing countries should not impair its basic functions, and should be subject to the proviso that such capital would assist in the achievement of national development plans. It would be useful if the developing countries could comment on the utility of the reports published by UNIDO, and make recommendations on how they could be improved. UNIDO could also be used as a clearing house for information from national institutions on problems of interest to the developing countries. The Soviet Union had taken the initiative of holding courses to train specialists in documentation for the developing countries.

67. UNIDO had made some progress in co-ordination with other organizations in the United Nations system. The

agreement between UNIDO and FAO was particularly welcome, and every effort should be made to ensure that it was put into practice. His delegation would welcome further steps by UNIDO to strengthen its co-operation with UNCTAD, the ILO, UNESCO and other intergovernmental and non-governmental organizations concerned with problems of industrialization. UNIDO should also pay greater attention to co-ordination at the country level, in particular in connexion with the restructuring of UNDP's activities, not as an end in itself, but as a means of improving activities and making more rational use of the limited resources available. His delegation welcomed the useful work done by the Working Group on Programme and Co-ordination, which made a number of recommendations aimed at improving all areas of UNIDO's activity. UNIDO should also make every effort to comply with the recommendations of the Committee for Programme and Co-ordination of the Economic and Social Council.

68. His delegation noted the increasing number of UNDP projects for which UNIDO acted as executing agency. That trend should be strengthened and continued, and UNDP should in its turn provide more funds for projects directly related to the development of specific branches of industry in the developing countries. A scientifically organized industrialization programme taking into account the individual characteristics of countries should be drawn up to serve as the basis for long-term planning of the activities of UNIDO and other organizations involved in the industrialization process. Long-term programming would make it possible to use the limited resources of UNIDO and the other organizations more effectively, avoiding waste and overlapping.

69. His delegation shared the view of the Executive Director that UNIDO should establish the priorities in its programme on the basis of the desires of countries requesting assistance. UNIDO should make use of the experience of all countries in training personnel, providing advice and implementing projects. In that connexion, UNIDO's staffing policy was of decisive importance; it should pay greater attention to the principle of equitable geographical distribution with regard to consultants, experts and secretariat staff, and should also increase the number of countries sub-contracting for the provision of equipment and the conduct of research work. The specialists and organizations of the socialist countries and of developing countries themselves should not be forgotten. The Secretary-General had rightly postponed a decision concerning an increase in the staff of UNIDO's secretariat until the results of the Survey of Manpower Utilization and Deployment were available; a mechanical increase in staff did not always lead to increased efficiency, especially where administrative staff were concerned.

70. His delegation would not object to the holding of a special conference in 1971, but wished to stress that it could fill the high hopes placed in it only if it was carefully prepared and the specific questions with which it would deal were decided upon beforehand. One condition for success would be an invitation to the German Democratic Republic to attend the Conference and its acceptance as a member of UNIDO.

71. Mr. ISAKSEN (Denmark) said that co-ordination problems were bound to arise when a general organ to deal

with industrialization was created within a system of organizations some of which were already dealing with certain aspects of industrial development. General Assembly resolution 2152 (XXI) had assigned to UNIDO the central role for co-ordinating all activities of the United Nations system in the field of industrialization. His delegation noted with satisfaction that UNIDO had concluded agreements for co-operation with all the regional economic commissions, with several specialized agencies and with UNCTAD. It was to be hoped that those agreements would prevent duplication of work and serve as a basis for an integrated approach to all United Nations operations related to industrial development.

72. The time had come for UNIDO to evolve a set of priorities in order to avoid dispersion and fragmentation of its activities. He was glad the Executive Director agreed with that view. UNIDO should concentrate increasingly on field activities, since there would be an increasing demand for its services under the procedures for country programming established by the Governing Council of UNDP at its tenth session (see E/4884/Rev.1, para. 94). Paragraph 9 of the Governing Council's consensus, annexed to its decision, stated that in the process of country programming, efforts should be made at all levels to co-ordinate all sources of assistance in the United Nations system, with a view to achieving integration of the assistance at the country level. In his Government's view, the Industrial Development Board should at its fifth session examine the measures to be taken to adapt its activities to that decision.

73. Skilled manpower and trained industrial cadres were important prerequisites for accelerated industrialization, and his delegation therefore fully recognized the importance of regional seminars and in-plant training programmes. Denmark had for several years co-operated with UNIDO in that field, and wished to continue such co-operation.

74. His delegation would have preferred the Special International Conference to have been convened late in 1971, to allow time for careful preparation, but was prepared to accept the view of the majority that an earlier date would be appropriate.

75. Mr. AYOUB (Tunisia) said that in 1969 his delegation had had some doubts with regard to the results which might be achieved from holding the conference in 1971, but in view of the care with which the Industrial Development Board had discussed the question, its doubts were resolved. The initiative of establishing an Advisory Committee for the Conference gave grounds for hope that everything would be done to ensure its success. Discussions should deal with specific rather than general questions. The Conference could be successful only if an effort was made to begin to implement the commitments assumed in the context of the International Development Strategy. The occasion would constitute a test of the political will shown recently by both developed and developing countries to make concerted efforts for development. The agenda of the Conference, as set out in paragraph 2 of resolution 29 (IV) of the Board, was extremely important, especially items I and III, which were closely linked, since there could be no discussion of long-range strategy and orientation without

considering questions of financing; his delegation therefore hoped that greater financial resources would be placed at UNIDO's disposal.

76. His delegation was particularly interested in UNIDO's activities for the promotion of industrial investment. Developing countries often encountered difficulties in finding adequate sources of investment for projects of great technical validity. The experiment which had been undertaken on both a regional and a national scale should be continued, since it was often the only way in which those requesting and those providing funds could be brought together within a short period.

77. His delegation was prepared to support any draft resolution accepting the Executive Director's recommendations with regard to the Special International Conference.

78. Mr. SKATARETIKO (Yugoslavia) said that UNIDO's activities, especially during the Second United Nations Development Decade, would be decisive in the achievement of a timely and effective solution to the problems relating to the accelerated industrialization of the developing countries. The Executive Director had stated (1328th meeting) that UNIDO would give priority to the requests of developing countries for the preparation of their industrialization plans and projects, and to the formulation of policy measures and instruments for reviewing progress in the implementation of the International Development Strategy. His delegation welcomed UNIDO's efforts to extend advice, conduct operational activities and engage in studies and research programmes. It supported the proposal that the first item of the Special International Conference to be held in 1971 would deal with that important aspect of its work.

79. The reports of the Board of Auditors of the United Nations (A/8007 and Add.1-5) and of the Administrative Management Service showed that UNIDO's organization and structure were adequate; nevertheless, flexibility must be maintained in order to meet changing programme requirements. To meet the increasing need for accelerated industrial development during the Second Development Decade, UNIDO would be faced with a need for organizational adaptation and above all with the problem of providing substantially increased resources. It was regrettable that UNIDO continued to be financed from various sources, since that had contributed to the disparity between needs and budget possibilities, and his delegation accordingly hoped that the Pledging Conference, which would be held on 10 November, would be more successful than in the past and that greater readiness would be shown to approach more meaningfully the target of increasing the industrialization and growth of manufacturing output in developing countries by 8 per cent annually during the Second Development Decade. Those issues should be discussed in greater detail at the Special International Conference.

80. It was generally agreed that UNIDO's most effective contribution to the industrialization of the developing countries would be to further strengthen its operational activities. His delegation was in favour of extending the programme of activities involving fellowships and equipment, and therefore fully supported Industrial Development Board resolution 28 (IV), as well as UNIDO's efforts

to identify the most important areas of international co-operation and to evolve instruments to promote such co-operation. UNIDO should also devote special attention to formulating appropriate measures for the transfer of contemporary technology to the developing countries and its adaptation to their industrialization needs, and should extend the maximum assistance to the developing countries on an individual basis, as well as to actions on the regional and global levels.

81. His delegation attached particular importance to the proposal to convene a special international conference of UNIDO in 1971. The date set was extremely auspicious, since the Conference would be one of the first steps in the implementation of the International Development Strategy. His delegation attached great importance to resolution 29 (IV) of the Industrial Development Board. The Confer-

ence should concentrate on a limited number of questions of exceptional importance both to the future of UNIDO and to the industrialization of the developing countries.

82. With regard to the organizational adaptation of UNIDO to meet future tasks, especially useful proposals had been made at the 1328th meeting by the representatives of the Philippines and Brazil. Since the current organizational structure of UNIDO was that accepted by the developed countries in 1966, much would depend upon their willingness to accept changes which would enable it to fulfil the tasks devolving upon it as the result of the adoption of the International Development Strategy for the Second United Nations Development Decade.

The meeting rose at 1.20 p.m.